



TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 17

Mission Statement

Bylaws

Code of Ethics & Values/Ethics Policy

Service Rules & Policies

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Mission

To provide the District with an adequate supply of safe, potable water, and to ensure the fiscally sound, environmentally responsible development and management of water resources and wastewater facilities.

BYLAWS OF THE BOARD OF DIRECTORS
OF
TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17

I. AUTHORITY

All functions and actions of the Board of Directors shall be conducted in accordance with applicable provisions of the Texas Water Code, the Texas Administrative Code, the Texas Open Meetings Act (Government Code Chapter 551), and any other applicable state statute or agency regulation.

II. MISSION AND GOALS

A. Mission

The following is the mission of Travis County Water Control and Improvement District No. 17 (the “District” or “WCID17”):

To provide the District with an adequate supply of safe, potable water, and to ensure the fiscally sound, environmentally responsible development and management of water resources and wastewater facilities.

B. Goals

The following are the overall goals of the District Board of Directors:

- Provide safe, reliable, economical water service to all areas of the District.
- Protect the water quality and environment of Lake Travis.
- Implement effective water conservation programs.
- Establish effective reliable emergency and contingency plans for the continuation of services.
- Develop a workable plan for WCID17 Management of commitments and orderly development of the District’s Systems.
- Establish legal, reasonable, equitable, and enforceable District policies in support of mission objectives.

III. RESPONSIBILITIES

A. General

The Board of Directors will manage and control all of the affairs of the District. The Board is endowed with all powers, authority, and rights that permit it to accomplish its statutory purposes which include water supply, wastewater treatment, stormwater control, irrigation, and protection and preservation of water resources. The Board is responsible for defining objectives, setting policy, and providing management oversight over all aspects of District operations.

B. Policy

The Board will establish the policy for the governance of the District after considering the General Manager's recommendations.

C. Hiring and Evaluating Personnel

The Board will, upon recommendation of the General Manager, employ professional personnel in accordance with the requirements of the position and the District Personnel Manual, as amended. The Board will in its sole discretion review and establish other personnel policies.

D. Planning

The Board will establish goals for the District based on the input of District staff and community members through various planning activities.

E. Budget/Finance

The Board will communicate the District's priorities to the General Manager through identified goals, review the budget submitted by the General Manager, make necessary revisions, adopt the budget, and set tax rates, and other fees and charges. The Board will also set the policy policies regarding financial procedures and reports, bond issuance and investment policy.

F. Facilities Planning

The Board will adopt plans for the construction of new capital projects and maintenance of existing facilities after considering the recommendations of the District Engineer and General Manager and delegate supervision of these programs to the General Manager.

G. Community Relations

The Board will adopt a program of District community relations and remain responsible to the community.

H. Delegation

The Board may in its sole discretion and as allowed by state statute and/or regulations, delegate any responsibilities of the Board to the General Manager.

IV. BOARD MEMBERS

A. Term of Office

Board members shall serve for a term of four (4) years. Terms shall be staggered to ensure some continuity of membership.

B. Board Officers

1. Officers. The Board shall elect a President, Vice President, Secretary, and an Assistant Secretary who shall be members of the Board. Officers shall be elected by a majority of the members.
2. Terms and Duties. Board officers shall serve for a period of two years or until a successor is elected. No member shall hold more than one office at a time. Officers may succeed themselves in office. A vacancy among officers of the Board shall be filled by action of the Board. No officer shall serve for more than three (3) terms in the same office and an officer serving more than half a term is considered to have served a full term. The preceding limitation may be waived by the unanimous vote of the complete Board.
 - a. President: The Chief Executive Officer of the District who presides over all Board meetings and provides leadership and direction in all matters. His/her duties include but are not limited to:
 - Ensuring members act in accordance with applicable laws and regulations and District rules and policies.
 - Conducting meetings smoothly and expeditiously ensuring adherence to the agenda; limiting discussions to a reasonable time; encouraging participation; and striving for punctuality.
 - Acting as the District spokesperson.
 - b. Vice President
 - Carries out all duties of the President in his/her absence.
 - c. Secretary
 - Records, amends, and maintains meeting minutes.
 - Is responsible for seeing that all records and books of the District are properly kept.
 - d. Assistant Secretary
 - Assumes duties of the Secretary in his/her absence.

C. Fees of Office and Expenses

1. Fees of Office.

- a. In accordance with Section 49.060 of the Texas Water Code, Directors shall be compensated as follows:

- \$ 150.00 for attendance at a regular meeting.
- \$ 150.00 for attendance at a special meeting.
- \$ 150.00 for each additional day spent in the performance of duties as a Director.

A minimum of one hour must be spent in the performance of duties as a Director during any one day in order for the Director to be eligible for compensation.

- b. The fees of the office may not exceed \$7,200 per annum per Director.

2. Expenses

Each Director is also entitled to receive reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District.

- a. Authorized travel expenses include the cost of meals, lodging, commercial travel, in some cases personal automobile mileage, and other necessary and reasonable costs incurred while on official business away from the District office.
- b. Reimbursement for travel expenses shall be subject to approval by the Board. The reimbursement request shall include a statement of the business purpose of the travel, date, time, and place, and shall be accompanied by supporting receipts and invoices.
- c. Meals, Lodging. Unless otherwise restricted by applicable law, reimbursement to Directors for actual expenses for meals and lodging shall not exceed the maximum amount allowed for state legislators.
- d. Transportation. Directors or employees who use personal vehicles while on District business travel may be reimbursed for actual miles driven at the current rate allowed by the Internal Revenue Service. Mileage will be computed by the most direct route, and the use of personal vehicles for District travel must be approved by the Board

in advance. Directors or employees traveling by commercial transportation are entitled to reimbursement of the actual costs of necessary transportation for performing official business, except the reimbursement for transportation shall not exceed the next lowest available airline fare below first-class unless such is not available.

3. Affidavit

In order for a Director to receive compensation or reimbursement of expenses for their services, they shall submit an affidavit listing the days (calendar dates) spent in the performance of their duties as a Director of the District for which they are requesting compensation and the amount and nature of any expenses incurred for which they are requesting reimbursement. This affidavit shall be submitted monthly at the regular meeting of the Board (or as soon thereafter as possible/practical), and shall report time spent and/or expenses incurred in the period from the last regular Board meeting to and including the day of the Board meeting at which submittal is made. The District bookkeeper shall deliver payment as soon as possible/practical thereafter.

D. Vacancies, Resignation and Disqualification

1. Vacancies

Board vacancies are filled by appointment of the Board, or under certain circumstances, by order of the Texas Commission on Environmental Quality ("TCEQ") in accordance with applicable law.

2. Resignation

Board members may resign their positions at any time. Any Board member desiring to resign shall submit his/her resignation in writing to the President of the Board. Resigning members shall provide thirty (30) days' notice of resignation to provide time for the appointment of a replacement.

3. Disqualification

It is the responsibility of an individual Board member to notify the President of the Board if for any reason he/she becomes unqualified to serve pursuant to Texas Water Code 51.72, the District Code of Ethics; or any other applicable law or regulation.

E. Conduct

Board members will conduct themselves in accordance with the District's adopted Code of Ethics. They will make every effort to act in a cooperative professional manner and:

- Fully support decisions of the majority;
- Respect the opinions of others;
- Develop an understanding of District policies, programs, and projects;
- Request information through channels;
- Protect the privacy of employees and other Board members; and
- Give other Board members equal time.

Board members will not:

- Act as individuals rather than members of a group;
- Make individual promises to civic groups or individuals;
- Conduct individual investigations;
- Obligate the Board to actions or expenditures without authorization;
- Allow themselves to be unduly influenced by friends or neighbors with special interests;
- Give individual instructions directly to the General Manager;
- Make public comments about staff members or other Board members;
- Make individual statements to the media concerning District issues; and
- Monopolize meetings.

V. MEETINGS

A. General

The Board shall meet a minimum of once per month with other meetings scheduled as necessary for the conduct of business. All meetings shall be conducted in accordance with the Open Meetings Act Chapter 551, Texas Government Code. The regular place of meetings shall be the District office.

B. Quorum

A majority of the membership of the Board constitutes a quorum for any meeting, and a concurrence of a majority of the entire membership (3 members) of the Board is sufficient for transacting any business of the District.

C. Agenda

A written certified agenda will be prepared, filed, and posted as required by law. Each Board member will receive an advance copy. Parties placing items on the agenda will have their names listed with the item and should be prepared to present

relevant information or lead discussion. Agenda items must be listed with the office manager one week in advance of the meeting dates to allow for filing. The Board will only consider items listed on the agenda. Factual information on other subjects may be provided in response to inquiries made by a Board member or a member of the general public. Deliberation on these subjects, however, is limited to placing a subject on the agenda for a subsequent meeting for which notice will be posted in advance.

D. Consent Agenda

The Board may follow a consent agenda format to approve all routine, noncontroversial items with a single motion, without the need for discussion by the full Board. Any item may be removed from the consent agenda and considered individually upon request of a Board member or member of the public attending a Board meeting. The General Manager shall prepare a list of items to be included on the consent agenda for a specific meeting to be reviewed by the Board prior to certification and posting of the final meeting agenda. Any meeting notice that includes a consent agenda shall include the following notification:

“The Consent Agenda allows the Board of Directors to approve all routine, noncontroversial items with a single motion, without the need for discussion by the full Board. Any item may be removed from consent and considered individually upon request of a Board member or a member of the public attending the meeting.”

Consent agenda items may include but are not limited to, approval of minutes, invoices, construction contract pay estimates, and construction contract change orders totaling less than 25% of the final contract amount.

E. Minutes

The Board shall keep a true and complete account of all meetings and proceedings, and verify and maintain minutes of these meetings on file permanently. Minutes may be taken by a member of the Board or by a staff member, and the final copy will be verified by majority vote at a regularly scheduled meeting. Minutes will contain at a minimum:

- Date, time, and location of the meeting;
- Names of the presiding officer and other members present;
- Names of the Board members who are absent;
- Names of visitors, special guests of the Board, and guests present;
- A brief summary of all business discussed or considered;
- A record of all motions and their disposition, including the person making the motion, person seconding the motion, and the outcome of the vote; and
- Copies of orders or other evidence of official action will be attached to the minutes unless indexed records are kept of such actions.

F. Emergency Meetings

Emergency meetings will be permitted only in instances of imminent threats to public health and safety or reasonably unforeseeable situations requiring immediate action by the Board. The Board will call an emergency meeting only when absolutely necessary. In order to promote public involvement, the Board will provide notice at least **two (2) hours prior to the meeting** and will clearly identify the reason for the meeting.

Notice will be posted with the same information and in the same manner as notices for regular meetings. The notice will state the reason for the "emergency or urgent public necessity."

G. Revisions and Cancellation

An emergency addition to a meeting may be made by providing two hours of supplemental notice following the same filing procedures as for emergency meetings. When a meeting must be canceled, the Board will notify the county clerk by telephone. The notice will be removed from all posting locations if time permits.

H. Meeting Procedures

1. Presiding Officer

The Board President or (Vice President in his/her absence) will preside over all meetings and ensure that they are conducted in accordance with these Bylaws and the Rules as defined below.

2. Rules

- a. The rules contained in "Roberts Rules of Order Newly Revised" 1990 Edition shall govern the meetings in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any other special rules the Board shall adopt.
- b. Recording or taping of meetings will be allowed but not required.
- c. The general public and interested parties attending meetings will be invited to sign in as a record of attendance.
- d. Members of the general public will be provided the opportunity to address the Board at every meeting. These individuals will be required to identify themselves for the record.

I. Executive Sessions

A meeting may be closed to the public under certain limited circumstances. Generally, these circumstances include certain negotiations, consultation with the Board's attorney, and consideration of personnel matters, real property transactions, and security deployment. If a closed or executive session is held, the following procedures will be followed:

- The Board will first convene in open session.
- The presiding officer will announce that an executive session is to be held and identify the section of the Open Meetings Act that authorizes the executive session. For example, the president states, "The Board of Directors will now meet in executive session as authorized under Section 551.072 of the Texas Government Code, to discuss the purchase, exchange, lease, or value of the real property."
- No action will be taken during an executive session.
- At the conclusion of an executive session, the Board will reconvene in open session. The Board will be in open session before taking any final action, decision, or vote, even on matters considered in an executive session.

VI. COMMITTEES

The Board may, as it deems necessary, create committees to facilitate the efficient operation of the Board. Committees may meet whenever necessary, or when directed by the President. The President of the Board and the General Manager shall be ex officio members of all Board committees. Committees may transact business only within a specific authority granted by the Board. To be continuously binding, all such business must be reported to the Board at the next regular or special meeting for approval and entry into the minutes as a public record.

A. Standing Committees

The standing committees shall be composed of two Board members and maybe augmented if necessary by a number of residents from the community at large. Committee members shall be selected by Board action. Residents shall be recommended by Board members and approved by the Board.

The Board has the following standing committees:

1. Legal

The Legal Committee shall advise and assist the Board with all legal matters including contracts and litigation.

2. Planning/Capital Improvements

The Planning and Capital Improvements Committee shall advise and assist the Board with all matters pertaining to operations, maintenance, enhancements, or expansion of District water, wastewater, and drainage infrastructure or other facilities. The committee shall also assist in developing the long-term strategic plan which supports the mission and goals of the District.

3. Policies and Personnel

The Policies and Personnel Committee shall advise and assist the Board and the management staff regarding all matters pertaining to policies to be adopted by the Board and all personnel issues including salary and benefits.

4. Budget and Finance

The Budget and Finance Committee shall advise and assist the Board and the management staff regarding the budget, audit procedures, investments, and other financial matters.

5. Communications, Conservation, and Parks

The Communications, Conservation, and Parks Committee shall seek to improve and facilitate communications among the community, the Board, District employees, other governmental entities, and Developers regarding the District and shall assist the Board of Directors and management staff in promoting the District. This gathering and disseminating of information will assist the Board and, thereby, the residents of the District in promoting community activities and promoting relationships with adjoining communities.

The Communications, Conservation, and Parks Committee shall also meet to discuss and evaluate the drought contingency and water conservation plans, establish goals and recommend methods to increase the effectiveness of the policy, and recommend and plan any park initiatives of the District.

6. Stormwater

The Stormwater Committee shall develop a list of the best management practices (“BMP”) included in the Stormwater Management Program that would benefit by including committee review of public education materials, local illicit discharge elimination regulations and investigation procedures, local

construction stormwater regulations, guidance materials, permitting and inspection procedures, post-construction guidance and permitting information, and feedback on good housekeeping practices. The Committee shall be composed of the General Manager, two representative Board members, and the District Engineer. The Committee shall also invite and appoint others, as necessary, to participate in the Stormwater Committee members of the public, design, construction, and development communities, and other persons who may be affected by various BMPs.

B. Special Committees

The President may appoint special committees as necessary to fulfill specific assignments. The function of committees shall be fact-finding, deliberative, and advisory, but not administrative. Special committees shall report their findings to the Board and shall be dissolved upon completion of the assigned task or vote of the Board.

Recommendations of committees may be submitted verbally or in writing as required by the President.

VII. AMENDMENTS TO BYLAWS

These Bylaws may be amended at any regular meeting at which the change is listed on the agenda by a vote of the majority of the entire membership of the Board. In making such an amendment, the members shall specify the exact wording of any changes to be made.

VIII. VIOLATIONS OF RULES

Any Board member who violates these Bylaws or the Code of Ethics may be subject to censure by a majority vote of the Board.

In addition, the Board by a unanimous vote of its remaining members may remove a Board member if that Board member has missed one-half or more of the regular meetings scheduled during the prior twelve (12) months. Any Board member so removed may file a written appeal with the TCEQ within thirty (30) days after receiving written notice of the Board action.

BOARD OF DIRECTORS
TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 17
CODE OF ETHICS AND VALUES

We, the members of Travis County Water Control and Improvement District No. 17 Board of Directors are charged with the operation and maintenance of public water and wastewater treatment facilities. As such, we recognize that we have a serious responsibility for the health and welfare of our customers. Accordingly, we subscribe to the following ethics and values, and we will:

- Make service to our customers our top priority, and do everything we can within the scope of our responsibilities to ensure their safety and satisfaction.
- Value integrity (honesty, honor, and responsibility), professionalism (competence, teamwork, and loyalty) and concern for people.
- Conduct yourselves in a manner consistent with sound business and ethical practices, consider the public interest, avoid the appearance of impropriety to ensure and maintain public confidence, and manage the affairs of the District fairly, impartially, and without discrimination.
- Conduct all operations under our control in such a manner that will ensure adequate services, preserve public health, and furnish protection to said property.
- Encourage construction, management, maintenance, and operating procedures that are economically sound, environmentally responsible and in the public interest.
- Recognize that decisions must be made by the Board as a whole and make no personal promise or take private action that may compromise the Board.
- Focus Board action on policymaking, goal setting, planning, and evaluation, and insist on the regular and impartial evaluation of all staff.
- Support and protect District personnel in the proper performance of their duties.
- Respect the confidentiality of information that is privileged under applicable laws. Hold confidential all matters pertaining to the District that, if disclosed, may needlessly injure individuals.
- Attend all regularly scheduled Board meetings insofar as possible and become informed concerning the issues to be considered at those meetings.
- Endeavor to make policy decisions only after full discussion at publicly held Board meetings, render all decisions based on the available facts, and refuse to surrender that judgment to individuals or special groups.
- Encourage the free expression of opinion by all Board members and seek systematic communications between the Board staff and District residents.
- Become informed about current public water District issues by individual study and through participation in programs providing needed information.
- Refrain from using our Board positions for personal or partisan gain.
- Adhere strictly to the specific ethics policies approved by the Board.

TRAVIS COUNTY WATER CONTROL IMPROVEMENT DISTRICT NO. 17 ETHICS POLICY

A. SUBSTANTIAL INTEREST

A person has a substantial interest in a business entity if either of the following is the case:

1. The person owns at least:
 - a. 10 percent of the voting stock or shares of the business entity, or
 - b. Either 10 percent or \$15,000 of the fair market value of the business entity.
2. Funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

A person has a substantial interest in real property if the interest is equitable or legal ownership with a Fair Market Value of \$2,500 or more.

If a person related in the first degree by either affinity (marriage) or consanguinity (ancestry) to the member, has a substantial interest, as defined above, the Board member is considered to have a substantial interest.

B. CONFLICTS OF INTEREST

A District official is prohibited from participating, directly or indirectly, in a vote or decision on any matter involving a business entity in which the official has a substantial interest if an action on the matter would confer an economic or any other benefit on the business entity.

In cases of conflicts of interest, District officials shall disclose such conflicts and state the nature and extent of the conflict of interest. Thereafter, that District official shall abstain from participation in the matter as provided by law.

District officials shall not disclose, without written legal authorization, confidential information to advance the financial or other private interests of himself or others regarding any contract or transaction which is or may be the subject of an official action of the District.

The District may not contract for the purchase of services or personal property directly with a District official or with a business entity in which a District official has a substantial interest except as permitted by law.

Contracts Permitted

The Board may contract with a business entity in which a member has a substantial interest if the member follows the disclosure and abstention procedure set out below.

Affidavit & Abstention

If a Board member or a person related to a member in the first degree by either affinity (marriage) or consanguinity (ancestry) has a substantial interest in a business entity or in real property, the

member before a vote or decision on any matter involving the business entity or the real property, shall file an affidavit with the Secretary of the Board, 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 action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

Majority Conflict

If a member is required to file and does file an affidavit, that member shall not be required to abstain from further participation in the matter if a majority of the Board is required to also file affidavits of similar interests.

Separate Vote

The Board shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a Board member has a substantial interest. The affected member shall not participate in that separate vote but may vote on a final budget if he or she filed the affidavit and the matter in which he or she is concerned has been resolved.

Prohibited Acts Except as provided above, a member shall not knowingly:

1. Participate in a vote or decision on a matter involving a business entity or real property in which he has a substantial interest if it is reasonably foreseeable that an action on the matter would have a special economic effect on the business entity that is distinguishable from the effect on the public or will have a special economic effect on the value of the property, distinguishable from its effect on the public.
2. Act as surety for a business entity that has a contract, work, or business with the District.
3. Act as surety on any official bond required of an officer of the District.

“Business entity” means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

C. NEPOTISM

The Board shall not confirm the appointment to any position, nor award a contract, to a person related to a member of the Board within the second degree by affinity (marriage) or within the third degree by consanguinity (ancestry) when the salary or other compensation of such appointee is paid, directly or indirectly, from District funds, except as provided by law.

D. ACCEPTANCE OF GIFTS

1. A District official shall not solicit or accept any benefit of value from a person or business entity the District official knows is interested in any contract, purchase, payment, claim, or other transaction involving the exercise of their discretion as a public servant, or any matter before the Board, or likely to come before the Board for any decision, opinion, recommendation, or vote.
2. The prohibition against benefits above shall not apply to:
 - a. an occasional non-pecuniary gift, valued at less than \$25.00; or
 - b. an award publicly presented in recognition of public service.

E. BRIBERY

A Board member shall not intentionally or knowingly offer, confer, agree to confer on another, solicit, accept, or agree to accept a benefit:

1. As consideration for a decision, opinion, recommendation, vote, or another exercise of discretion as a Board member;
2. As consideration for a violation of a duty imposed on the member by law; or
3. That is a political contribution as defined by Title 15 of the Election Code or an expenditure made and reported as a lobbying expense in accordance with Govt. Code, Ch. 305, if the benefit was offered for agreement to take or withhold a specific exercise of official discretion.

“Benefit” means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the member has a direct and substantial interest.

F. ABUSE OF OFFICE

A member shall not, with intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly violate a law relating to the office or misuse District property, services, personnel, or any other thing of value, belonging to the District that has come into his custody by virtue of his office.

G. BANK RELATIONS

A member who is a stockholder, officer, Board Director, or employee of a bank that has bid to become a depository for the District shall not vote on the awarding of a depository contract to said bank.

If a Board member has a substantial interest in a bank with which the District is considering entering into a loan or other transaction besides a depository contract, then the member must comply with the affidavit and abstention requirements.

H. INCOMPATIBILITY OF OFFICE

One person may not occupy two legally incompatible offices. Offices are legally incompatible when the faithful and independent exercise of one would necessarily interfere with the faithful and independent exercise of the other. A person may not serve in one branch of government while exercising any powers properly attached to either of the other branches of government.

I. DISCLOSURE OF INTEREST IN PROPERTY

If a Board member or candidate has a legal or equitable interest in any property acquired with public funds and has actual notice of the acquisition or intended acquisition of the property, he or she shall file an affidavit as follows:

1. The affidavit shall be filed with the county clerk(s) of the county in which the property is located and of the county in which the member or candidate resides within ten (10) days before the date on which the property is to be acquired by purchase or condemnation.
2. The affidavit must:
 - a. State the name of the Board member or candidate and the public office held or sought.
 - b. Fully describe the property.
 - c. Fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest and the date the interest was acquired.
 - d. Include verification of the truth of the information in the affidavit.
 - e. Include an acknowledgment of the same type required for recording a deed in the deed records of a county.

J. USE OF DISTRICT PROPERTY

No Board member, officer, or employee shall permit any personal or unauthorized use of District-owned or District-controlled, equipment, materials, supplies, or property.

K. USE OF DISTRICT LETTERHEAD

No employee or Board member may use the District letterhead for personal reasons. District letterhead shall be reserved for use in the transaction of the official District business. Board members may utilize District letterhead in their official capacities as members of the Board of Directors. Any correspondence on District letterhead which purports to represent the opinions or recommendations of the Board of Directors is authorized only if a quorum of the Board of Directors approves such use at a regular or special meeting conducted in compliance with the Texas Open Meetings Act.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17**

SERVICE RULES & POLICIES

1.0 GENERAL POLICIES AND DEFINITIONS

1.1 Introduction

These rules and policies (the “Rules”) are promulgated pursuant to Chapters 49 and 51 of the Texas Water Code and other applicable law. These Rules, as amended from time to time, shall govern the installation of connections or taps to the water, wastewater, and drainage systems of Travis County Water Control and Improvement District No. 17 (the “District”); the protection of all facilities which are part of the District’s water, wastewater, and drainage systems; the expansion of such systems to meet growth needs; the issuance and the expiration of commitments for service; the enforcement of these Rules; and the penalties for violations.

The District will have the most current Texas Commission on Environmental Quality (“TCEQ”) regulations, Chapter 291, “Utility Regulation,” at the District office for reference purposes. These regulations shall be available for public inspection and reproduction at a reasonable cost. The latest Commission-approved changes to the regulations supersede any regulations or requirements in this document where such rules are applicable to the District.

1.2 Water and Wastewater Control

Under Section 51.121 of the Texas Water Code, the District is charged with the protection, preservation, and restoration of the purity of surface water sources. It shall be the goal of the District to keep external contaminants and pollution of all types out of the water supply and to achieve zero discharge of wastewater or treated effluent from the District into the Highland Lakes.

It shall be the policy of the District to stop the proliferation of and eventually eliminate small inefficient wastewater plants, especially those which discharge directly into the Highland Lakes, and support regionalization of wastewater service. The District shall take steps as opportunities arise to correct existing wastewater problems whenever possible.

Accordingly, all water-related activities within the District shall be subject to District review and approval. These activities include:

- Withdrawal and treatment of raw water;
- Provision/distribution of potable water supply;
- Collection and treatment of wastewater;
- Disposal, recycling, and/or re-selling of treated wastewater effluent;
- Transfer of water resources across District boundaries including wastewater and recycled or treated effluent;
- Large scale irrigation other than single-family residential using raw water or treated effluent; and

- Drainage from developed land areas.

The District shall also take action to regulate or own and operate any and all water and wastewater related facilities used for the above activities within the District's boundaries and within the boundaries of its water and wastewater Certificates of Convenience and Necessity ("CCNs").

1.3 Growth and Development Policy

It shall be the practice of the District to work with Developers toward the orderly expansion of needed water, wastewater and drainage facilities. In order to keep the tax rates as low as possible, and prevent current customers from bearing an unreasonable financial burden, the policies of the District shall ensure that growth pays for itself to the greatest extent possible.

1.4 Definitions

As used in these Rules, the following terms shall have the meaning indicated:

- a. Applicant – any person or entity seeking approval of a Water Tap, Sewer Tap, or Drainage Connection; any person or entity seeking a Service Commitment; or any person or entity seeking another type of approval from the District including but not limited to a Developer.
- b. City Standard Installation Detail – the water, wastewater, and drainage service details promulgated by the Water and Wastewater Department of the City of Austin, Texas, as hereafter amended from time to time.
- c. Customer – a person to whom the District provides retail water and/or wastewater services in accordance with these Rules and Policies.
- d. Development – construction of single-family residences, apartment units, condominiums, garden homes, assisted living centers, schools, churches, commercial centers, office parks, buildings, roads, and other structures; construction, excavation, mining, dredging, grading, filling, clearing, or removing vegetation; and/or the deposit of refuse, waste, or fill. Lawn and yard care, including mowing of tall weeds and grass, gardening, tree care, and maintenance, removal of trees or other vegetation damaged by natural forces, and ranching and farming shall not constitute development within the meaning of these Rules. Utility, drainage, and street repair, maintenance, and installation which does not require land disturbance or result in additional Impervious Cover shall also not constitute development.
- e. Defined Area – A separate taxing unit within the District established in accordance with Chapter 51, Texas Water Code.
- f. District Representative – the General Manager of the District or another representative or employee of the District acting pursuant to either general or specific authorization from the General Manager or the Board of Directors of the District.

- g. District Systems – the water, wastewater, and drainage systems owned and operated by the District.
- h. District, the – Travis County Water Control and Improvement District No. 17.
- i. Developer – any individual, partnership, corporation or other legal entity who, with respect to land located within the District: (i) has divided or proposes to divide the land into two or more parts for the purpose of laying out a Subdivision or other Development; (ii) is planning a Development on a single large plat; or (iii) is developing over ten (10) residential lots whether previously platted or not.
- j. Domestic Wastewater – waterborne human waste and waste from domestic activities, such as washing, bathing, and food preparation.
- k. Drainage Connection – the physical connection of any drainage facility to the District’s Drainage System.
- l. Dwelling or Dwelling Unit – a home, house, or Mobile Home, manufactured home, apartment unit, or any unit in a multi-unit residential structure. A Recreational Vehicle that is not located within a Recreational Vehicle park shall be considered a Dwelling under these rules if it has a connection to a District meter and is used for human habitation.
- m. Impact Fee – fee collected for the purpose of paying the costs for central capital improvements to the District’s Water or Wastewater Systems identified in the District’s applicable capital improvement plan such as plant capacity, major distribution mains, storage facilities, lift stations, and similar facilities. (Impact Fees do not cover the cost of Subdivision improvements such as drainage, mains in the street, taps, internal storage facilities, lift stations, or connection of Subdivision to the existing District Systems or other District services).
- n. Impervious Cover – roads, sidewalks, parking areas, buildings, swimming pools, and other impermeable development covering the natural land surface, which shall include, but not be limited to, all streets, buildings, and pavement within a Development in the District.
- o. Industrial Waste – the solid and liquid wastes from industrial processes, as distinct from domestic or sanitary wastes. Typically, waterborne liquid, gaseous, or solid substances that result from any process of industry, manufacturing, trade or business.
- p. Living Unit Equivalent (“LUE”) – a unit of water or wastewater service that refers to the average daily flow typically used by or generated by one (1) single-family residential Dwelling Unit; approximately 250 gallons per day average wastewater or 500 gallons per day average water.
- q. Mobile Home – a structure transportable in one or more sections which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site is 320 or more square feet, and which is built on a permanent chassis and

designed to be used as a Dwelling with or without a permanent foundation when connected to the required utilities. This term shall include any structure defined as a Mobile Home, HUD-code manufactured home, or manufactured home by the Texas Occupations Code, Chapter 1201.

- r. Natural Drainage – a stormwater runoff conveyance system not altered by Development.
- s. Natural State – substantially the same conditions of the land which existed prior to Development, including but not limited to the same type, quality, quantity, and distribution of soils, ground cover, vegetation, and topographic features.
- t. Non-Domestic Waste – any waste other than normal Domestic Wastewater, including, but not limited to: waste from Mobile Homes, Recreational Vehicles, and portable toilet facilities, Industrial Waste, waste from restaurants, commercial waste, and water from swimming pools.
- u. Off-site – water, wastewater or drainage facilities located outside of the boundaries of an Applicant’s property.
- v. On-site – water, wastewater or drainage facility located within the boundaries of an Applicant’s property.
- w. One-Hundred Year Flood Plain – the one-hundred-year flood plain as established and published by the City of Austin.
- x. Overland Drainage – stormwater runoff which is not confined by any natural or man-made channel such as a creek, drainage ditch, or storm sewer.
- y. Person – any individual, association, non-profit corporation, professional association, joint-stock company, corporation, proprietorship, partnership, or joint venture.
- z. Recreational Vehicle – a vehicle which is:
 - 1. Built on a single chassis;
 - 2. 400 square feet or less when measured at the largest horizontal projections;
 - 3. One hundred and two (102) inches or less in width;
 - 4. Self-propelled or permanently towable by a light-duty truck; and
 - 5. Designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.
- aa. Recreational Vehicle Park – a property on which parking spaces for Recreational Vehicles are rented to the general public primarily for transient use.
- bb. Sedimentation and Filtration Basins – basins required by TCEQ regulations or required by any other governmental authority with jurisdiction to provide water quality benefits through the sedimentation or filtration of stormwater runoff.
- cc. Service Area – that area to which the District may lawfully provide water or wastewater service, whether within or without the area described by the District’s CCNs.

- dd. Service Commitment – a written agreement between the District and a third party pursuant to which the District agrees to provide a specified quantity of water and/or wastewater service.
- ee. Service Extension Request (SER) – Application for residential, multifamily service extension. (Appendix O)
- ff. Sewer Service Line – the line from the foundation of a residential or commercial building to the District’s wastewater collection lateral.
- gg. Sewer Tap – the physical connection of a Sewer Service Line to the District’s Wastewater System. This line is a lateral line from the property pin or boundary to the wastewater main including a cleanout.
- hh. Standard Service – water or sewer service provided to a single Dwelling by means of a single connection.
- ii. Subdivision – the division of any lot, tract, or parcel of land, within the Service Area of the District, into two or more lots or sites for the purpose of sale or Development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded. The following are exempted from this definition: Division of land resulting from a family or testamentary transfer of a parcel of land having an area of two (2) acres or more, which will not require the District to construct new water lines and which may be accessed by existing water lines which meet TCEQ requirements to service the additional meters. The term “family” includes only the grantor’s spouse, parents, children, grandparents, grandchildren, or siblings. Provided, however, this exemption shall not apply to an *inter vivos* family transfer that constitutes a subdivision of land for sale to the public.
- jj. Subdivision Construction Agreement – an agreement between the District and a Developer setting out the responsibilities and requirements of a Developer to ensure that the District is protected from completing any Subdivision improvements which are the responsibility of the Developer.
- kk. Tap Fee – the fee charged to dig up a main, tap into it, run a Water Service Line or Sewer Service Line to a Customer’s property, and repair the street.
- ll. Temporary Water User – a party involved in a construction project or related activity within the District who requires a water supply on a temporary basis (less than 6 months) to carry out such a project or activity but does not desire to make a regular connection to the District’s Water System.
- mm. TCEQ – Texas Commission on Environmental Quality or any successor agency.
- nn. Uniform Plumbing Code – The Uniform Plumbing Code, with District amendments.

- oo. Utility Diversion – A Person’s unauthorized action to divert utility service to prevent accurate measurement of utility usage; receive the benefit of utility service without approval; alter metering equipment preventing accurate meter readings and subsequent billings; alter utility account records or computer data to prevent accurate billings; or, divert service to another party with approval.
- pp. Water Service Line – the line from the District’s water main to the Customer’s meter, normally located outside private property, and the responsibility of the District.
- qq. Water Tap – the physical connection of a Water Service Line to the District’s Water System.
- rr. Wholesale Customer – a Customer who purchases water at a metered point of delivery with the intent to resell the water to the ultimate consumer.
- ss. Yard Line – pipe from the District’s meter to the Customer’s home or business, normally located on a Customer’s property, and the responsibility of the Customer.

1.5 Litigation

These Rules shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created under these Rules shall be performable in Travis County, Texas. All payments required to be made to the District under these Rules shall be made at the District office in Travis County, Texas. Travis County, Texas shall be the exclusive place of venue for any disputes arising under these Rules. In the event the District is required to retain an attorney to enforce these Rules or collect amounts owed under these Rules, the Customer shall be responsible for all costs incurred by the District, including reasonable attorneys’ fees.

1.6 Limitation of Liability

The District shall not be liable for any damages, including without limitation, direct damages, special damages, incidental damages, consequential damages or another service, or loss of profit or revenue, resulting from failures of, or interruptions in service occurring because of required maintenance of the District Systems or that are occasioned by causes beyond the control of the District. The District shall not be liable in any event for consequential damages.

1.7 Service Outside CCNs

The District shall provide retail water and wastewater service within its certificated Service Areas and may extend service to areas located outside of its certificates of convenience and necessity (“CCNs”) in accordance with TCEQ regulations. Any extensions of service to areas located outside of the District’s CCNs may only be made if such areas are not within the certificated Service Areas of any other retail public utility except by agreement of such retail public utility. The District may require the inclusion of an area within its CCN as a condition of service.

1.8 Application for and Provision of Service (Water and/or Wastewater)

- a. New Service – (First-time connection to District System – no previous meter). The District may require that any property to be served must be within the District’s taxing jurisdiction and/or in a CCN operated by the District to receive service, at its discretion. A separate application or contract will be made for each service location. All Applicants for service must submit a legal description of the property to be served which shall consist of the lot, block, and section number for land in a platted Subdivision, or shall consist of a metes and bounds description for tracts of land that are not platted. Addresses must be provided if known.

No application for service in a Subdivision shall be approved unless the Developer has fully complied with all the requirements of these Rules, including, without limitation, full payments of all Impact Fees.

An Applicant seeking service for a tract of land located in a Subdivision must provide information showing compliance with all applicable county subdivision ordinances. This information shall include a copy of the recorded deed conveying the property to the Applicant and a copy of the recorded plat depicting the property. Pursuant to Section 13.2501 of the Texas Water Code, the District will refuse to serve an Applicant if the requested service is prohibited under Sections 212.012 or 232.0047 of the Texas Local Government Code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or another utility service.

No service will be provided until all requirements of the District are met. At the time the application is submitted, the Applicant must pay all applicable fees, including Impact Fees (unless previously paid by Developer as required by these Rules). The District will provide service to each qualified Applicant within ten (10) working days unless line extensions or new facilities are required. If construction is required to fill the order and completion is not possible within thirty (30) days, the District will provide the Applicant with an explanation of the construction required and an expected date of service. Developers or individuals are responsible for the cost of construction of all internal water and wastewater infrastructure and for all construction to connect to the existing District System unless the previous service existed. The connection point for all new services will be determined by the District.

Upon transfer of title to the property, the new owner(s) must comply with the one Dwelling per meter policy. If additional meters are required, the transfer Applicant must pay the corresponding number of Tap Fees and Impact Fees.

Applicants for new service with existing homes or businesses must have a Customer service inspection performed and the inspector must submit the properly completed form. Any building not inspected or not meeting Uniform Plumbing Code requirements shall be subject to the installation of a backflow prevention device prior to obtaining service. No service will be provided to homes or businesses which do not have approved and properly functioning septic systems, if not provided wastewater service by the District.

- b. Transfer of Service – (Previously existing connection). Where service has been previously provided, service will normally be reconnected within one working day of the District's receipt of a completed application and payment of fees.
- c. Continuity of Service – The District shall use reasonable diligence to supply a customer with constant utility service but does not guarantee the service against an irregularity or interruption. The District may interrupt a customer's utility service when necessary to repair, change, or relocate the District equipment and facilities. The District is not liable for damage resulting from interrupted service for repair, change or relocation.
- d. Customer's Responsibilities – A customer is responsible for utility service provided on the customer's side of the point of delivery after the meter including 1) excessive consumption caused by faulty equipment; 2) damage caused by an open valve after service initiation; and 3) policy violations including utility service diversion, unlawful use of service or damage to District utility equipment.
- e. Delineation of District Responsibility for Operation and Maintenance
 - 1. Water: The District will own and maintain water mains in the street and service lines from the street to the meter as well as the meter itself and the six-inch (6") brass meter nipple attached to the meter. (See Appendix M for Water Line illustration.) The customer is responsible for all piping and fittings from the meter to the house or business regardless of whether the piping is located on the customer's property or in the right of way. Customers are responsible for all fittings on the line including customer cut off valves, pressure regulating valves, backflow preventers, and any other installed appurtenances.
 - 2. Wastewater: The District will own and maintain gravity mains, manholes and force mains in the street and laterals up to the top of first fitting below the stack for connections above the level of the main and to the flange before the hookup for connections at the main level. (See Appendix M for Wastewater Line illustration.) The owner of a property containing a private lateral shall maintain the private lateral. The owner of property is responsible for maintaining sewer laterals beyond these defined points. Maintenance of sewer laterals is defined as:
 - aa. clearing obstructions from the private lateral;
 - bb. repairing a defect in the private lateral that allows the introduction of extraneous flow or debris into the sanitary sewer system;
 - cc. repairing a defect in the private lateral that allows the discharge of sewage on the property, and
 - dd. keeping the cleanout cap tight and in place.
 - 3. Commercial Wastewater: For commercial properties, the customer's responsibility ends at the following:

- aa. for properties with force mains from or property grinder stations or lift stations at the first cleanout or manhole off the property – District 17 will maintain the manhole and cleanout;
- bb. for properties using gravity flow at the first manhole outside the building (typically schools, hospitals, and multifamily) – District 17 will maintain the manholes; and
- cc. for shopping center properties utilizing gravity flow at the first manhole off property – District 17 will maintain the manhole.

Note: Restaurants and foodservice operations are responsible for maintaining properly sized grease traps at all times.

- f. Testing and Inspection of Sewer Lines – District staff may periodically perform special tests to confirm the integrity of the sanitary sewer system, including smoke testing, dyed water testing, air testing, hydraulic testing, closed-circuit television inspection, and other testing and inspection techniques. The District will provide notice of such inspections unless 1) District staff are conducting an investigation of a complaint or responding to a customer request to test or inspect a private lateral, or 2) sewage is exposed on the property in a manner that creates a potential public health hazard.

If after testing, the District wastewater collections supervisor identifies defects in a private lateral that interferes with the proper operation of the sewer system; the property owner will be provided with a notice of such defect(s) and will be required to repair the lateral. Defects may include 1) evidence of pipe or joint deterioration; 2) root intrusion into a pipe that separates a pipe joint or enlarges an existing crack; 3) a misaligned pipe segment, sag, or lack of positive gradient; 4) a lack of a necessary cleanout cap or manhole cover; 5) a downspout, drain, or other connection that allows stormwater or other extraneous water to enter the sanitary sewer system; or 6) a flow that allows the discharge of sewage on the property or the introduction of extraneous water into the sanitary sewer system.

Necessary repairs to laterals will be made in accordance with the adopted plumbing code. A customer who vacates a service address before providing the District with notice to cancel utility service is responsible for charges for utility service and violations of this chapter that occur before the District receives the cancellation notice.

1.9 Annexation

If it is determined by the District that the property listed in the application for service is not within the District's taxing jurisdiction or within the District's CCNs, the property must be annexed before service can be provided. The District Board of Directors approves annexation of property at the monthly Board meetings as they are requested by property owners. Documents supplied by the District which must be completed by the Applicant are:

- 1. Petition for Addition of Lands;
- 2. Certificate Regarding Lien Holder Status, Consent of Lien Holder; and
- 3. Certificate Regarding Residents.

After the Applicant has paid the current annexation fees and submitted the completed documents listed above, the annexation request will be placed on the agenda of the next Board meeting and the District will complete the Certificate of Ownership. Once the Board has approved the Petition for Addition of Land and the Order Adding Land, all other District requirements for service must be met before service can begin.

After the annexation process is completed, the District will notify the taxing officer of the addition of property to the District.

After the District receives verification from the taxing office that addition(s) of property to the District has been completed, the General Manager will be responsible for ensuring a 100 percent audit of all properties added to the District each fiscal year. Specifically, the General Manager shall ensure that all required documents were properly received by Travis County, recorded and added to the Travis Central Appraisal District. A report on the results of such audit will be provided to the Board of Directors prior to the end of each Calendar year.

1.10 Service to Areas of Purchased Water or Wastewater Systems

Whenever the District purchases a water or wastewater system and the TCEQ has approved the transfer of the System to the District, service to the Customers of the purchased water or wastewater system will be conducted under these rules and all rules and regulations of the District.

Upon transfer of the CCN, all then-existing Customers of the purchased water or wastewater system automatically become Customers of the District. The terms and conditions of the District's service agreement will be binding on the Customers of the purchased water or wastewater system, regardless of whether the transferred Customer has executed a service agreement with the District.

No service will be transferred to a subsequent Customer in such a purchased water or wastewater system unless a service agreement is executed by the subsequent Customer. Prior to the effective date of the District's purchase of the system, the District shall notify every Customer of the applicability of all rules, regulations, and policies of the District, including the terms and conditions of the District's service agreement.

1.11 Line Extensions

The District will make or allow extensions of its existing water distribution and wastewater collection lines as needed. Unless these extensions are specifically included in a capital improvement plan for central facilities for which Impact Fees are collected, they will be made at the expense of the Applicant requiring the new lines or facilities, whether the application is for a single residence, commercial property, multifamily lot or subdivision. Points of connection for service will be specified by the District. All applicants shall process a Service Extension Request per Appendix O.

Extensions will only be made from existing lines with sufficient capacity. Line extensions shall be made of sufficient size and capacity to serve follow-on Customers, and provide fire flow.

Lengthy runs of small pipes to serve one property will generally not be allowed. The District Engineer shall decide the appropriate line size for a particular project, and determine whether capacity is available in a line.

The full cost of the Off-site main extensions shall be paid by the Applicant. This cost includes all necessary expenses, including design and engineering costs, and the cost for any road cut or road bore as well as costs for any required easement. The Applicant shall pay this cost at such time as payment is requested by the District, but prior to the award of any construction contract. An Applicant may contract for the work himself; however, plans must be submitted to the District for approval, the contractor must be approved by the District, and the work must be inspected by District staff. All system improvements will become the property of the District upon completion.

1.11.1 General Provisions for System Extensions

- a. All On-site water and wastewater and drainage facilities are the responsibility of the Applicant unless otherwise specified by the District. The Applicant must also pay for the extension, relocation, or increase of line sizes, or any other improvements to the District Systems (Off-site facilities) if necessary, in order for the District to have the capacity to provide service to the proposed project.
- b. The Applicant shall pay all design, construction management, easements, and construction costs incurred by the District for new or expansion of existing Off-site facilities needed to serve a project.
- c. The oversizing requirements for any facilities shall be determined by the District.
- d. Design and construction management of Off-site facilities will generally be performed by the District Engineer for those facilities identified in an existing capital improvement plan. The Applicant may have off-site water or wastewater line extension:
 - (i) designed by an independent engineer, subject to having the design approved by the District; and/or
 - (ii) constructed by an independent contractor, subject to having the work of the contractor inspected and approved by the District. The Developer or Applicant shall comply with the main size, design and other criteria established by the District.
- e. All water and wastewater lines must be installed prior to street construction.
- f. If easements from the adjacent landowner(s) are needed for extension purposes, the District will request donations of such easements from these landowner(s). If such landowner(s) requests compensation for granting of the said easement, all costs associated with such compensation are the responsibility of the Applicant. If

condemnation proceedings are required to obtain the easements, the Applicant must pay these costs also.

- g. Once the system is completed, inspected, tested, and accepted by the District, the Applicant will convey the facilities, and rights-of-way or easements to the District free of all liens, claims or encumbrances in a form and manner acceptable to the District.
- h. The Applicant will provide “as-built” plan maps referenced from permanent reference points by a registered surveyor, prior to commencement of service to the project. These as-built plans will be provided in hard copy, Mylar form and on compact disk in the format specified by the District.
- i. After the facilities are conveyed to the District, all contractual rights the Applicant might have under any and all construction agreements entered into for the construction of the systems, including performance bonds, if any, shall be assigned to the District. Maintenance bonds shall be between the Contractor performing the work and the District. The assignment will also include the assignment of warranties of fitness of all materials used in the construction of the system. All construction materials and installations shall be warranted for a period of one year from the time of acceptance.

1.11.2 Installation of Service Lines

The Off-site lines, mains, and other facilities, and On-site facilities installed by the Applicant shall include complete service laterals for all lots.

In the event that the District does not perform construction required to serve the Subdivision, the facilities must be constructed with materials meeting the standards and specifications of the District. The Applicant must install all connections on the lots and mark them clearly to facilitate the delivery of service when the lot owner arranges for it. Individual lot owners will follow the procedures set forth for Standard Service Applications.

1.11.3 Construction Standards

All construction shall conform to the requirements of the District, including applicable District Rules and Policies. In addition, the On-site facilities within a Subdivision or Development must be designed to be compatible with any other present or future facilities and the District System as a whole. In order to provide adequate collection service, all new Off-site water lines, wastewater lines, force mains and lift stations, and On-site wastewater facilities constructed by an Applicant must be reviewed and approved by the District staff prior to the start of construction. Any approved project not started within two (2) years of approval will require resubmittal of plans and re-evaluation.

1.11.4 Developer's Guarantee of Work

An Applicant shall guarantee all Off-site water and wastewater lines, force mains and lift stations, and On-site water and wastewater facilities it installs for a period of one year after completion and acceptance as to its being completed in strict conformance with the requirements imposed by the District's Engineer. The completion of inspection of sections of the Off-site or On-site water lines, wastewater lines, force mains and lift stations, and wastewater facilities does not constitute acceptance of those sections by the District.

1.12 Oversizing

If the Board of Directors determines it to be in the best interest of the District, oversizing of water or wastewater lines scheduled for construction by others may be authorized. In these cases, the District will fund the additional incremental cost of oversizing the pipe from the originally designed size. These mains will also become District property upon completion.

1.13 Installation of Water Service

After the Applicant has paid all fees and met all the requirements for service, the District shall provide for the installation of a Water Service Line and water meter.

Water Service Lines shall run from the meter to the water main for a maximum length of fifty (50) feet and it will be the responsibility of the District to lay the line, set the meter, the meter box, and utility cut-off valve, and/or take all necessary actions to initiate service.

1.14 Quality of Service

The District will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the District will construct and maintain facilities as described in the TCEQ regulations.

1.15 Fire Flow

The District does not provide nor imply that water for fire protection is available everywhere in the District's existing water distribution system. All hydrants or flush valves are installed to facilitate operation and maintenance of the water distribution system and may only be used for firefighting purposes by authorized fire departments, or for domestic use by authorized bulk water users. The District reserves the right to remove any hydrant or flush valve, due to improper use or detriment to the system, at any time without notice.

All new developments will be required to install waterlines of sufficient size to meet Fire Flow requirements established by any authority with such jurisdiction. If a new Development requires fire flow of a certain amount of gallons per minute for a specified duration, and the District must construct new facilities to achieve the required fire flow, the Developer(s) will be required to pay the proportionate share of the costs of the new facilities attributable to service to the Development.

1.16 Temporary Service

In some instances, it may be necessary to install temporary service to structures intended for limited purposes such as real estate sales trailers or construction trailers. In these cases, an Impact Fee will not be charged; however, the service to the structure will be installed and inspected in the same manner as for permanent structures and all other charges will be applicable.

In some instances, it may be necessary to provide temporary water service for construction or other purposes. In these cases, the District will place a temporary fire hydrant meter for use on the project. Charges for this service will include a new service fee plus deposit commensurate with meter size. No Impact Fee will be charged for this temporary service.

1.17 Refusal of Service

The District shall decline to serve an Applicant until such Applicant has complied with Federal, State, and municipal regulations, and these Rules. In addition, service may be denied to an Applicant for the following reasons:

- a. The Applicant's installation of plumbing is known to be inadequate, or of such character that satisfactory service cannot be given;
- b. Refusal to pay service initiation fees or refusal to make a deposit, if Applicant is required to make a deposit by the District;
- c. The property to be served has been subdivided in violation of applicable county subdivision ordinances;
- d. Serving the property is prohibited by Sections 212.012 or 232.0047 of the Texas Local Government Code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or another utility service;
- e. More than one Dwelling is connected to a single meter on the property; unless the service location qualifies for master meter service under these Rules;
- f. The Applicant fails or refuses to have a Customer service inspection performed or fails or refuses to submit a properly completed Customer service inspection certification form as required by TCEQ; and
- g. The Applicant's septic system or other wastewater system is inadequate or defective.

1.18 Assignment of Living Unit Equivalents (LUEs)

Water and wastewater service is measured in units of treatment capacity known as Living Unit Equivalents ("LUEs"). After all applicable fees have been paid, the appropriate amount of LUEs is assigned to a property and a meter can be set. Paid LUEs are considered a guarantee of service, usually to a particular property. An LUE of capacity stays with the property to which it has been

assigned and is “owned” by the property owner, and sold with the property. In some cases, individuals or Developers may own a number of LUEs which have not been assigned to a property. These LUEs may be sold and transferred in accordance with the LUE Transfer Policy.

Water or wastewater capacity shall not be hoarded or used as a commodity. Developers shall make every effort to purchase only the capacity required for their Development.

1.19 LUE Transfer Policy

- a. In order to facilitate the transfer of LUEs from those Developers desiring to sell LUEs to various Buyers, the District will maintain a list of Sellers to be distributed to any interested Buyer. Buyers may then contact Sellers directly and negotiate the purchase of the LUE.
- b. The purchase price of any transferred LUE shall be agreed upon by the buyer and seller, not to exceed the then-current District Impact Fee as applicable.
- c. The District shall be paid the LUE transfer fee in accordance with the District’s current schedule of District Charges in Section 2 of these Rules and Policies to cover the District’s administrative and legal expenses in making and recording the transfer.
- d. The District will make the transfer upon written notification to the District by the buyer and seller, which notification shall include the complete legal description of the property to which the LUE is to be assigned, and payment of the transfer fee as set forth above.
- e. This policy permitting the transfer of LUEs is subject to the determination of legal rights, if any, of property owners, lien holders and/or their predecessors. The District shall not be obligated to make any determination of these rights.
- f. The purchase of an LUE for any specific property does not guarantee the availability of service within any time period. The availability of service is subject to the District’s other rules and policies.
- g. If a final plat has been recorded on the property from which the LUE(s) is/are to be transferred, the plat must be abandoned or other arrangements made to formally notify subsequent purchasers of the property of the reduced Service Commitment.

1.20 Impact Fees - General

An Impact Fee will be assessed for each LUE of water and wastewater service. The purpose of this fee is to generate revenue to recover the costs of capital improvements and expansions to central facilities made necessary by and attributable to serving new Development in the District’s Service Area. The District Engineer will prepare and update capital improvement plans for the District System which will identify required capital improvements and expansions to central facilities and their costs for which Impact Fees will be assessed (“Impact Fee Study”). The District’s Board of Directors shall approve any change to the Impact Fee, and the current approved Impact Fee will be reflected in the schedule of service charges. The amount of the Impact Fee to

be imposed by the District shall be the current Impact Fee in effect on the date payment is due, unless otherwise provided by Chapter 395 of the Texas Local Government Code. Payment of water and wastewater Impact Fees shall be as follows, unless otherwise specified in these Rules or Chapter 395 of the Texas Local Government Code:

- a. **Water Impact Fee:** For new Development that is not platted as of September 27, 2006, payment will be due to the District at the time of the final plat. For Development that is platted, as of September 27, 2006, payment will be due to the District upon submittal of final construction plans to the District. For single lots, payment will be due to the District at the time the property owner requests water service from the District.
- b. **Wastewater Impact Fee:** For Applicants with single-family residences in Developments less than ten (10) LUEs in size, wastewater Impact Fees are payable at the time the Applicant requests the meter to be set. For Commercial Projects, Multi-Family, and Developments over ten (10) LUEs in size, wastewater Impact Fees must be paid at the time of the final plat. For Commercial, Multi-Family, and Developments over ten (10) LUEs in size that have existing final plats recorded prior to their application for service, wastewater Impact Fees must be paid at the time of submission of plans and specifications for improvements to the District for its review and approval.

All Impact Fees will be for the amount of LUEs to be served by the proposed improvements.

Impact Fees cover only those central facilities designated in the applicable Impact Fee Study. These fees do not cover any internal On-site subdivision infrastructure or Off-site facilities not identified in an applicable capital improvement plan. All such infrastructure and connecting mains required to serve new Development are the financial responsibility of the Developer.

1.21 Service Disconnection

A Customer must provide a written request to the District for service in his or her name to be disconnected. The written request must provide the actual date service is to be disconnected and a forwarding address for final billing or deposit refund. A refund in an amount less than \$1.00 will not be processed. The District shall take a final reading of the meter on the disconnection day and will turn service off. At the time a new occupant prepares to move-in, a Service Agreement with all fees paid shall be necessary to start service.

All builders and contractors within the District shall be responsible for water and wastewater service charges until such time as notice has been given to the District that service in their name is to be terminated. For this termination to be granted, all required inspections must be completed and permits closed out. If a builder or contractor does not notify the District to terminate service to a property and the homeowner has not made application for service, then, even though the homeowner is living on the property, the builder or contractor will still be responsible to the District for the bills until notice of termination of service has been made.

1.21.1 Termination of Service for Delinquent Taxes, Usage, or Deposit Rule Violation

Utility service may also be disconnected after the proper notice for any of the following reasons:

- a. Failure to pay a delinquent account or to comply with a deferred payment agreement;
- b. Failure to pay taxes that are due and have remained unpaid for at least six months;
- c. Willful violation of usage rules when that violation interferes with another Customer's service;
- d. Failure to comply with valid deposit or guarantee arrangements;
- e. Violation of applicable county subdivision ordinances;
- f. Failure to have a customer service inspection performed or failure to submit a properly completed customer service inspection certification form as required by the TCEQ; and
- g. Failure to have an active sewer connection or permitted, properly functioning septic system. (Does not apply to temporary interruptions for repair or service)

1.21.2 Termination of Service for Hazardous Conditions, Meter By-Passing, or Tampering with District Equipment

Service may be disconnected without notice, by closing the cutoff valve, or by pulling the meter, when any of the following conditions exist:

- a. When a known dangerous condition exists, for as long as the condition exists;
- b. When service is established through meter bypassing, or unauthorized connection or unauthorized re-connection; or
- c. In instances of tampering with the District's meter or equipment.

In the event service is disconnected without prior notice, a notice will be left on the Customer's door, or if that is not practical, at such other location as it may reasonably be expected to be seen by the Customer, advising the Customer of the reason for the disconnection and the amount of all charges due before water service may be continued.

1.21.3 Landlord Termination of Tenant's Water Service

If the landlord is the District's Customer, the District may terminate service upon the landlord's request. Such termination is within the usual course of business of the District, and, as such, is allowable under the provisions of the Texas Water Code. Although there is no statutory or regulatory duty to notify the tenant of the landlord's request, such notice will be provided to the tenant. The tenant may then establish service under his or her own name upon payment of all fees and charges.

Similarly, when service is to be transferred to a new tenant, notice will be left at the residence that service will be terminated on request of the former tenant. The new tenant must request service from the District and pay all necessary reconnect fees and Customer deposits.

1.21.4 Termination of Service for Non-Payment

If the Customer's account is not paid in full on or before the due date of the month in which the "Termination of Service" notice is mailed, service shall be disconnected by closing the cutoff valve at the meter on the next day that is not a Saturday, Sunday, or holiday.

1.21.5 Charges and Notification at Termination of Service

In the event that service is disconnected pursuant to the foregoing paragraph, or if a representative of the District makes a trip for that purpose, the Customer shall be charged the District's "Reconnect Fee" and "Service Call" fee. The Customer's deposit will be applied against all charges then owed by the Customer.

A notice will be left on the Customer's door, or if that is not practical, at such other location as it may reasonably be expected to be seen by the Customer, advising the Customer the amount of all charges due, that these charges need to be paid, and that a current meter deposit must be on file.

1.21.6 Pulled Meter for Non-Payment

If the Customer's bill is not paid in full on the due date of the month following the month in which the Termination of Service notice is mailed, the account is ninety (90) days delinquent. At that time, a ten (10) day "Pull Meter" notice will be mailed stating the past due balance, all charges that will be incurred by the Customer if the meter is pulled, that payment must be made on or before the designated pay date on the notice to avoid pulling of the meter, and advising that the Customer may meet with a Customer Service Representative, if the Customer believes that the information is incorrect. If the Customer's account is not paid in full on or before the designated pay date in the "Pull Meter" notice, the meter will be pulled on the next day that is not a Saturday, Sunday, or holiday.

1.21.7 Notice of Termination of Service

If the Customer's account has not been paid in full by the due date of the month following the issuance of the "Past Due" bill, the account will be declared delinquent and a ten (10) day "Termination of Service" notice will be mailed to the Customer. The Termination of Service notice will have the words "Termination Notice" or similar language prominently displayed, will list the past due balance, will state all charges that will be incurred by the Customer if the service is disconnected, will state that payment must be made on or before the designated pay date on the notice to avoid disconnection, and will state that the

Customer may meet with a Customer Service Representative if the Customer believes that the information is incorrect.

1.21.8 Delay of Termination

A residential Customer may request a delay of disconnection of service upon establishing that disconnection of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a Customer seeks to avoid termination of service under this provision, the member must have the attending medical doctor call or contact the District within fifteen (15) days of the issuance of the bill. A written statement must be received by the District from the attending medical doctor within twenty (20) days of the issuance of the bill. Upon receipt of the doctor's written statement, the District may, at the discretion of the manager, delay disconnection of service for a period not exceeding forty-five (45) days from the issuance of the bill. At the discretion of the manager, the District may allow the Customer to enter into a deferred payment plan.

1.22 Service Interruptions

The District will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the District will re-establish service consistent with public safety within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the District will keep a complete record of all interruptions, both emergency and scheduled, and will notify the TCEQ in writing of any service interruptions affecting the entire system or major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

1.23 Reconnection of Service

If service is disconnected by closing the cutoff valve, it will only be reconnected after payment in full of all past due charges, including disconnection charges and delinquent taxes, on payment of the District's deposit, and on payment of the Service Call Fee to turn **on** the valve. Service will be reconnected within twenty-four (24) hours of payment.

If service is disconnected by pulling the meter, it will only be reconnected after payment in full of all past due charges, including disconnection charges and delinquent taxes, payment of the District's deposit, or once the correction of the conditions which caused service to be disconnected has been made. The meter will be reconnected within three (3) business days. The District will connect the meter only to the District's main water line. The Customer will be responsible for connecting the meter to the Customer's service line. When the Customer has connected the meter to the Customer's service line, the Customer shall arrange to have the connection inspected. If inspection shows that the connection to the service line is satisfactory, the service will be restored by turning on the cutoff valve at the meter.

1.24 Subdivision Construction Agreements

The District may require that any Developer enters into a Subdivision Construction Agreement

with the District to identify the Developer's responsibilities to provide financial guarantees for Subdivision improvements to ensure that the District is protected from completing any Subdivision improvements which are the responsibility of the Developer. Pursuant to a Subdivision Construction Agreement, the Developer will be responsible for the construction and installation, at the Developer's sole expense, of all external and internal Subdivision improvements required to comply with the District's Rules and Policies, as well as any other statutes, regulations or ordinances required by state law or Travis County.

A Subdivision Construction Agreement may require a fiscal deposit to financially guarantee the estimated total cost to construct any Subdivision improvements. Such total costs of construction may also include engineering and legal expenses incurred by the District for purposes identified in the Subdivision Construction Agreement. This fiscal deposit may be in the form of a cash deposit placed in escrow by the District, or a letter of credit. A letter of credit must meet all conditions stated in the Subdivision Construction Agreement and must be for the full amount stated.

2.0 DISTRICT CHARGES

2.1 Water Charges

For water service within the District's corporate boundaries, each Customer will be charged a Base Rate as determined by the size of the meter and a Volume Rate as determined by the actual water used. The actual water used is determined through meter readings, and each Customer is required to pay for all water used as measured by the Customer's meter. The rates listed below are effective as of October 1, 2017.

Base Rate:

<u>Meter Size:</u>	<u>Base Rate:</u>
5/8" Meter	\$17.00
3/4" Meter	\$20.00
1" Meter	\$22.00
1 1/2" Meter	\$33.00
2" Meter	\$50.00
3" Meter	\$75.00
4" Meter	\$179.90
6" Meter	\$359.90
8" Meter	\$575.90

Volume Rate – Residential

0 to 10,000 gallons	=	\$ 2.10 per 1,000 gal
10,001 to 15,000 gallons	=	\$ 3.16 per 1,000 gal
15,001 to 30,000 gallons	=	\$ 4.73 per 1,000 gal
30,001 to 50,000 gallons	=	\$ 7.10 per 1,000 gal
50,001 to 100,000 gallons	=	\$ 10.65 per 1,000 gal
over 100,001 gallons	=	\$15.98 per 1,000 gal

Volume Rate – Commercial

0 to 50,000 gallons	=	\$2.73 per 1,000 gal
50,001 to 100,000 gallons	=	\$3.83 per 1,000 gal
over 100,001 gallons	=	\$6.64 per 1,000 gal

Water Conservation Credit: \$5.00 credit to all customers using 3,000 gallons or less in any given month, effective October 1, 2008

For water service within Apache Shores (CCN No.10309), the water rates shall be the same as District rates, and the following monthly fees, which may be re-calculated annually, shall be as follows:

Debt Service per Connection	\$ 5.24
Capacity Buy-in per Connection	\$ 8.89*
Out-of-District Fee per Connection	\$28.00

*To be paid by existing Apache Shores Customers as of March 20, 1997. New Apache Shores connections will be assessed an Impact Fee in lieu of this monthly fee.

For water service within River Ridge (CCN No.11578), the water rates shall be the same as District rates, and the following monthly fees, which may be re-calculated annually, shall be as follows:

Debt Service per Connection	\$16.51
Capacity Buy-in per Connection	\$15.05**
Out-of-District Fee per Connection	\$28.00

**To be paid by existing River Ridge Customers as of January 1, 2004. New River Ridge connections will be assessed as an Impact Fee in lieu of this monthly fee.

Bulk Water Sales

The District will sell bulk water to irrigators, hydro-mulch operations, water delivery services, and other commercial haulers on an as-needed basis. All hauling vehicles must conform to potable water sanitation standards with the proper air gaps and backflow devices installed. Vehicles must be inspected and approved by the field supervisor prior to being issued a hauling permit.

Bulk water will also be made available for sale to District Customers who wish to haul water for home or irrigation use and whose property is not currently located near a water line. Bulk water Customers will not be required to pay an Impact Fee, however, when a water line is constructed which will serve their property, bulk water hauling will no longer be permitted and water service to the property will require a service connection and payment of all appropriate fees to establish service, including an Impact Fee.

Bulk water will be prepaid, permitted, and drawn from designated hydrants only.

Bulk water rate: \$5.00/1,000 gallons
Commercial Haulers: \$250 per month plus meter charge, plus volumetric fee

Surplus Water

The District may sell surplus water to neighboring utilities that have entered into an Emergency Interconnect Agreement with the District.

Surplus Water rates will also apply to all infrastructure construction flushing as required to ready the waterlines for service.

Surplus water rate: \$1.50/1,000 gallons

Fire Hydrant Meters

Water meters may be installed on fire hydrants (FH) for construction purposes on a temporary basis only. Upon receipt of a completed “Temporary Fire Hydrant / Bulk Water Service Agreement,” which shows the customer’s preferred FH tag number and location, the District will have a Customer Service Inspection (CSI) performed prior to setting any fire hydrant meter. The District will set the temporary fire hydrant meter and install and test backflow prevention assemblies.

Fire hydrant meters are standard three-inch meters. Charges for this service will include meter deposit, CSI fee and a new service fee commensurate with meter size. No Impact Fee will be charged for this temporary service. Fees associated with temporary fire hydrant meters are:

Initial set up fees: Meter deposit, CSI fee and New Service Fee based on the three-inch meter.

Water rates: The base rate is charged according to meter size. The volume rate is Commercial.

2.1.1 TCEQ Regulatory Assessment Fee

The District is required to collect the assessment fee from Customers and remit the amount collected to the TCEQ, the regulatory authority of the District. The regulatory assessment is not to be collected from state agencies, Wholesale Customers, or buyers of nonpotable water. Because this fee is not a tax, tax-exempt institutions also must pay the regulatory assessment. School districts and similar institutions are not considered to be state agencies and neither are subject to the regulatory assessment.

Regulatory Assessment

0.5% of water charges

2.1.2 Water Service Deposits

5/8"	Meter	\$ 75.00	3"	Meter	\$1,200.00
¾"	Meter	\$125.00	4"	Meter	\$1,875.00
1"	Meter	\$185.00	6"	Meter	\$3,750.00
1½"	Meter	\$375.00	8"	Meter	\$5,625.00
2"	Meter	\$600.00			

2.1.3 Service Fees

Application Administrative Fee: \$25.00, charged at the time of service application for establishing a new account.

Convenience Payment Fee: Credit/Debit card transactions will be assessed a convenience fee based on the type of card being used: MasterCard, 2%; Visa and Discover, 3%; and American Express will not be accepted. ACH transactions are offered at no cost.

Consultation by District Staff: \$60.00 per hour

Consultation – Membrane Plant Assistance: \$80.00/hour plus travel expenses

Service Connect Fee:

\$35.00 - to establish or re-connect water service if the meter is in the ground.

\$25.00 – additional fee for reconnection paid after 3:00p.m. and same day service

\$275.00 - if tap exists, but ¾” meter has to be installed due to the cost of the meter.
(Larger meters are subject to a different fee.)

Service Call:

\$15.00 (with a fifteen-minute limit). Service Calls that exceed fifteen minutes will be put on an hourly basis of \$40.00 per man-hour.

Service Call, After Hours: \$60.00 per hour

Service Call, Fire Flow Test: \$100.00

Service Call, Repairs: Labor on a per hour basis as indicated above plus cost of materials, water and equipment, if used:

Backhoe, if required \$65.00 per hour

Rocksaw, if required \$65.00 per hour

Pumper Truck, if required \$250.00 per load

Hydro Jet Truck, if required \$250.00 per hour

Camera Service, test only, \$75.00

Camera Service, test & lines pumped, if required \$250.00 per hour

Dump Truck, if required, \$65.00 per hour

Crane Truck, if required, \$65.00 per hour

Service Call, Hydrostatic Test: \$ 65.00

Staff Hourly Charge

Office: \$35.00/hour

Field: \$40.00/hour

Grinder Pump Fee: \$5.00 per month, per account to pay for extra equipment, training, spare parts on hand, and test equipment required to service the grinder pumps for residential customers upon request.

Meter Calibrations: \$65.00 (for a customer-requested calibration if meter is within manufacturers specifications)

Pulled Meter: Customer Requested - \$35.00

Water Sampling Fee: \$50.00 service call, plus actual laboratory analysis cost

2.1.4 Tap Fees (Installation of Service Lines)

Properties where taps will be installed by District Staff or contracted by the District for installation:

1" Tap – Single Service with road cut	\$3,655.00
1" Tap – Single Service without road cut	\$1,300.00
1" Tap - Double Service with road cut	\$3,995.00*
1" Tap - Double Service without road cut	\$1,860.00*

Add \$250.00 for Tap on 24" main

*Fee is split between two services.

2.1.5 Water Impact Fee \$8,470/ LUE, effective January 8, 2021

This fee applies to properties requesting water service that have no record of prior service from the District or those properties having water service but needing additional plant capacity with a larger meter. Water Impact Fee is assessed in accordance with the Service Extension Request (Appendix O.)

If a residential homeowner is required by the District to upgrade from a 5/8" meter to a 3/4" meter, and the existing meter has been in place since on or before July 1, 2009, the District will waive the 0.5 LUE impact fee increase for the residential homeowner, so long as the residential homeowner abides by the District's Rules and Policies applicable to irrigation systems.

2.1.6 LUE Transfer Fee – Water and Wastewater

\$100.00 for the first LUE, \$10/LUE for additional LUE(s)

2.1.7 Penalties/Fines

Direct Cross Connect: \$250.00

Repeat Offense: \$500.00

Any connection made straight to meter without a hose bibb and vacuum breaker installed is assessed this penalty.

Equipment Damage Fee: If the District's facilities or equipment have been damaged by tampering, vandalism, by-passing, installing unauthorized taps, reconnecting service without authority, or another service diversion, a fee shall be charged equal to actual costs for all labor, material, and equipment necessary for repair, replacement, or other corrective

actions by the District. This fee shall be charged and paid before service is re-established. If the District's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversion, unauthorized taps, or reconnection of service without authority shall be charged. All components of the fee will be itemized, and a statement shall be provided to the Customer. If the District's facilities or equipment have been damaged due to negligence or unauthorized use of the District's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the District incurs losses or damages, the Customer shall be liable for all labor and material charges incurred as a result of said acts or negligence.

Tampering with Fire Hydrant: \$2,000.00

Tampering with Tank Site: \$5,000.00

Illegal Connection: The following penalties will be assessed for an unauthorized connection to the water system that bypasses a meter. (Hot Tap)

Builders/Contractors: 1st offense \$1,000.00
 2nd offense \$1,500.00
 3rd offense and beyond \$2,000.00 (per offense)
Plus, meter connect fee and costs to clean or replace meter

Illegal Turn-on –Customer: 1st offense \$100.00
 Repeat offense \$500.00 (per offense)
Service was disconnected for non-payment and the customer turns service back on without paying District for the past due amount and reconnect fees.

Late Fee: 10% of the current unpaid balance on water bill

Plumbing Violations:

Plumbing without a permit: \$300.00
This includes residential, commercial, pool, or irrigation.

Failure to post permit: \$100.00

Building without inspections: \$500.00 per stage not inspected, plus fees to connect, affidavit, etc.
 \$1,500.00 Full build-out

Improper irrigation system installation: up to \$2000.00 per each violation

Reconnect Fee: \$35.00 to reestablish a service that has been terminated due to non-payment

Other Violation of District Policy: maximum per occurrence \$5,000.00

Water Restriction Violations - up to \$2,000.00 per day, per occurrence. This fee is applied when the District has issued mandatory outdoor water restrictions:

1st offense – the warning is issued

2nd offense - \$200.00 fine

3rd offense - \$500.00 fine and water turned off until fine is paid

4th offense - \$1,000.00 fine and water turned off until fine is paid

5th offense and beyond - \$2000.00 and water turned off until fine is paid

2.1.8 Fire Flow Facilities

The District was established to provide municipal water supply and is not required to provide fire flow. Emergency Services District 6, the local fire authority, has adopted a fire code that requires all new Development to have fire protection and has established requirements for both firefighting and duration. Should the District be required to provide additional facilities for this fire flow protection, the Customer using these additional facilities will be required to pay their portion of the costs to provide such facilities.

2.1.9 Miscellaneous

Annexation Fee: The following charges are collected at the time an Applicant submits a petition for annexation.

Unplatted Tracts of Land: \$400.00 - 1st acre, \$10/acre for incremental acreage

Platted Lots: \$400.00 per lot, or 1st acre, \$10/acre for incremental acreage

Multiple Lots and/or Multiple Tracts

The lots/tract must be contiguous to qualify for this fee.

\$400.00 - 1st acre, or 1st lot

Incremental acreage over one acre per lot - \$10/acre or fraction thereof

\$25.00 for each additional lot/tract

Customer Mailing List: \$15.00 On labels - \$75.00

Maps: District Map 11 x 17 \$ 1.00
 Plot page 18 x 24 \$ 4.00
 Wall Map 42 x 50 \$100.00

Meter Key Deposit: \$25.00 (three working days to return or forfeit deposit)

Voter List: \$40.00

Research: \$40.00/hour, \$5.00 minimum

Return Payment Fee: \$25.00. After three (3) returned payments within one (1) year, the account is put on a cash basis for a full year following. This fee also applies to any

payments returned as “Stop Payments”, “Closed Accounts”, “Non-Sufficient Funds” or payments returned in an electronic format such as ACH or Electronic Funds Transfer.

Copies Made Pursuant to the Texas Public Information Act

The charges for obtaining copies of District records pursuant to a request for public information will be assessed pursuant to Chapter 552, Texas Government Code and the regulations of the Texas Attorney General. Such charges may include the following:

- a. Standard-size, black and white, paper copy - \$0.10 per page
- b. Nonstandard-size copy:
 1. diskette - \$1.00 each
 2. CD - \$1.00 each
 3. magnetic tape – actual cost
 4. audio cassette - \$1.00 each
 5. other – actual cost
- c. Personnel charge - \$15.00 per hour
- d. Microfiche or microfilm charge:
 1. paper copy - \$0.10 per page
 2. fiche or film copy – actual cost
- e. Miscellaneous supplies – actual cost
- f. Postage and shipping charge – actual cost
- g. Overhead charges, per Texas Public Information Act and regulations of the Texas Attorney General, will be applied whenever applicable to a request and will be computed at 20% of the labor charge.

2.2 Wastewater Charges – All rates listed below effective as of January 1, 2021.

The District charges wastewater rates for residential customers based on the wastewater system which services their property. This rate consists of a Base Fee based on meter size and a Volumetric Fee per 1,000 gallons. **Volumetric fees for residential accounts will be based on winter averaging and commercial accounts shall be based on actual usage.**

Wastewater Rates – Falconhead West System:

The wastewater rate for wastewater service in the Falconhead West area, through the District and West Travis County PUA, will consist of a base fee based on meter size plus a volumetric fee as shown below.

<u>Base Fee:</u>	<u>Residential</u>	<u>Commercial</u>
5/8” or ¾” Meter	\$ 35.00	\$35.00
1” to 6” Meter	\$ 35.00	\$35.00
Larger than 6” Meter	\$ 35.00	\$35.00
Volume Rate:	\$5.10/1000 gals	\$5.10/1000 gals

Wastewater Rates – Flintrock System (South District) Area:

Residential - The wastewater base rate for wastewater service in the South District area, through the Flintrock Wastewater Treatment Plant, will be based on the following meter sizing:

Residential – Base Fee:		Commercial Accounts – Base Fee:	
5/8", 3/4" or 1" meter	\$28.00	5/8" or 3/4" meter	\$30.00
1-1/2" meter	\$30.50	1" to 1 1/2" meter	\$40.00
2" – 8" meter	\$42.50	2" to 8" meter	\$45.00
plus volumetric fee of \$5.67 per 1,000		plus volumetric fee of \$5.67 per 1,000 gallons	
determined by the customer's winter average		per actual water usage	

Wastewater Rates – North Lakeway Village System:

Residential - The wastewater rate for wastewater service in the North Lakeway Village area, through the District and Lakeway MUD, will be \$10.00 per month plus a volumetric fee of \$7.79 per 1,000 gallons as determined by the customers' winter average.

Commercial Accounts – Base Fee:	
Meter size is less than 2"	\$10.71
Meter size is 2" – 6"	\$14.29
Meter size is larger than 6"	\$21.43
plus a volumetric fee of \$7.79 per 1,000 gallons	
per actual water usage	

Wastewater Rates – Commander's Point Area:

The wastewater rate for residential and commercial customers connected to these systems will be a base fee based on meter size as shown below plus a *volumetric fee of \$4.50 per 1,000 gallons*.

Base Fee:	Residential	Commercial
5/8" or 3/4" Meter	\$ 38.00	\$41.00
1" or 1-1/2" Meter	\$ 39.00	\$51.00
2" – 6" Meter	\$ 51.00	\$51.00
8" Meter	\$ 71.00	\$71.00

Wastewater Rates – Comanche Trail Area:

The wastewater rate for residential and commercial customers connected to these systems will be a base fee based on meter size as shown below plus a *volumetric fee of \$6.18 per 1,000 gallons*.

Base Fee:	Residential	Commercial
5/8" or 3/4" Meter	\$ 38.00	\$41.00
1" or 1-1/2" Meter	\$ 39.00	\$51.00
2" – 6" Meter	\$ 51.00	\$51.00
8" Meter	\$ 71.00	\$71.00

Wastewater Rates – Steiner Ranch Area:

Residential – The wastewater base rate for wastewater service through the Steiner Ranch Wastewater Treatment Plant will be based on the meter size:

Residential – Base Fee:		Commercial Accounts – Base Fee:	
5/8", 3/4" or 1" meter	\$28.00	5/8", or 3/4" meter	\$30.00

1-1/2" meter	\$30.50	1" to 1 1/2" meter	\$40.00
2" – 8" meter	\$42.50	2" to 8" meter	\$45.00
plus volumetric fee of \$4.08 per 1,000 determined by the customer's winter average		plus volumetric fee of \$4.08 per 1,000 gallons per actual water usage	

Winter Averaging – Residential Customers – Usage from the most recent December, January and February billings is averaged to determine the customer's winter average usage. This usage is applied to the volumetric rates each April and charged throughout the year as a set wastewater fee for Residential customers. For customers not having usage history during the averaging period, a winter average of 8,000 gallons will be assigned until the next winter averaging period. Commercial customers exceeding designated sewage strength limits may be required to pay surcharges based on formulas specified in the industrial waste ordinance.

New customers may request to have their wastewater average established after 90 days of service. Should the calculated average be less than the District-wide average, then it will be placed into effect for that customer. Should it be higher than the District wastewater average, then the District wastewater average of 8,000 gallons will remain in effect for that property until a new wastewater average is calculated under the existing process.

Raw Water/Reclaimed Water:

Reclaimed Water Service from Lakeway MUD:

\$20.00 Base fee per meter, per month
Volume charge plus current rate as set by Lakeway MUD

Reclaimed Water Service from the District:

\$20.00 Base fee per meter, per month
Volume charge: \$1.75 per 1,000 gallons based on the cost of service

2.2.1 TCEQ Regulatory Assessment Fee

The District is required to collect the assessment fee from Customers and remit the amount collected to the TCEQ, the regulatory authority of the District. The regulatory assessment is not to be collected from state agencies, Wholesale Customers, or buyers of nonpotable water. Because this fee is not a tax, tax-exempt institutions also must pay the regulatory assessment. School districts and similar institutions are not considered to be state agencies and so neither are subject to the regulatory assessment.

Regulatory Assessment

0.5% of retail wastewater charges

2.2.2 Wastewater Service Deposit

This deposit will be charged to those accounts with wastewater service only. The deposit amount is determined by the estimated wastewater usage based on a fixture unit count of the structure.

5/8"	Meter	\$ 75.00
3/4"	Meter	\$ 125.00
1"	Meter	\$ 185.00
1½"	Meter	\$ 375.00
2"	Meter and above	\$ 600.00 plus

2.2.3 Tap Fees

If it becomes necessary to perform a Sewer Tap, the Customer will be charged actual costs plus 10%.

Steiner Ranch

Drainage Fee: \$100.00

Sewer Tap Fees: \$100.00

2.2.4 Wastewater Impact Fees

This fee applies to properties outside of Defined Areas requesting wastewater service through the Defined Area facilities that have no record of prior service from the District or those properties having wastewater service but needing additional plant capacity with a larger meter. Wastewater Impact Fee is assessed in accordance with the applicant's Service Extension Request (Appendix O.)

Service through the Flintrock Wastewater System: \$19,943 per LUE, effective January 8, 2021

Service through the Comanche Canyon Ranch Wastewater System: City of Austin Capital Recovery Fee, currently at \$1,400.00 per LUE

Service through Lakeway MUD: Lakeway MUD Impact Fee of \$8,000.00 per LUE, plus any applicable reservation fees, and a \$100 administrative fee per LUE.

Service through WTCPUA in Falconhead West: WTCPUA Wastewater Impact Fee of \$5,250.00 per LUE

Service through Steiner Ranch: City of Austin Capital Recovery Fee, currently at \$1,400.00 per LUE. For lots located outside of the Steiner Ranch Defined Area, a Wastewater Impact Fee of \$4,100 per LUE must also be paid.

Services through Commander's Point Wastewater System: \$9,200 per LUE

2.2.5 Wastewater LUE Transfer Fees

\$100.00 for the first LUE, \$10.00 for each additional LUE.

2.2.6 Penalties/Fines

Illegal Connection: \$200.00 for any unauthorized connection to the wastewater system.

Late Fee: 10 % of the current unpaid balance on wastewater bill.

Return Payment Fee: \$25.00

Exceedance of Wastewater Quality Limits: \$250.00 plus actual fees as charged by the District and any of its wholesale service providers whose system is affected to restore the system to normal operation.

Sewer Clean Outs – broken cleanout or sewer plant function impaired due to illegal introduction of foreign substances into the sewer collection system or failure to cap cleanouts where water or debris enters the system.

Fine up to \$2,000.00 plus the cost of repair

Repairs (broken cleanout only, no other damage)

if performed by District staff	\$500.00 plus time and materials
if performed by third party	actual costs for repairs

2.2.7 Non-Standard Service Charges

Individual residential Customers who place a unique or non-Standard Service demand on any District System may be charged the actual costs of any additional transmission or treatment facilities required over and above the standard requirements.

2.3 Development Fees

2.3.1 Plan Review Fees: The following fees shall be paid prior to reviews conducted by District staff for Development:

Residential, Multifamily, Commercial plan reviews are priced in accordance with the Service Extension Request (Appendix O.)

Irrigation Plan Review – Residential: \$40.00 minimum Irrigation Plan Review - Commercial: based on number of zones as follows:

1 – 12 Zones	\$ 50.00
13 - 24 Zones	\$ 80.00
25 - 36 Zones	\$110.00
37 - 48 Zones	\$140.00

Tenant Finish-Out Review: \$150.00 (reviewed by third party plumbing inspector)
Plat Review: \$100.00

2.3.2 Fees for Feasibility Studies

For Developers requesting determination of adequacy of District System to provide service or identification of facilities to be constructed and costs associated therewith to serve a new Development, the District shall charge the following fees for preparation of a feasibility study:

Water, Wastewater, and Drainage Infrastructure Development:

1-2.5 LUEs	\$ 100.00
3-5 LUEs	\$ 300.00
6-20 LUEs	\$ 700.00
Above 20 LUEs	\$1,000.00

These deposits are payable when the request is submitted. Funds will be drawn from the Developer's account as costs are incurred. If the deposit is depleted, an additional deposit will be required in the above amounts. Any unused deposit will be refunded to the Developer.

2.3.3 Construction Inspection Fees for Water and Wastewater Infrastructure Development:

In order to cover the costs of inspection and approval of water, wastewater, and drainage facility construction, the District adopts the following fees based on water, wastewater, and drainage infrastructure construction costs. These costs shall be based on the engineer's construction estimate or a bona fide bid tabulation.

Construction Inspection Fees for Water and Wastewater Infrastructure Development:

1 st \$500,000 (or any fraction thereof)	2.0%
Next \$500,000 (or any fraction thereof)	1.5%
Any amount over \$1,000,000	1.0%

These fees are payable in advance of the commencement of construction.

<u>2.3.4 Plumbing Permit Issue Fee:</u>	Residential: \$50.00 per permit
	Commercial: \$100.00 per permit

The residential permit is valid for one (1) year. If the project is not completed within one year, an extension is required. The extension fee is \$25.00 for one year. Upon extension, the total duration of the permit is two (2) years.

The commercial permit is valid for two (2) years. If the project is not completed within two years, an extension is required. The extension fee is \$50 for one year. Upon extension, the total duration of the permit is three (3) years.

If plumbing has not been finalized by the end of the time allotted above, the permit is void and the remainder of the inspection fees will be forfeited. To renew the application, another permit with inspection fees is required.

2.3.5 Plumbing Inspection Fees:

Five inspections are required: Rough-In, Copper, Top-Out, Yard Line and Final on all residential and commercial permits.

All inspection fees are due at the time the permit is issued. The District may collect inspection fees in advance. Any unused inspection fees will be refunded once the permit is final.

Residential:	\$60.00 each inspection
	\$60.00 each re-inspection

Commercial:	\$70.00 each inspection
	\$70.00 each re-inspection

Medical Gas (Med Gas):	\$155 each inspection
(Commercial)	\$155 each re-inspection

Residential Irrigation:	\$60.00 each inspection
	\$60.00 each re-inspection

Commercial Irrigation:	\$70.00 each inspection
	\$70.00 each re-inspection

Residential Pools:	\$60.00 each inspection
	\$60.00 each re-inspection

Commercial Pools:	\$70.00 each inspection
	\$70.00 each re-inspection

Apartments/Condos:	\$55.00 per unit
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Residential Customer Service Inspection:	\$60.00 each
Commercial Customer Service Inspection:	\$70.00 each

Grinder Pump Inspection:	
Residential:	\$250.00
Commercial:	\$500.00

Re-inspection (R/C): \$250.00

2.4 Subsequent User Fees

General

Subsequent user fees may be charged by the District to recover water or wastewater line installation costs when the District pays to install or oversize a line not covered by an approved Impact Fee. Such fees will be calculated and charged based upon the cost of the improvements constructed and the number of direct connections that may be made to the lines.

Individual developers installing short or small line extensions may not be paid subsequent user fees for the construction of water mains or wastewater collection lines. However, if the line is of significant size, 8" or above, and will serve at least fifty (50) additional connections, the District may reimburse the Developer through the use of subsequent user fees.

Decisions on subsequent user fees ("SUFs") will be made by the Board of Directors on a case by case basis. Consideration will be given to the size of the project, time frame for construction, and overall benefit to the District. The following requirements will apply to all SUFs collected by the District:

- The cost of building the infrastructure must be clearly above and beyond the usual cost of meeting the District-wide requirements to receive water or wastewater service.
- The area subject to such fees must be clearly delineated.
- Such fees must be strictly in accord with applicable state laws, rules, and regulations.
- There is a definite benefit to the District, the community, or accruing to the land subject to the specific improvements.
- Terms of the SUFs must be specified in a legally binding contract with a landowner, Developer or other entity, and the District will collect and distribute the fee in accord with terms of the contract, and may keep a portion of the fee for administrative costs.
- There must be a date-specific for the cessation of the responsibility to collect and distribute the fee (ex. 10 years from the first date the improvements are available to a party which would be required to pay the SUF).
- There will be a public hearing held before the fees are imposed and notice will be sent to all affected property owners.
- Fees must be based on the actual cost of the water/wastewater improvements and may include reasonable interest.
- Fees must be reasonable for Customers, and factors that determine this status may include lot size, potential improvements, and land use.

Subsequent User Fees:

McCormick Mountain Service Area: \$6,760 per Water LUE

The fee shall be charged to any Applicant located in the McCormick Mountain Subsequent User Fee Area, as established on July 20, 2017, by the Board of Directors. The fee shall be collected at the time a Service Commitment for water service is requested for the property and shall be a

condition of providing service to such defined property. This area consists of the properties to include McCormick Mountain Subdivision Phases I and III. The Subsequent User Fee will be collected until the 42 residential connections reflected in the current subdivision plats are made.

Travis Vista/Marshall Ford:

\$ 9,395.00 per Wastewater LUE (effective January 1, 2014)

The fees shall be charged to any Applicant for wastewater service located in the Subsequent User Fee Area established in that certain "Order Adopting a Subsequent User Fee for Wastewater Improvements in the Travis Vista/Marshall Ford Service Area", dated October 17, 2013. The fees shall be collected at the time a Service Commitment is requested for the property and/or a customer actually takes service from District wastewater facilities and shall be a condition of providing service to such property.

Clara Van Force Main:

\$9,807 per Wastewater LUE

\$ per LUE – Lakeway MUD Fee

\$ 100 per LUE for Administration through Lakeway MUD

Shall be charged to any Applicant located in the Subsequent User Fee Area established September 19, 2019, by the Board of Directors. The fee shall be collected at the time a Service Commitment is requested for the property and shall be a condition of providing service to such property. Fees will be collected for fifteen (15) years from the date established, or September 19, 2034.

2.4.1 Subsequent User Fees for Defined Area Facilities

Subsequent user fees for Defined Areas shall be charged to anyone using facilities designated specifically for use by the Defined Area to serve property outside such Defined Areas. Fee calculations shall be made based on the excess capacity in the facility and the cost of construction. Subsequent user fees collected by the District for Defined Area facilities will be held in a separate account and applied to debt service for that Defined Area.

Although the Texas Water Code does not specifically address the subsequent use of Defined Area facilities by others, Section 51.530 gives the Board of Directors the authority to administer all business incidental to the operation of a Defined Area.

The following subsequent user fees will be paid at the time the District approves a final plat for a Subdivision and will continue to be required for each subsequent user-added up to the capacity of the system until the Defined Area bond issues are paid off. Payment of these fees will constitute a guarantee of water or wastewater delivery through the Defined Area facilities to the point of interconnection.

Subsequent user fees will be paid by cashier's check or other guaranteed method and will be required in addition to all other usual and customary fees and charges made by the District including Impact Fees. In addition, the Customer or Developer may be required to install additional distribution mains, taps, and other facilities at their expense.

Flintrock Ranch Estate Defined Area SUF: \$5,390.00 per Water LUE
\$9,326.00 per Wastewater LUE

These fees apply only to properties whose sole service connections are through Flintrock Ranch facilities.

Steiner Ranch Defined Area: \$2,260.00 per Water LUE – applies only to Lakeside lots (Phase 1, Sec 6)

Serene Hills (Majestic Hills) Waterline: \$9,300.00 per lot
(Majestic Ridge Rd, Raynham Dr., Travis Vista Dr., Serene Hills Dr.)

2.5 Solid Waste/Recycling Service

The District offers this service to all WCID17 customers, only excluding those areas that have and continue their own Homeowner Association (HOA) contract or are located within city limits that are mandated to have city service. The District negotiates a contract with a disposal company for service. The solid waste/recycling service is billed on the monthly water bill as well as the applicable sales tax. Rates may fluctuate as determined by the service provider. Please see the District's Rate Schedule for the current service fees. Any unpaid portion of this service could result in disruption of water service as with any other unpaid monthly bills.

2.6 Fiscal Responsibility

Texas Department of Transportation/RR 620 Waterline Relocation Fee: \$5.00/month/account (Effective January 1, 2018). This fee was enacted by the Board of Directors to offset the line relocation/construction costs for the upcoming Texas Department of Transportation (TX DOT) RR620 improvements. This fee will no longer be assessed when TX DOT's work is complete.

3.0 SERVICE RULES – WATER

3.1 Service to Property Outside the District’s Service Area with Alternate Water Supply

3.1.1 General

Although it has no affirmative duty to do so, it is the policy of the District to consider requests for service to property located beyond the District’s boundaries and currently certificated Service Area. The District may determine to provide service to such property where the service appears feasible and in the best interests of the District. The District may also determine that such property may be served best through an alternate water supply source. The District’s provision of service to the property beyond its boundaries and certificated Service Area through an alternate water supply source will require the assessment of fees, rates, and other District charges. This Section outlines the District’s general policy and requirements with regard to such service. Details relating to service to a specific property will be governed by a contract executed by the District and the property owner.

3.1.2 Definitions

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

- a. Alternate Water Supply - A source of potable water treated at a facility not owned by the District from which the District purchases the treated water for resale to District Customers.
- b. Affected Property - Property located beyond the District’s boundaries and certificated Service Area that the District determines may be served most feasibly and efficiently through an Alternate Water Supply.
- c. Affected Property Owners - The Person or entity that owns the Affected Property.
- d. District Service Area - The area within Travis County designated as the District’s service area as shown on a Certificate of Convenience and Necessity issued by the Texas Commission on Environmental Quality to the District.
- e. Service Contract - The contract between the District and the Affected Property Owner.
- f. Utility Diversion – A Person’s unauthorized action to divert utility service to prevent accurate measurement of utility usage; receive the benefit of utility service without approval; alter metering equipment preventing accurate meter readings and subsequent billings; alter utility account records or computer data to prevent accurate billings; or, divert service to another party with approval.

3.1.3 Applicability

Upon request for service by an Affected Property Owner, the District may determine that the Affected Property may be served most feasibly and efficiently through an Alternate Water Supply. If such a determination is made, service to the Affected Property shall be governed by the provisions of this Section. This Section shall not apply to requests for

service made by an Affected Property Owner with whom the District has contracted to provide service prior to May 20, 1999.

3.1.4 Service Contract

The District and the Affected Property Owner shall enter into a contract providing the terms and conditions under which service shall be provided to the Affected Property.

3.1.5 Annexation Petition

The Affected Property Owner shall petition for annexation into the District in accordance with all applicable District rules and policies, including this Section.

3.1.6 Annexation Fee

The Affected Property Owner shall be assessed an annexation fee as described in Section 2.1.9, payable at the time of the submission of the annexation petition.

3.1.7 Operations and Maintenance Deposit

The Affected Property Owner shall be charged an operations and maintenance deposit payable at the time of the submission of the annexation petition. The operations and maintenance deposit shall be the District's estimated operations and maintenance costs for the provision of water service to the Affected Property for the first three years of service. The collection of this deposit from the Affected Property Owner is required to guarantee payment to the District for operations and maintenance expenses that may not be recovered through rates during the early stages of development. The District may reimburse the Affected Property Owner any amounts not actually used by the District to cover its operations and maintenance expenses pursuant to the terms of the Service Contract.

3.1.8 Alternate Water Supply Fee

Affected Property Owners shall also be assessed an alternate water supply fee pursuant to the Contract payable at the time of the submission of the annexation petition. The collection of this fee from the Affected Property Owner is required to reimburse the District for the costs and expenses associated with obtaining an alternate water supply and for the general benefit of the District and shall be specified in the Service Contract.

3.1.9 Board Consideration of Petition and Annexation

Upon execution of the Service Contract, receipt of a petition for annexation meeting the requirements above, and payment of the annexation fee, operations and maintenance deposit and the alternate water supply fee, the Board of Directors shall consider the petition for annexation at an open, public meeting. The Board will determine whether such annexation is feasible, practicable, and to the advantage of the District. If it so finds, the Board will annex the property into the District.

3.1.10 Provision of Water Service

The District shall provide water service to the Affected Property provided that: (a) the District and the Affected Property Owner have executed a Service Contract; (b) the property is annexed into the District; (c) all the required fees have been paid; (d) an alternative water source is secured to the satisfaction of the District; and (e) all other rules and policies of the District regarding the commencement of water service have been met.

3.2 Capacity Reservation in District Water System

3.2.1 Reserving Existing Treatment Capacity in an Impact Fee Area

This section applies to Development located within a water Impact Fee area designated by the District. Maps of the District's current water Impact Fee area are on file at the District Office and are available upon request. After the Board of Directors has determined that service is feasible, but prior to the start of construction, the Developer must enter into a contract with the District which defines the terms of service consistent with these Rules and with a resolution adopted by the Board recognizing the feasibility of water service to the project. The Developer must pay the expenses, such as attorney's fees, incurred by the District in negotiating and drafting any agreements to provide service to the project. The Developer must pay a deposit of funds to cover such expenses prior to the drafting of the water service agreement ("Service Agreement").

A determination that providing service to a proposed project appears feasible does not reserve capacity for use with the proposed project. Uncommitted water treatment capacity that exists in the District System is available on a first-come, first-served basis and may be reserved by the execution of a Service Agreement and by the assessment and collection of Impact Fees corresponding to the number of connections or LUEs required for the Development.

In addition to the payment of Impact Fees, the Developer must pay for the extension, relocation, or increase of water line sizes or any other improvements to the water system, if necessary, to serve the proposed Development if such line extensions or improvements are not included in the capital improvement plan previously adopted by the District for the Impact Fee area. The Developer or Applicant shall pay the cost of constructing all On-site water facilities within its project. No Off-site water lines or other facilities shall be constructed nor shall connections to water lines be made until after the Service Agreement is fully executed and all applicable Impact Fees for water service have been paid. The Developer or Applicant must meet all requirements as defined in these Rules and transfer, without charge to the District, legal title to the water facilities, whether Off-site or On-site, free and clear of all liens and encumbrances. The District shall then assume responsibility for operation and maintenance of Off-site and On-site water facilities serving the Development.

3.2.2 Reserving New Treatment Capacity in Impact Fee Area

In instances where water treatment or storage capacity is not yet available in the District System for a proposed development because of the need to finance and construct a capital improvement or facility expansion identified in the applicable capital improvements plan, the District may assess and collect Impact Fees at the time of Subdivision plat for new Subdivisions or at the time of initial site plan review for previously platted Subdivisions. In such instances, the District shall commence construction of the improvements within two (2) years and shall have service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five (5) years. In lieu of payment of Impact Fees, the Developer may directly fund the capital improvements or facility expansions, and the funds advanced will be credited against the Impact Fees otherwise due to the Developer. The District may also reimburse Developer from Impact Fees collected from other new Developments using such capital improvements or facility expansions (which fees shall be collected and reimbursed to the Developer at the time the other new Development records its plat.) The developer shall pay the District the full amount of the construction costs before the construction contract is awarded. These costs shall be payable in the form of a cashier's check or another form of payment approved by the District's General Manager.

3.2.3 Service Outside of Impact Fee Areas

If a Developer requests service to property located within the District's CCN, but outside of an Impact Fee area, this section shall apply. The Developer shall provide a written request to the District's General Manager identifying the location of the property, the number of units proposed, and include a deposit to cover the District's costs in conducting a preliminary engineering feasibility study. Where service is not available from the District System, the Developer shall be responsible for all costs associated with the construction of water treatment, storage, and pumping facilities necessary to provide service to the Developer's property. The District and Developer shall enter into a Service Agreement specifying the facilities to be constructed and providing for Developer's payment of the full amount of construction, engineering, land acquisition, and legal costs associated with the facilities. Any On-site or Off-site facilities constructed by Developer shall be subject to design approval and construction inspection as otherwise provided by these rules and upon completion shall be conveyed to the District free of any liens, claims, or encumbrances prior to the commencement of water service.

3.3 Living Unit Equivalents ("LUEs") – Water

A Living Unit Equivalent ("LUE") for water service is a relative measure of how much water an average single-family household uses. For planning purposes and for estimating required flow rates and pipe sizes the current water capital recovery fee plan should be referenced.

3.4 Plumbing Permits, Inspections, And Procedures

3.4.1 General

The District is responsible by law to the state regulatory agency, Texas Commission on Environmental Quality (“TCEQ”) for protecting the drinking water supply from contamination or pollution that could result from improper plumbing practices. All plumbing within the boundaries of the District must be installed in accordance with the Uniform Plumbing Code, most recently adopted Edition, with District amendments. Any property which fails to comply with required plumbing standards may be denied water service.

Plumbing permits are valid for one (1) year, pool permits are valid for six (6) months and permits pertaining to only hot water heaters, water softeners, sprinkler/irrigation systems, gas lines, yard lines or customer service inspections being valid for three (3) months. A permit may be extended for one additional period of the original permit duration for an extension fee. A permit should be extended prior to expiration so that any remaining inspection fees can remain valid. If the permit expires, any unused inspections are no longer valid and if money is owed from the original permit inspections, they will be carried forward to the new required permit. Please remember to close out each plumbing permit upon completion of work to prevent service interruption.

The following Persons may obtain plumbing permits:

- Homeowner/Business owner/Property owner
- Certified Irrigation Specialists
- Licensed Plumber

A permit is required for:

1. Building a new home;
2. Building a commercial business or building;
3. Installing a new Yard Line to an existing house, trailer, prefabricated house, or structure formerly using a well or cistern;
4. Installation or replacement of hot water heaters or water softeners;
5. Installing a sprinkler/irrigation system;
6. Addition to a home or business which requires additional plumbing or which alters original plumbing including, but not limited to, new bathrooms, kitchen, sinks or drains.
7. Remodeling an existing house, room(s), or commercial building, if it necessitates changing the existing plumbing; and
8. Installing a pool.

Permits are NOT required for repairs or replacement of fixtures such as faucets, toilets, pressure regulating valves or any repairs which do not require breaking into the walls or altering original plumbing.

In general, one permit per single-family unit or commercial building is required in order to ensure that all necessary plumbing inspections for that property have been completed. For

commercial multi-unit projects such as motels, trailer parks, or apartment buildings, only one permit per building or park is required. For duplex, condominium or townhouse projects, each unit will require a permit. The number of permits required for special or unusual projects will be determined by the General Manager.

A person is not required to be licensed to perform:

1. plumbing incidental to and in connection with the business in which the person is employed or engaged if the person:
 - a. is regularly employed as or acting as a maintenance person or maintenance engineer and
 - b. does not engage in plumbing for the public;
2. plumbing if the person is engaged by a public service company to:
 - a. lay, maintain, or operate its service mains; and
 - b. install, change, adjust, repair, remove, or renovate appurtenances, equipment or appliances;
3. appliance installation and service work, other than installation and service work on water heaters, that involves connecting appliances to existing openings with a code-approved appliance connector if the person performs the work as an appliance dealer or an employee of an appliance dealer; or
4. water treatment installations, exchanges, services, or repairs.

3.4.2 Plumbing Permit Issue Fee:

Residential: \$50.00 per permit.

Commercial: \$100.00 per permit

3.4.3 Plumbing Inspection Fees:

Five inspections are required: Rough-In, Copper, Top-Out, Yard Line and Final on all residential and commercial permits.

All inspection fees are due at the time the permit is issued. The District may collect inspection fees in advance. Any unused inspection fees will be refunded once the permit is final.

Residential: \$60.00 each inspection
\$60.00 each re-inspection

Commercial: \$70.00 each inspection
\$70.00 each re-inspection

Medical Gas (Med Gas):	\$155 each inspection
(Commercial)	\$155 each re-inspection

Residential Irrigation: \$60.00 each inspection
\$60.00 each re-inspection

Commercial Irrigation: \$70.00 each inspection
 \$70.00 each re-inspection

Residential Pools: \$60.00 each inspection
 \$60.00 each re-inspection

Commercial Pools: \$70.00 each inspection
 \$70.00 each re-inspection

Apartments/Condos: To be determined at Plan Review

Residential Customer Service Inspection: \$60.00 each
Commercial Customer Service Inspection: \$70.00 each

Grinder Pump Inspection:
 Residential: \$250.00
 Commercial: \$500.00
 Re-inspection (R/C): \$250.00

3.4.4 Homestead Permits

For residential plumbing work, a homeowner may perform the work personally or hire a licensed plumber to do it. For commercial work, a master licensed plumber is required. If a homeowner performing his own work demonstrates incompetence by repeated inspection failures, the District will require a licensed plumber to complete the work.

A person who is not licensed to perform plumbing work may perform this work within a residence owned by the person if all of the following requirements are met:

1. the residence is the person's homestead and principal residence;
- 2.. the work DOES NOT include electrical, mechanical and plumbing work that involves the following:
 - a. main electric service
 - b. reclaiming and charging ducted heating and air conditioning system containing refrigerant; or
 - c. natural gas plumbing systems, liquefied petroleum plumbing systems and auxiliary water system
3. the person has not secured a homestead permit for another residence within the prior twelve (12) month period;
4. a person must obtain a homestead permit and pay required permit fees before beginning any plumbing work. A person must apply for a homestead permit in person and must file an affidavit stating that the location at which the work is to be done is the person's homestead;
5. a person who has obtained a homestead permit may not allow or cause any person to perform plumbing work under the permit. The District may

- suspend or revoke a homestead permit if work done under the permit is performed by anyone other than the person who obtained the permit;
6. a person may not transfer a homestead permit to another person;
 7. a person performing plumbing work under a homestead permit shall present picture identification to verify that the person is authorized to perform work under the homestead permit when required by a District Inspector;
 8. a homestead permit shall not be issued for plumbing work on mobile, modular or manufactured home unless the homeowner owns the land on which the mobile, modular or manufactured home is located. A homestead permit shall not be issued if the mobile, modular or manufactured home is located in a mobile home park, mobile home community or other commercial premises; and
 9. If a homestead permit holder demonstrates incompetence by failing three (3) consecutive inspections, the District will require that a licensed plumber be hired to finish the work.

A failed inspection or improper plumbing practices discovered by District personnel will be red-tagged. The problem must be corrected within ten (10) days and reinspected. All further plumbing work must be stopped on the project until the inspection is passed.

Red tags may be issued by a plumbing inspector or by the District. Failure to correct red-tagged plumbing could result in the termination of water service.

A green tag indicates that the inspection was passed by the inspector or by the District.

3.4.5 Third-Party Residential Plumbing Inspections

All required residential plumbing inspections shall be performed by the District approved inspectors.

Since the District is responsible for ensuring that plumbing in all of the District meets TCEQ and Uniform Plumbing Code standards, all third-party inspectors must be approved by the District and inspect to District standards. All third-party inspections shall carry liability insurance for no less than \$250,000 (this must not be a “claims made” policy, but must be based on “occurrence”). This policy shall name the District as an additional insured, with the stipulation that the District be notified in writing at least thirty (30) days prior to the cancellation of the policy. A list of approved third-party inspectors will be available at the District office.

Plumbing inspectors shall be qualified as holding a valid Plumbing Inspector’s License issued by the State of Texas.

A copy of this license must be filed with the District office. Plumbing inspectors shall not hold a financial or advisory interest in any plumbing company.

Inspectors will be selected based on qualifications or experience and retained on the basis

of performance. Periodic audits will be conducted by District staff to ensure quality. The Board of Directors reserves the right to select all plumbing inspectors authorized to practice in the District and to terminate any inspector or company at any time. Inspectors who repeatedly do not perform to District standards will be removed from the eligible list. Inspectors will be paid directly by the District.

Plumbing inspections shall be done to meet the Uniform Plumbing Code most recently adopted edition with local amendments. Proof of inspections shall be provided to the District via signed and dated inspection forms approved by the District. All inspection fees will be collected by the District at the time of permitting.

As directed by the TCEQ, continuous water service will not be provided until:

1. copies of all required plumbing inspection forms are presented to the District as “passed” with proper signatures by District-approved third-party inspectors for plumbing;
2. service agreement has been signed by the property owner; and
3. copies of all required documentation are on file.

3.4.6 Customer Service Inspections

A customer service inspection certification must be completed for all new service connections and for some existing service connections pursuant to TCEQ regulations, which currently state:

A customer service inspection certification shall be completed prior to providing continuous water service to new construction, on any existing service when the water purveyor has reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any material improvement, correction, or addition to the private plumbing facilities.

In all cases, the Customer shall be responsible for having the customer service inspection certification performed by an individual who is qualified under the requirements of the applicable TCEQ regulations. For single-family residential service locations, the District will accept a customer service inspection certification completed by a licensed plumber.

The Applicant or Customer shall pay all costs associated with having the customer service inspection certification performed. A customer service inspection certification form must be completed, signed by the person performing the inspection, and submitted to the District before water service will be provided or continued.

The inspection will be based on the conditions existing at the service location at the time the meter is set. If any material improvement, correction, or addition to the private plumbing facilities occurs, an inspection is required by TCEQ regulations, and the Customer shall have an additional customer service inspection performed for the new

service location. For example, in cases where water service is provided to facilitate construction of a new residence or other structure, a customer service inspection must be performed for the new structure and a properly completed customer service inspection certificate form must be submitted to the District before occupancy of the structure occurs.

Upon the District's discovery that there has been a change in service conditions and an appropriate inspection certificate form has not been filed, service to the new location will be disconnected unless a properly completed certification form is filed at the District's office within thirty (30) days after the date that the District provides notice. Service will not be restored until after the customer service inspection is performed and the structure is certified to be in compliance with the rules and regulations of the TCEQ.

3.5 Irrigation Permits, Inspections, And Procedures

Pursuant to Texas Water Code § 49.238 and 30 Texas Administrative Code Chapter 344 the District may issue an irrigation permit for the installation, alteration, repair or service of irrigation systems within the District's boundaries. All irrigators, installers, irrigation technicians and irrigation inspectors doing irrigation work of any kind in the District must be qualified and conduct their practice according to 30 Tex. Admin. Code Chapter 344. The installer must complete and submit to the District two copies of an irrigation plan. An initial irrigation permit may not be issued, and modifications or alteration to existing systems may not be performed, until the design is approved by the District. **Even if not detailed in this Section, any applicable installer or owner must comply with all requirements detailed in the District's Landscape Irrigation Policy.**

1. Inspections

Upon installation of an irrigation system, the installer will test the RPZ backflow device and then contact the District for a final inspection. The inspector will then inspect the system to ensure conformance with the approved plan. An offending party is liable to the District for any costs incurred by the District in connection with any repairs or corrections arising from any violation. The District may require an owner to remove an irrigation system not installed according to or with an approved plan and may assess penalties against the installer as provided elsewhere in these District Rules and Policies.

2. Standards for Design, Installation, and Maintenance of Landscape Irrigation Systems

a. Water Conservation

All irrigation systems shall be designed, installed, maintained, altered, repaired, serviced and operated in a manner that will promote water conservation.

b. Minimum Standards

A paper or electronic copy of the irrigation plan prepared for each site by the

irrigator must be on the job site at all times during the installation of the irrigation system. Variances must only be made upon application to the General Manager and showing that compliance will cause a unique, unnecessary, and inequitable hardship. Variances during the installation of the irrigation system may be authorized by the licensed irrigator if:

1. they do not diminish the operational integrity of the irrigation system;
2. they are in accordance with the District's Irrigation Policy and the requirements of 30 Tex. Admin. Code § 344;
3. they are noted prominently in red on the irrigation plan.

c. **Irrigation Plan**

An Irrigation Plan for each site must be created according to the District's Landscape Irrigation Policy.

d. **Minimum Design and Installation Standards**

The irrigation system must be designed and installed according to the District's Landscape Irrigation Policy.

3. **Backflow Prevention and Cross-Connections**

a. **Backflow Prevention**

Any system connected to a public or private potable water supply must be connected through a TCEQ-approved backflow prevention method. The backflow prevention device must be approved by the American Society of Sanitary Engineers; the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California; the Uniform Plumbing Code; or any other laboratory that has equivalent capabilities for both the laboratory and field evaluation of backflow prevention assemblies. Double Check valve backflow prevention assemblies are prohibited on irrigation systems.

b. **Backflow Prevention Methods**

If conditions that present a health hazard exist, the following methods may be used to prevent backflow upon meeting the requirements in District's Landscape Irrigation Policy:

1. Air gap;
2. Pressure vacuum breakers;
3. Atmospheric vacuum breakers.

c. **Backflow Prevention Device Installation**

If an irrigation system is connected to a potable water supply and requires major

maintenance or alteration, the system must be connected to the potable water supply through an approved, properly installed backflow prevention method as defined in the District's Landscape Irrigation Policy before any major maintenance or alteration may be performed. If an irrigation system is connected to a potable water supply through a double check valve, pressure vacuum breaker, or reduced pressure principle backflow assembly and includes an automatic master valve on the system, the automatic master valve must be installed on the discharge side of the backflow prevention assembly.

d. **Testing**

Backflow prevention devices used in applications designated as health hazards must be tested upon installation and annually thereafter.

e. **Cross-Connection Control**

Before any chemical is added to an irrigation system connected to any potable water supply, the irrigation system must be connected through a reduced pressure principle backflow prevention assembly or air gap. The connection of more than one water source to an irrigation system presents the potential for contamination of the potable water supply if backflow occurs. Connection of any additional water source to an irrigation system that is connected to the potable water supply can only be done if the irrigation system is connected to the potable water supply through a reduced-pressure principle backflow prevention assembly or air gap.

4. Completion of Irrigation System Installation

Upon completion of the irrigation system, the irrigator or irrigation technician who supervised the On-site installation must:

- a. Complete a final "walk through" with the irrigation system's owner or the owner's representative to explain the operation of the system;
- b. Complete a maintenance checklist, pursuant to the requirements stated in the District's Landscape Irrigation Policy, on which the irrigator or irrigation technician shall obtain the signature of the irrigation system's owner or owner's representative and shall sign, date, and seal the checklist;
- c. Affix a permanent sticker, printed in waterproof ink, containing the irrigator's name, license number, company name, telephone number and the dates of the warranty period on each automatic controller installed by the irrigator or irrigation technician. If the irrigation system is manual, the sticker must be affixed to the original maintenance checklist; and
- d. Provide to the irrigation system's owner or owner's representative the irrigation plan indicating the actual installation of the system.

5. Reclaimed Water

Reclaimed water may be used in landscape irrigation systems, provided that the irrigator or the irrigation system owner meets the applicable criteria in the District Landscape Irrigation Policy.

3.6 Meters

All water sold by the District shall be billed based on meter measurements with the exception of permitted bulk water sales. The District shall provide, install, own, and maintain meters to measure the water consumption of its Customers.

3.6.1 Meter Requirements

At least one meter is required for each residential, commercial, or industrial building unless the General Manager determines that a different configuration is more efficient for operation and maintenance. If the District staff detects a possible violation of this policy, the General Manager will communicate verbally and in writing to the suspected violating party and/or parties, and require pre-payment for the setting of additional water meters for the Dwelling requiring the same. Noncompliance shall constitute the basis for service disconnection from the District's System, with all associated charges to be borne by the Customer.

A Recreational Vehicle Park will be considered to be a single commercial facility. Each Mobile Home shall be considered to be a single residential Dwelling if not located within a park.

A Mobile Home Park or RV Park will be allowed to serve more than one mobile-home through a master meter, provided the meter is properly sized to provide service to all units and there is compliance with all applicable cross-connection and backflow prevention regulations. Apartment buildings and other multi-unit residential structures will be required to be served with a minimum of one meter per building. The size of the meter will be determined by using the standard fixture unit count and system sizing formula in the currently adopted Uniform Plumbing Code.

Multifamily developments with multiple buildings will be required to install one meter per building and separate irrigation meters. When a commercial development has buildings with multiple uses (i.e. condominiums over restaurants), each business will be separately metered, and a residential section of each building must have at least one meter.

For single-family Dwellings, the District will allow for a smaller meter to be installed than what is determined to be the appropriate size per the Uniform Plumbing Code, provided the owner designates in writing the understanding that the installed meter does not meet the Uniform Plumbing Code requirements and release the District from responsibility. A "Yard Line" form will be required for this purpose. The minimum meter sizes allowed per the fixture unit count are as follows:

Fixture Units	Meter Size	Yard Line
30 or less	5/8 x 3/4"	per code
31-70	Full 3/4"	per code
71-130	1"	min. 1.5"

All commercial meters will be sized and installed in accordance with the Uniform Plumbing Code.

Occasionally, circumstances may arise which require the setting of a meter larger than that needed for normal household use based on fixture unit count. Examples include homes required to install a larger meter to accommodate fire flow for a sprinkler system or a home required to install a larger meter to provide adequate flow or pressure in higher elevation locations. In these instances, the customer will be charged all associated fees for the meter size based on the fixture unit count calculation, including impact fees and, equipment upgrade cost of the larger meter required to meet the occasional fire flow demand will be installed. The monthly service fees will be applied based on the fixture unit count meter size installed for service.

NOTE: Any residence installing irrigation will be required to install a 3/4" meter minimum.

3.6.2 Meter Readings

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period.

3.6.3 Meter Testing

The District will, upon the request of the Customer, and, if the Customer so desires, in his/her presence or in that of an authorized representative, make a test of the accuracy of the Customer's meter. If the Customer asks to observe the test, the test will be made during the District's normal working hours at a time convenient to the Customer. Whenever possible, the test will be made on the Customer's premises, but may, at the District's discretion, be made at the District's testing facility.

If the meter is found to be within the accuracy standards established by the AWWA, the Customer shall be charged and shall pay the cost of the test. If the meter is found to be outside the accuracy standards established by the AWWA, the District will pay the costs of the test, and the District will take whatever steps are necessary to provide an accurate meter.

Following the completion of any requested test, the District will promptly advise the Customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

3.6.4 Meter Location

- a. Whenever possible a double meter connection (tap) will be made at property corners. This will enable two lots to be served from one tap and will not cause excessive obstructions to slow the flow of water in the mains.
- b. In many cases, meter locations have been pre-determined. If a property owner wants the meter in another location, he or she must obtain approval from the General Manager. The Customer will be required to pay the full cost of a single tap.
- c. If a meter tap has already been made at the property and/or the owners want it at a different location, they will be charged for the full tap.
- d. Meters will be located at the property corners in the right of way or public utility easement and serve two properties whenever possible.
- e. Meters will be located on the street from which the property is served which will be the street on which the property fronts.
- f. Yard Lines will not cross property lines unless the Yard Lines are located in a dedicated public utility easement.
- g. Meters will be located and positioned so as to facilitate reading and maintenance.

3.6.5 Meter Relocation

- a. The District will not move existing meters except as allowed in this section.
 1. The District shall have the right to move any and all meters when it appears to be in the best interest of the District;
 2. The District will move a meter to a new location within the boundaries of a single parcel of land or lot so long as the meter continues to serve the same structure or facility and the new location is feasible. In the case where a structure or facility is located on the boundary between two parcels, or lots, the District will relocate the meter to either of the parcels or lots;
 3. The District will determine, on a case by case basis, whether moving the location of the meter is feasible; and
 4. Whenever a meter must be changed because of construction which, in the opinion of the General Manager, places the meter in a precarious location, the District shall have the right to move the meter, and shall have the further right to require a new tap charge of the Customer.

- b. When a meter is moved, unless moved for the convenience of the District, the Customer will pay for the expense of reconnecting his or her yard line to the new location. The fee for moving a meter shall include the following:
 - 1. Meter Setting Fee for the size of the meter requested at the new location;
 - 2. Tap Fee based on the size of the tap if the meter relocation requires a new tap;
 - 3. Cost of any line extensions or other equipment necessary to deliver water to the new location; and
 - 4. If the meter to be installed at the new location is larger in size than the existing meter, the Customer shall also pay the additional Impact Fees associated with the larger meter (i.e., the difference between the fees for the larger and smaller meter).
- c. A charge for a new tap will be made for resetting meters when erroneous information as to the location of the meter has been turned in to the District.
- d. Meters which must be moved because of county road construction will be paid for by the District.

3.7 Submetering

Submetering in the District shall be in accordance with applicable TCEQ rules.

On the request by the property owner or manager, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, multiple-use facility, or condominium on which construction began after January 1, 2003, unless the District determines, in its discretion, that installation of meters is not feasible.

3.8 Service to Multiple Properties

- a. Residential
 - 1. Multiple Properties, One Owner, One Residence. The owner of multiple lots may replat the lots into one lot, or request a variance to use several lots as one lot for water service under the following conditions:
 - i. LUE capacity and tap fees shall be assigned in writing to one lot, and an agreement signed which specifies that lot and states that the other lots have no service until additional fees are paid and taps are made. This procedure will ensure that if the lots are sold at some future date, their service status can be determined;
 - ii. Yard Lines will not be allowed to cross property lines unless they are in a dedicated public utility easement; and

- iii. A tap will be set for the residence where the owner requests it, however, the owner will bear the entire cost of the tap, and it will only be moved at the owner's expense.

2. Multiple Properties, One Owner, Multiple Residences

The owner of multiple lots may replat the lots into one lot, otherwise, each residence on a different lot must have its own meter. The General Manager will detect possible multiple property Dwellings on one meter, communicate verbally and in writing to the suspected violating party and/or parties violating this policy, and require proof of lot replat or pre-payment for the setting of additional water meters for the Dwellings.

3. Single Property, One Owner, Multiple Residences

Multiple residences owned by the same owner on a single property may be served by a single tap and meter if the Uniform Plumbing Code allows up to a Yard Line size of 3 inches. The meter will be appropriately sized by using a fixture count of all residences on the service, and the corresponding number of Impact Fees paid. Mains and Yard Lines will be sized in accordance with the recommendation of the District Engineer and comply with the Uniform Plumbing Code adopted by the District. Should a residence on this property be sold, the owner will be required to purchase a separate meter.

4. Acreage Lots with Existing Service which will be Subdivided

If an owner has acreage which has existing service and wishes to subdivide the property, the owner must specify in writing which lots in the new plat are to be assigned the existing service and tap fees. An LUE transfer will be required for this transaction.

b. Commercial

1. Multiple Properties, One Owner, One Building

The owner of multiple commercial lots may replat the lots into one lot, or request a variance to use several lots as one lot for water service under the following conditions:

- i. LUE capacity and tap fees shall be assigned in writing to one lot, and an agreement signed which specifies that lot and states that the other lots have no service until additional fees are paid and taps made. This procedure will ensure that if the lots are sold at some future date, their service status can be determined;
- ii. Yard Lines will not be allowed to cross property lines unless they are in a dedicated public utility easement; and
- iii. A tap will be set for the commercial project where the owner requests it,

however, the owner will bear the entire cost of the tap, and it will only be moved at the owner's expense.

2. Multiple Properties Being Used as a Single Commercial Property, One Owner, Multiple Buildings

If a single owner has multiple commercial lots to be used as one project, he may replat the lots into one lot, or use the lots as one lot under the following conditions:

- i. There will be one meter installed per building;
- ii. No Yard Lines will cross property lines unless in a dedicated public utility easement; and
- iii. The owner will specify in writing which properties are to be assigned service and tap fees.

3. Single Commercial Property, One Owner, Multiple Buildings

An owner of a single commercial property with multiple buildings shall install one meter per building. Each building's meter will be sized by fixture count specific to the building type.

3.9 Billing Adjustments

3.9.1 Overbilling / Underbilling Discrepancies

The District shall adjust a customer's account and issue a corrected bill if it is determined that it has overbilled or underbilled the customer for utility service because of:

- a. A meter's failure to meet the accuracy standards of the American National Standards Institute or the American Water Works Association, as applicable;
- b. The application of an incorrect rate to the customer's account;
- c. An erroneous meter reading or the reading of a meter other than that through which the customer actually received service; or
- d. The failure of the District to include the utility service in the customer's account.

3.9.2 Adjustment Timelines

A billing adjustment may be made:

- a. For a period of up to four (4) years prior to the date the error or inaccuracy is discovered if the error caused the customer to be overbilled;

- b. For a period of six (6) months prior to the date, the error is discovered for a residential customer who was underbilled;
- c. For a period of twelve (12) months prior to the date, the error is discovered for a commercial customer who was underbilled; or
- d. Only to customers currently receiving service, unless the discovery is less than ninety (90) days after service has been terminated for any reason for the account in question.

3.9.3 Adjustment Based on Inaccurate Meter

The District shall make an adjustment due to an inaccurate meter by estimating the customer's utility consumption using prior consumption history, comparisons to similarly situated customers under similar weather conditions, readings from a replacement meter, or such other methods and information that it reasonably deems appropriate.

In the event of an adjustment for water utility service, wastewater charges will be adjusted for the same period.

3.9.4 Closed Account Balances

If a customer is liable for a balance under an inactive account, the District may transfer that balance to any of the customer's active accounts. The time limitations above shall not apply to a transfer made under this subsection.

The time limitations above shall not apply if the District determines that it has failed to accurately meter or otherwise properly bill for utility service because of utility service diversion. The customer shall be liable for all diverted utility service regardless of when the diversion occurred and regardless of whether the customer is shown to have committed, aided, allowed, or been aware of the diversion. The District is not required to extend any deferred payment arrangements in cases of utility service diversion.

3.9.5. Water Loss Adjustment

Customers may request a bill adjustment for excess water use due to a leak on the customer's side. One leak adjustment per calendar year, per customer will be allowed. In order to qualify for a leak adjustment, the customer must report the leak within six months of the leak occurrence. To obtain the adjustment the customer must submit:

- a. Written Request – The request should provide a brief description of the leak, and over what period of time the leak is estimated to have occurred. (Email is acceptable)
- b. A copy of the plumber's repair bill showing the leak to be repaired or other verification such as a photograph. District staff may also verify repairs.

District staff will review the claim and make the appropriate adjustment to the account. The adjustment is calculated by taking the customer's account average of the three (3) months of water usage prior to the month leak was first detected. This figure establishes an estimate of actual usage ("Average Usage"). Regular rates are applied to Average Usage. For an account that has established history, the previous year's same months usage can be used.

Any usage above the Average Usage is billed at the water rate appropriate for the average usage calculated, detailed in Section 2.1, on a flat rate basis. If no historical usage data is available, the District-wide average will be used to determine usage.

3.9.6. Catastrophic Event Billing Adjustments

The District's Board of Directors may determine that a catastrophic event (hurricane, fire, severe weather, etc.) has occurred, declaring the date of event, and may authorize the following process.

Customers may request a bill adjustment for excess water use due to a leak on the customer's side after a catastrophic event. One catastrophic leak adjustment per event, per customer will be allowed. The customer must report the leak within two months of the declared date. To obtain the adjustment the customer must submit:

- a. Written Request – The request should provide a brief description of the leak. The consumption will be calculated by the District, based on the dates as determined by the General Manager for the specified catastrophic event. (Email is acceptable.)
- b. A copy of the plumber's repair bill showing the leak to be repaired or other substantiation such as a photograph, part receipts, etc. District staff may also verify repairs.

District staff will review the claim and make the appropriate adjustment to the account. The adjustment is calculated by taking the customer's account average of the three (3) months of water usage prior to the catastrophic event. This figure establishes an estimate of actual usage ("Average Usage"). Regular rates are applied to Average Usage.

Usage will be calculated for the specified timeframe of the catastrophic event as set by the District General Manager. Any usage above the Average Usage calculated will be forgiven. If no historical usage data is available, the District-wide average will be used to determine usage.

The catastrophic billing adjustment will be independent of the normal water leak adjustment process.

3.97. Variance

The General Manager is authorized to allow adjustments for circumstances outside these conditions as determined to be fair and reasonable, however, bill adjustments will generally not be made for water waste, either intentional or unintentional. Examples of water waste include:

1. Overwatering – leaving sprinklers on excessively long, maladjustment of irrigation controllers;

2. Leaving hose bibbs or other fixtures running intentionally or unintentionally; or
3. Failure to promptly investigate and repair a leak after being notified of high usage by District staff.

4.0 SERVICE RULES – WASTEWATER

4.1 Capacity Reservation-Wastewater

4.1.1 Reserving Existing Treatment Capacity in an Impact Fee Area

This section applies to Development located within a wastewater Impact Fee area designated by the District. Maps of the District's current wastewater Impact Fee areas are on file at the District Office and are available upon request. After the Board of Directors has determined that service is feasible, but prior to the start of construction, the Developer must enter into a contract with the District which defines the terms of service, consistent with the policy stated herein and with the resolution recognizing the feasibility of sewer service to the project. The Developer must pay the expenses, such as attorney's fees, incurred by the District in negotiating and drafting any agreements to provide service to the project. The Developer must pay a deposit of funds to cover such expenses prior to the drafting of the wastewater service agreement ("Service Agreement").

A determination that providing service to a proposed project appears feasible does not reserve capacity for use with the proposed project. Uncommitted wastewater treatment capacity that exists in the system is available on a first-come, first-served basis and may be reserved by execution of a wastewater service agreement and by the assessment and collection of Impact Fees corresponding to the number of connections or LUEs required for the proposed service as provided in Chapter 395 of the Texas Local Government Code.

In addition to the payment of Impact Fees, the Developer must pay for the extension, relocation or increase of wastewater line sizes or any other Off-site improvements to the wastewater system, if necessary, to serve the proposed Development if such line extensions or improvements are not included in the capital improvement plan previously adopted by the District for the Impact Fee area. The Developer or Applicant shall also construct all On-site wastewater facilities within his project. No Off-site wastewater lines, force mains, lift stations, or other wastewater facilities shall be constructed by the Developer nor shall connections to wastewater lines and force mains be made until after the Service Agreement is fully executed and all applicable Impact Fees for wastewater service have been paid. The Developer or Applicant must meet all requirements as defined in these Rules and transfer without charge to the District legal title to the wastewater facilities, whether Off-site or On-site, free and clear of all liens and encumbrances. The District shall then assume responsibility for the operation and maintenance of those off-site and on-site wastewater facilities.

4.1.2 Reserving New Treatment Capacity in Impact Fee Area

In instances where wastewater treatment, storage, or disposal capacity is not yet available because of the need to finance and construct a capital improvement or facility expansion identified in the applicable capital improvements plan, the District may assess and collect Impact Fees at the time of Subdivision plat for new Subdivisions or at the time of plan review for previously platted Subdivisions. In such instances, the District shall commence

construction of the improvements within two (2) years and shall have service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five (5) years. In lieu of payment of Impact Fees, the Developer may directly fund the capital improvements or facility expansions, and the funds advanced will be credited against the Impact Fees otherwise due to the Developer. The District may also reimburse Developer from Impact Fees collected from other new Developments using such capital improvements or facility expansions (which fees shall be collected and reimbursed to the Developer at the time the other new Development records its plat.) The Developer shall pay the District the full amount of the construction costs before the construction contract is awarded. These costs shall be payable in the form of a cashier's check or another form of payment approved by the District's General Manager.

4.1.3 Service Outside of Impact Fee Areas

If a Developer requests service to property located within the District's CCN, but outside of an Impact Fee area, this section shall apply. The Developer shall provide a written request to the District's General Manager identifying the location of the property, the number of units proposed, and include a deposit to cover the District's costs in conducting a preliminary engineering feasibility study. Where service is not available from an existing District system, the Developer shall be responsible for all costs associated with the construction of wastewater treatment, storage, and disposal facilities necessary to provide service to the Developer's property. The District and Developer shall enter into a written service agreement specifying the facilities to be constructed and providing for Developer's payment of the full amount of construction, engineering, land acquisition, and legal costs associated with the facilities. Any internal or offsite facilities constructed by Developer shall be subject to design approval and construction inspection as otherwise provided by these Rules and upon completion shall be conveyed to the District free of any liens, claims, or encumbrances prior to the commencement of wastewater service.

4.1.4 Temporary Wastewater Service

At the District's option, temporary wastewater service may be provided to Customers through facilities owned and operated by the District. This service may consist of a pump and haul arrangement or be provided through temporary piping to a lift station or manhole. Any wastewater which will enter the District's System shall conform to the same quality requirements which apply to permanent wastewater Customers. All Sewage will be subject to testing on a monthly basis at the Customer's expense. Temporary capacity may be reserved by the payment of the temporary capacity reservation fee. When pumping of Sewage begins, the Customer will also be billed on the volume of flow on a per thousand-gallon basis. The flow will be monitored by a meter or billed on a "per load" basis.

Developers requiring temporary service will be responsible for the costs of constructing all necessary connecting piping and facilities and for the costs and scheduling of any pump trucks required. A separate contract shall be required for this service.

4.2 Living Unit Equivalents (LUEs) Wastewater

A Living Unit Equivalent (“LUE”) of wastewater service is a relative measure of how much wastewater an average single-family household discharges. LUEs of wastewater service will be calculated in accordance with the applicant’s Service Extension Request (Appendix O.)

4.3 Wastewater Impact Fees

In applicable Impact Fee areas, an Impact Fee will be assessed for each Living Unit Equivalent. The purpose of this fee is to generate revenue to recover the costs of capital improvements and facility expansions made necessary by and attributable to serving new Development in the designated wastewater Impact Fee area. The District Engineer will prepare and update a capital improvement plan for each system which will identify capital improvements and facility expansions and their costs for which Impact Fees will be assessed. The District’s Board of Directors shall approve any change to the Impact Fee, and the current Impact Fee will be reflected in the Schedule of Service charges.

Wastewater Impact Fees will be calculated using the total costs for providing service including collection, holding, transfer, treatment, and disposal facilities. These costs shall then be divided by the total number of connections that can be made to a system.

Impact Fees cover only those central facilities designated in the approved capital improvements plan. These fees do not cover any On-site Subdivision infrastructure use. All infrastructure and connecting mains required to serve new Development are the financial responsibility of the Developer.

4.4 Discharge Limitations and Pre-Treatment Requirements

4.4.1 Wastewater Quality

Discharges into the District’s Wastewater System shall consist only of wastewater free from the prohibited constituents listed and limited in biochemical oxygen demand, Suspended Solids, dissolved sulfides, and pH as hereinafter provided. Industrial Waste quality shall conform to the provisions of the District’s Industrial Waste Ordinance.

- a. Biochemical Oxygen Demand (BOD). BOD of wastewater delivered to the System, as determined by a Standard Methods grab sample, shall not exceed 200 mg/l. Any entity discharging wastewater in excess of 200 mg/l to the District’s systems shall be subject to a surcharge for such waste.
- b. Total Suspended Solids. Total Suspended Solids delivered to the System, as determined by a Standard Methods grab sample, shall not exceed 200 mg/l. Entities exceeding this limit shall be subject to a surcharge.

- c. Hydrogen Ion Concentration (pH). The pH of wastewater delivered to the System shall be not lower than 6 nor higher than 10. No acids shall be discharged into the system unless neutralized to a pH of 6 or more.
- d. Hydrogen Sulfide Concentration. Dissolved sulfides in wastewater at the point of delivery to the System shall not exceed 0.1 mg/l.

4.4.2 Type of Wastewater Unacceptable

- a. The District reserves the right to require flow equalizing devices, grease, oil, or sand interceptors, or pre-treatment and to specify the degree of pre-treatment of any wastewater before it is emptied into the District's wastewater lines. These devices should not be necessary for normal Domestic Wastewater, but will be required for any waste that, because of its toxic nature, BOD or chemical oxygen demand ("COD"), high oil or fat content, septicity, bulk, or any other factor, may be harmful to equipment, wastewater treatment processes, or may cause nuisance, odor or stoppage problems in the wastewater system. Under no conditions will the District consider accepting wastewater that is detrimental to the facilities, hazardous because of explosive liquid or gases, or which may cause stoppages. Any Customer found allowing any of the above-listed types of wastewater to enter the system will be subject to paying all costs necessary to stop such flow and remove the objectionable item from the system, and repair it if necessary, as well as pay all penalties as may be provided by law.

- b. Specific Discharges

- 1. Industrial Wastes

Industrial Wastes shall not be discharged into the wastewater system without advance permission of the General Manager. Permission for the discharge of Industrial Waste into the District Wastewater System shall be granted only where tests show that the Industrial Wastewater has a chemical oxygen demand and suspended solids at an acceptable level for treatment and where no injurious acids, alkaloids, dissolved gases, or excess strength parameters are contained in the wastewater which would be detrimental to the operation of any wastewater treatment plants. Industrial Wastes will comply with the District's Industrial Waste ordinance.

- 2. Grease

Wastewater containing large amounts of grease shall not be discharged into the District Wastewater System unless an efficient grease trap is utilized and maintained. Wastewater from restaurants or places where a large amount of cooking is done shall be presumed to contain large amounts of grease and grease traps shall be required at all such locations. When an

owner or operator cleans grease traps, the only approved location for disposal of grease shall be a sanitary landfill.

3. Grease Trap Cleaning

Grease traps shall only be cleaned by licensed septic tank cleaners. The use of chemicals to dissolve the grease is not permitted in the wastewater collection system. The owner or operator shall have the grease trap cleaned at least every six (6) months or more often if necessary as determined by the District General Manager. In the event grease accumulates in the wastewater collection lines, the owner or operator will be billed for cleaning collection lines and for any other expenses incurred by the District. The District shall require submission of written evidence of grease trap cleaning including receipts from cleaned or hauling tickets, and the grease trap facilities may be inspected by District personnel to ensure compliance.

4. Oil and Gasoline

Wastes containing oils and gasoline shall not be discharged into the District Wastewater System.

5. Private Wells

Where private wells are used, disposal into the District Wastewater System shall be done only by special agreement with the District as determined by the General Manager.

6. Stormwater, Air Conditioners, and Similar Wastes

No stormwater drains, roof drains, air conditioner drains, and condenser waters, swimming pool waters, or other similar type wastes shall be discharged into the wastewater system except by special agreement.

7. Other Wastes

Gasoline; cleaning solvents; non-emulsified oils and greases; mineral oils; ashes; cinders; sand; gravel; tar; asphalt; ceramic wastes; plastic; other viscous substances; feathers; hair; rags; metal; metal filings; glass; wood shavings; sawdust; unshredded garbage; toxic, corrosive, explosive or malodorous gases; acetylene generation sludge; cyanide or cyanogen compounds capable of liberating hydrocyanic gas on acidification in excess of 2 mg/l by weight as CN; radioactive materials which will permit a transient concentration higher than 100 microcuries per liter; emulsified oil and grease, exclusive of soaps, exceeding on analysis an average of 100 mg/l of ether-soluble matter; acids or alkalis having a pH value lower than 6.0 or higher than 10.0; Hazardous Waste, as defined by 40 CFR Part 261

and the Texas Solid Waste Disposal Act; and wastewater containing specific pollutant concentrations in excess of any of the numerical limitations named hereunder are prohibited from discharge to the District Wastewater System:

<u>Pollutant</u>	<u>Milligrams per Liter</u>
Arsenic, Total (T)	0.2
Cadmium (T)	0.4
Chromium (T)	2.4
Copper (T)	1.1
Cyanide	1.0
Fluoride	65.0
Lead (T)	0.4
Manganese (T)	6.1
Mercury (T)	0.002
Molybdenum (T)	1.1
Nickel (T)	1.6
Selenium (T)	1.8
Silver (T)	1.0
Zinc (T)	2.3

The General Manager may determine compliance with these limits based on the analysis of:

- (1) a grab sample; or
- (2) a combination of grab samples, time composite samples, or flow composite samples.

If necessary to protect the District's facilities, the General Manager may issue a permit, order, or rule that assigns these limits as:

- (1) instantaneous limits;
- (2) daily average limits;
- (3) daily maximum limits;
- (4) monthly average limits; or
- (5) other duration.

4.5 Alternative Wastewater Collection Systems

The use of alternative wastewater collection systems may be considered when justified by unusual terrain or geological formations, low population density, difficult construction, or other circumstances where an alternative wastewater collection system would offer an advantage over a conventional gravity system. An alternative wastewater collection system will be considered for approval only when conditions make a conventional gravity collection system impractical. Alternative wastewater collection system types include pressure sewers (septic tank effluent pumping or grinder pump systems), small diameter gravity sewers (minimum grade effluent sewers or variable grade effluent sewers), vacuum sewers, and any combination thereof.

Pressure sewer systems, small diameters, gravity main, and grinder pumps will be considered on a case by case basis, and if approved, will be installed and inspected to District specifications. In accordance with TCEQ rules, the District shall maintain the alternative collection system and a legally binding service agreement shall be required to ensure the system is properly maintained.

4.6 Grinder Pumps

In the event a grinder pump is required for wastewater service, the District's Representative shall determine the type and minimum size of Grinder Pump to be installed. At the time a Customer pays his Sewer Tap Fee to the District's Representative, the Customer shall execute a Service Agreement Concerning Grinder Pump Sewer System for Customer ("Agreement"). No water or wastewater service shall be provided to a Customer until any required grinder pump has been installed and the Agreement has been executed by the Customer. In addition to all fees and charges for wastewater service under these rules, the Customer shall pay all costs and expenses incurred by the District for the installation, operation, maintenance, repair, replacement, and upgrading of the grinder pump. For land within the boundaries of the District where installation of a grinder pump is used for multiple connections as an alternative to a wastewater lift station, the District will repair and maintain the installation. The District will charge an extra monthly fee for homes utilizing grinder pumps.

5.0 RECLAIMED WATER

The District is permitted for and may provide treated wastewater effluent or a combination of reclaimed water and raw water for irrigation purposes and beneficial use to Customers who require such water resources.

Reclaimed water service will require an individual contract styled as in Appendix I to these Rules.

5.1 Prohibitions

- a. No Person may tap into, connect, or obtain Reclaimed Water from the Reclaimed Water System except in accordance with the terms of an executed Reclaimed Water Use Agreement with the District and these policies.
- b. No Person may use Reclaimed Water in a manner that violates these policies or the rules and regulations of the TCEQ.

5.2 Construction Standards for Reclaimed Water System

The Reclaimed Water System shall be constructed in accordance with the following standards:

- a. Transmission Lines: Any reclaimed water transmission lines shall be constructed with a minimum separation from potable waterlines of nine (9) feet whenever possible. When it is not possible to maintain such separation, the reclaimed waterlines shall be constructed in accordance with 30 TAC, Chapter 290 concerning the separation of potable and non-potable water piping. A nondegradable warning tape shall be placed in the trench above the pipe to reduce the possibility of inadvertent connections. Pipe used for the construction of any additional reclaimed waterlines shall be purple or covered with a purple poly wrap.
- b. Internal Lines: Users shall be responsible for the design of any internal Reclaimed Water distribution piping or irrigation piping. The User shall design all piping in accordance with 30 TAC § 210.25.
- c. Storage Ponds: All Reclaimed Water storage ponds shall be designed and constructed in accordance with 30 TAC § 210.25.c.

5.3 District Responsibilities

- a. The quality of Reclaimed Water shall be tested monthly. The tests will be conducted to verify that the water quality is in accord with the intended uses. Reports of the tests shall be reported to the TCEQ as required.
- b. The District shall monitor the quantity of Reclaimed Water it delivers to each User by a meter installed at the point of delivery. The District shall read the meter on a

monthly basis to maintain an accurate record of Reclaimed Water deliveries. These records shall be made available to the TCEQ.

- c. The District shall maintain the Reclaimed Water transmission mains, valves, and meters up to the point of delivery and these facilities shall be incorporated into the District's routine maintenance program.
- d. District personnel shall be trained in the safe use of Reclaimed Water as well as the legal requirements for record-keeping and reporting.
- e. The District shall notify the TCEQ within five (5) days of obtaining knowledge of Reclaimed Water use that is not in compliance with TCEQ rules and regulations or the District's Reclaimed Water Use Plan.
- f. The District shall promptly discontinue delivery of Reclaimed Water to any User upon knowledge of the misuse of Reclaimed Water.

5.4 Reclaimed Water User Responsibilities

Reclaimed Water Users shall comply with the following requirements. Users shall:

- a. Post signs at all storage areas, hose bibs, faucets and other points of access to the Reclaimed Water that comply with the requirements of 30 TAC § 210.25.b.
- b. Design all hose bibs, faucets, and valves in accordance with 30 TAC § 210.25.a.
- c. Ensure that irrigation activities occur during times that will minimize the risk of inadvertent human exposure.
- d. Operate irrigation systems in a manner that will not cause any surface or airborne discharge of Reclaimed Water.
- e. Not operate irrigation systems when the earth is frozen or saturated with water.
- f. Utilize operational procedures for irrigation systems that will minimize wet grass conditions in unrestricted landscape areas during the periods the areas could be in use.
- g. Maintain transmission mains, storage pond, pumping facilities, and internal irrigation piping beyond the point of delivery.
- h. Design a routine maintenance schedule that includes a routine check of the sprinkler heads, distribution piping, pumps, valves, and other mechanical equipment and shall conduct repairs as necessary. Preventive maintenance of all mechanical equipment shall be as specified by the manufacturer.

5.5 **Enforcement Remedies**

- a. Civil Penalty: Any person who has violated any provision of these policies regarding the use of Reclaimed Water shall be assessed a civil penalty of \$250 per violation per day not to exceed \$5,000.
- b. Criminal Penalty: Any person who has violated any provision of this Order regarding the use of Reclaimed Water shall be guilty of a Class C misdemeanor subject to prosecution.
- c. Remedies Nonexclusive: The remedies provided for in these policies are not exclusive of any other remedies that the District may have under state or federal law or other District Orders, Rules, and Policies. The District may take any, all, or any combination of these actions against a violator. The District is empowered to take more than one enforcement action against any violator. These actions may be taken concurrently.
- d. Supplemental Enforcement Action:
 - 1. Whenever a user has violated or continues to violate any provision of this Order, Reclaimed Water service to the User may be severed. Service will only recommence, at the User's expense, after it has satisfactorily demonstrated its ability to comply.
 - 2. In addition to prohibiting certain conduct by natural persons, it is the intent of this Order to hold a corporation or association legally responsible for prohibited conduct performed by an agent acting on behalf of a corporation or association and within the scope of his/her office or employment.
 - 3. Any User that violates any provision of these policies and thereby causes the District to violate a rule or regulation of the TCEQ or any other state or federal agency, and as a consequence causes the District to incur any civil or criminal penalty, shall be liable to the District for the amount of any such civil or criminal penalty, as well as any costs of compliance with any order issued by the TCEQ or any State or Federal Court and, additionally, any costs and/or attorney fees incurred by the District in defense or compliance with such judicial or administrative action.

6.0 STANDARDS AND PROCEDURES FOR CONSTRUCTION AND DEVELOPMENT OF WATER, WASTEWATER, AND DRAINAGE FACILITIES

6.1 Purpose

The Board of Directors has determined that it is in the best interest of the District and its residents for all Development plans including Subdivisions and re-Subdivisions to be reviewed and approved to ensure the integrity of systems and to plan for future needs. These procedures provide for uniform and standard criteria for project Development and construction.

6.2 General Construction and Connection Procedures

The design, construction, and maintenance of all water and wastewater facility Developments within the District shall comply with all requirements of the City of Austin or the City of Lakeway, as applicable, TCEQ, and Travis County standard specifications as modified by the District.

Alterations, modifications, or expansion of existing facilities shall only be done upon approval from the Board of Directors. Step by step procedures for construction Development and approval are outlined in this policy. If construction has not started on an approved set of plans within six (6) months, and changes have been made to construction standards or standard details, the Developer will be required to follow the new standards.

The District General Manager, with advice from the District Engineer, shall have the authority to approve construction and easement variances in the best interest of the District.

6.2.1 Feasibility Studies

- a. Upon submission of required information and payment by a Developer of the fees specified, the District, in its discretion, may require a feasibility study for any tract of land within the District's Service Area to determine if there exists sufficient capacity in the District's System to serve a proposed Subdivision or Development, or if a need exists for an expansion to capacity, production, storage, or general-purpose transmission facilities, or a combination to serve the proposed Subdivision or Development. Each feasibility study shall include the following:
 1. A map or plat showing the proposed Subdivision, its proximity to existing general-purpose transmission facilities, and those improvements necessary to connect such facilities. The map or plat must show the legal description and the dimensions of the lots and/or tracts that result from the Subdivision of the property. The map or plat must be signed and sealed by a licensed surveyor or registered professional engineer.
 2. The intended land use of the Subdivision or Development, including detailed information concerning the types of land uses proposed.

3. The ultimate projected water demand of the Subdivision or Development anticipated water demands for each type of land use, and a projected growth schedule tied to the demand for water.
4. A proposed calendar of events, including design, plat approval, construction phasing, and initial occupancy, and the approximate date upon which service from the District will first be needed.

Because of factors such as the size of the Subdivision or Development or unique topographic features, after the initial review of the request, the District Engineer may determine that additional information will facilitate evaluating the proposed project. The Developer shall submit such additional information on a case by case basis.

- b. The following fee schedule shall be applied depending on the size and complexity of the project:

1 - 2.5 LUE	\$ 30.00 - \$100.00
3 - 5 LUEs	\$ 300.00
6 - 20 LUEs	\$ 700.00
Above 20 LUEs	\$1,000.00

This fee shall be paid upon invoice from the District, and will be used to compensate the District for expenses incurred in reviewing such requests, including, but not limited to engineering, legal, and plan review research. Any costs in excess of the original fee shall also be paid by the Developer.

- c. The request for a feasibility study will be submitted by the General Manager to the District Engineer for review and evaluation. Under normal circumstances and where sufficient information is submitted with the request the District Engineer will complete the feasibility study and provide a report within thirty (30) days. The report produced will include preliminary engineering information including the size of the line required and capacities.
- d. For large projects, or out of District projects, the request for feasibility study and the engineer's report shall be submitted to the Board of Directors for its consideration. If the Board of Directors determines that providing service to the proposed Subdivision appears feasible, the Board shall adopt a resolution indicating the District's ability to provide service to the Subdivision and setting forth any special terms and conditions to such service, and the General Manager shall provide the Developer a written estimate of the cost and charges for providing service to the proposed Subdivision, and will set forth any special terms and conditions to such service. Following review and approval by the General Manager or Board of Directors, of a Subdivision or re-Subdivision plan, the District shall issue a letter to the Developer confirming the availability of water and/or wastewater services to the property. Service availability confirmations issued by the District shall be

subject to all the terms and conditions of the District's policies and procedures including payment of any Impact Fees or service fees due. Such confirmation shall not constitute a commitment or guarantee a specific quality or level of utility service.

6.2.2 General Facilities Construction

The following guidelines apply to all facilities construction:

- a. Any person desiring to make a connection to or receive service from the District Systems shall comply with the applicable sections of these Rules.
- b. It shall be the responsibility of each user of the District Systems to maintain the water and wastewater lines leading from the points of connection to the District Systems to the building or premises served. Wastewater facilities shall be maintained so as to prevent the infiltration of water to or exfiltration of wastewater from the wastewater line. Gutters, drains, downspouts or other sources of rain and stormwater shall not be connected to the plumbing or wastewater line of the building or premises served.
- c. In order to ensure proper maintenance, the District requires that the following remain public and be maintained by District staff: (i) water mains located in a street and, (ii) wastewater collection facilities, with the exception of commercial grinder stations. Developer(s) installing waterlines and wastewater facilities will be required to convey the facilities to the District for operation and maintenance. If roads within a subdivision are to be private, developer(s) will be required to provide easements to the District for access to the facilities. Owner(s) of private commercial grinder stations are responsible for proper maintenance of their station by a maintenance provider with a minimum of a TCEQ D Operator license, and owner(s) shall grant permission to the District to engage in direct communications with the private maintenance provider regarding the operation and maintenance of the station. The owner(s) will be required to adhere to a specified maintenance schedule for the grinder station, as provided by the District and amended from time to time.
- d. The Person proposing to actually make a connection shall be responsible for determining the location of all utilities and services in the work area and shall be responsible for the immediate repair of any damage to the utilities, services, and facilities that may result from the work. The utilities, facilities, and services to which this provision applies include, but are not limited to, street lights, electric lines, boxes and transformers, natural gas facilities, television cable facilities, water lines, wastewater lines, telephone facilities, curbs and concrete flatwork, and irrigation systems.
- e. Under no circumstances should a monument, sign or permanent structure be placed over a waterline or force main.

- f. After a connection is made to the District Systems pursuant to authorization granted by the District Representative, and before the connecting line and connections are covered or enclosed with dirt or any other material, the District Representative shall inspect the lines to ensure compliance with requirements. The contractor performing the work shall be responsible for covering or enclosing the connecting line and connections with proper materials authorized and approved by the District Representative.
- g. The Person or company making a tap or installing a service line shall backfill any cuts made in paved streets. The cuts shall be filled with sand, road base, and cement materials which shall be compacted to a standard acceptable density as established by the controlling authority or the District Representative and shall be covered with paving material in a manner acceptable to the District and the County, if applicable.
- h. Water meters shall be furnished by the District upon payment of applicable fees and charges and shall remain the property of the District.
- i. Prior to installing underground cables or facilities in the area of the District's water and wastewater lines, representatives of all utility companies shall be required to meet with the District Representative to file construction plans and schedules with the District and to review the engineering plans illustrating the location of the District's lines. No parallel utility lines shall be located within five (5) feet either side of a water main or service line. Utility crossings shall maintain at least a two (2) foot separation from water lines. **ELECTRIC LINES WILL NOT BE PLACED IN THE SAME TRENCH WITH WATER LINES UNDER ANY CIRCUMSTANCES.**
- j. All dry and gas utilities must maintain a five (5) foot horizontal separation from all wet utilities.
- k. All gas lines must stay two (2) feet below waterlines and services at all times.
- l. No valves will be opened which connect new services to the existing system without prior District approval and a **District Representative present**. Sewer Lines will be flushed and water lines will be properly disinfected and tested prior to connecting to the existing system.
- m. All water lines which are dead-ended shall have fire hydrants or approved 2" blow-off valves installed for flushing.
- n. All water lines regardless of material will be marked with 12" detectable tape for ease of location. The tape should be no more than two (2) feet deep.
- o. All valves will be installed or have extensions or risers to within one (1) foot of finished grade.

- p. All fire hydrants will have isolation valves and National Standard or City of Austin standard threads installed depending on the project location. Fire hydrant spacing will be 500 feet maximum with six (6) inch minimum pipe size. Fire hydrants will be painted silver with the caps color-coded in accordance with flow test using National Fire Code standards.
- q. Buried water lines shall have a maximum of four (4) feet of cover and be installed above storm sewer lines. Every effort shall be made to keep sewer force mains within four (4) feet and gravity mains within ten (10) feet of grade. All gravity mains shall be green color only.
- r. Waterlines that are stubbed out shall have a valve and a 20-foot section installed for future use. **All valves and fittings shall be mega lugged or restrained.**
- s. If any water or wastewater main or service line is intended to be constructed under a wall or other structure which would render the line inaccessible for repair, that line shall be sleeved for the entire length of the construction. The sleeve shall allow for the removal of the length of the line under the construction.
- t. All gravity mains shall have a grade no less than 0.50% and no more than 8.5% without prior District approval.

6.2.3 Construction Inspections

The District shall inspect the installation of all water mains, gravity wastewater trunk lines, lift stations and/or force mains, which are connected to the District Systems. District inspectors shall make periodic checks during all phases of construction to see that the contractor, Developer, or Applicant is complying with the construction standards and following the engineering plans approved by the District's engineer. Any deviation or revision to the approved engineering plans shall be made in writing by the Developer or Applicant's engineer and submitted to the District staff for approval prior to the actual field change. These inspections do not relieve the engineer of record who designed the water or wastewater facilities of any design or other professional responsibilities that obligate the engineer to design the facilities in accordance with generally accepted engineering practices, the rules and regulations of the TCEQ, and the design standards of the District.

6.2.4 Inspection Procedures

- a. All Developers must agree to allow entry by the District Representative on the land or premises for the purpose of inspection of conditions on the premises during the approval stage and during Development and construction.
- b. Each Developer shall provide the District with the name and current street address of one designated agent to which any notice required shall be given.

- c. Each Developer shall notify the District Engineer and District Manager and, give notice at least 48 hours prior to:
 - 1. conducting a pre-construction conference;
 - 2. placing erosion controls; or
 - 3. making any connection to the District's systems.
- d. The District inspector shall inspect and approve of all workmanship and materials utilized or involved in the construction of any and all water/wastewater and drainage facility improvements. Workmanship and materials shall comply with all applicable District requirements. The District's inspector shall inspect and approve (i) all materials used in the work, (ii) the completed trench for each section of work, (iii) all pipe and tubing after underbedding installation, over bedding, and laying of detectable tape, (iv) each and every fitting, fixture, and appurtenance after installation and blocking, if required, but before bedding or backfill is placed, (v) all required tests, (vi) a final inspection, and (vii) any other inspections deemed necessary by the inspector.

The District requires that all Sewer Lines connected to the District Systems be videotaped for internal inspection. Compaction and density tests of land surrounding water and Sewer Lines are required every 500 feet at 98%. Land surrounding valve boxes and wet wells will require four 98% compaction tests. Mandrill tests for deflection at 5% are required. All manholes must be vacuum tested and coated.

It shall be the contractor's responsibility to schedule and obtain all required inspections.

6.2.5 Preliminary Inspections

In unusual circumstances, the District may grant a preliminary wastewater inspection. This preliminary inspection is only for authorization to discharge plumbing test water into unfinished wastewater facilities or systems and does not authorize the Applicant, Developer, or contractor to discharge raw wastewater into the facilities or system. It should be noted that it shall be the responsibility of the Applicant, Developer, or contractor to pump dry and dispose of effluent in an acceptable manner prior to requesting a final inspection. At no time will the District be obligated to accept wastewater for treatment prior to final inspection.

6.2.6 Final Inspections

Prior to the discharging of any wastewater effluent into the District's wastewater collection system, or connecting to the District's water system, the Developer or Applicant shall comply with all the construction criteria and standards of the District and obtain final inspection and acceptance.

6.2.7 Testing

Pressure testing of wastewater lines shall be the responsibility of the contractor and he shall notify the District's inspectors of his scheduled time for such tests so that the tests can be witnessed.

Soil analyses for clay/sand content to determine acceptability of site soil for bedding material shall be the responsibility of the Developer, Applicant, or contractor, and the District inspector shall approve all material to be used for bedding.

6.2.8 Change Orders

All change orders for work on water, wastewater, and drainage facilities shall be presented to and approved by the District Engineer, General Manager, and Board of Directors. Every effort shall be made by the project engineer to obtain such approval prior to initiation of the work under any such change order, however, should it be determined by the General Manager that the work under a change order must be done prior to a regular meeting, the General Manager may approve the work. If the work is funded by the District, payment shall not be made unless the change order is approved by the Board. Any costs for work under a change order increasing project costs which have not been approved shall not be included in the final costs of the project. Field changes and shop drawings shall be approved by the General Manager and the District Engineer, prior to initiation of any work.

6.2.9 Water Service for Construction

Water service may be provided to the contractor through a District-approved water facility or the water facility under construction in accordance with terms and conditions deemed appropriate and necessary by the General Manager. The District's inspector shall require metering, if possible, or make estimates of the amount of water used for the work including filling, flushing, and testing if such amounts are not metered. The Contractor responsible for use of such water shall pay the District for such water at the District's normal residential water rate.

6.2.10 Acceptance of Facilities for Operation and Maintenance

- a. All facilities constructed as part of the District Systems shall be constructed in a good and workmanlike manner and all material used in such construction shall be free from defects and fit for its intended purpose. Upon completion of construction, the District shall be provided with:
 1. Final "as-built" drawings of the project's water and wastewater facilities approved and certified by the project engineer.
 2. Certificate of completion from the engineer who designed the facilities certifying that the construction of the facilities has been completed in accordance with the plans and specifications approved by the District; that

the required “as-built” drawings have been furnished to the District, and that the facilities are clear of construction material, dirt, and debris.

3. Contractor’s affidavit of bills paid.
4. Electronic Plat map of the project on a USB drive in DXF format showing property boundaries, location of utility lines, valves, fire hydrants, and survey registration points.
5. Maintenance bond between the District and the contractor’s bonding company to make required repairs within the first year. This bond shall be for 100% of the costs of installation.
6. Utility Conveyance Agreement from the owner to the District.
7. Any required easements.

No facilities shall be accepted for operation or maintenance by the District until they have been cleared of all foreign materials, dirt, and debris generated by the construction, and the cleanup has been approved by the District Manager.

- b. As soon as possible after approval of the facilities, the District shall accept the system and drainage facilities through conveyance and assignment of such facilities to the District.

6.2.11 Easements

Prior to acceptance of water, wastewater, or drainage facilities or prior to construction of any drainage ways through the land without right-of-way, an appropriate easement must be filed.

No water or wastewater line will be accepted by the District for operation and maintenance unless it is in a public right-of-way, public utility easement, or in a private easement. All easements shall be a minimum of fifteen (15) feet in width. Conveyance of all easements shall be at no cost to the District and shall be in accordance with the applicable local, state, and federal laws and regulations. An appropriate easement is either a public utility easement or drainage easement completed and executed by the landowner including a complete and acceptable metes and bounds description and location map of the easement by the registered surveyor.

- a. If the District determines that right-of-way easements for facility sites outside the Applicant’s property are required, the District may require the Applicant to secure easements or title to facility sites on behalf of the District. All right-of-way easements and property titles shall be researched, validated, and filed by the District at the expense of the Developer or Applicant.
- b. If necessary, the District may acquire any essential land or easements by eminent domain in order to provide service to a project. The Developer or Applicant shall pay all expenses associated with such condemnation proceedings, including legal, engineering, the award of the Commissioners or the Court, and the like.

- c. The District shall require an exclusively dedicated right-of-way for wastewater lines on the Developer or Applicant's property (as required by the size of the planned facilities and as determined by the District) and easements on or title to the property required for other on-site facilities.
- d. Easements and facility sites shall be prepared for the construction of the District's pipeline and facility installations in accordance with the District's requirements and at the expense of the Developer or Applicant.

The District Engineer and General Manager shall approve such easements prior to filing.

The District will file easements, however, the person or entity constructing the facilities will be responsible for all costs associated with the filing.

6.2.12 Release of Easements

The District will comply with the request of another party to release, or partially release, an existing waterline easement, or the District's interests in a platted public utility easement within a Subdivision after the following requirements have been fulfilled:

- a. A written request submitted by the requesting party to the District office for the specific easement in need of release by the completion of the Easement Release Application form with all required attachments.
- b. Processing fee of \$75.00 paid to the District at the time the request is submitted.
- c. The release request will be researched by District staff for feasibility.
- d. Approval by the General Manager or Board of Directors for the release of the easement.

Once requirements a. and b. above have been complied with, the request will be researched. If such a request is found feasible, a release of easement document will be executed and then filed of record. Once the release has been recorded, a copy will be delivered to the requesting party. If such a request is not feasible, the processing fee will be refunded.

6.3 Standards for Water Service Lines and Connections

This section governs the installation of service connections to the District's water systems. These regulations are intended as a supplement to the Uniform Plumbing Code. Where these regulations conflict with the Uniform Plumbing Code, the decision of the District's General Manager, through consultation with the District's engineer, shall resolve the conflict. In addition to compliance with these rules, all connections shall comply with the Rules and Regulations for Public Water Systems promulgated by the Texas Commission on Environmental Quality ("TCEQ Rules"). In the event of a conflict between these Rules and TCEQ Rules, the more stringent rule shall apply.

The following requirements apply to water connection facilities:

- a. Water pipe and fittings shall be of brass, copper, ductile iron, or other approved materials such as high density PE-SDR9 200 psi.
- b. Any service over 2" shall be C-900 DR14 or D.I. 200 psi.
- c. Piping and tubing installed shall be new material.
- d. Valves up to and including two (2) inches in size shall be of brass and other approved material. Sizes over two (2) inches may have cast iron or brass bodies. Each gate valve shall be an AWWA approved full-way type with working parts of non-corrosive material.
- e. 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, except as provided below. Water Service Lines and wastewater service lines shall be not less than nine (9) feet apart horizontally and shall be separated by undisturbed or compacted earth. **Refer to TCEQ Rules for detailed specifications.**
- f. Any wastewater line mains (laterals or service lines) which cross a water line shall be placed below the water line, or if this is not possible, then water and wastewater lines shall cross at the center of pipe sections and the wastewater line shall be sleeved and sealed at both ends with an approved material. Any variations to this procedure must be approved by the District Field Supervisor.
- g. The Water Service Line may be placed in the same trench with the wastewater service line provided all four of the following conditions are met:
 - 1. The wastewater line is constructed of approved material.
 - 2. The bottom of the Water Service Line at all points shall be at two (2) feet above the top of the wastewater service line.
 - 3. The Water Service Line shall be placed on a solid shelf excavated at one side of the common trench and the two lines shall be separated by a minimum of eighteen (18) inches.
 - 4. The Water Service Line shall be installed with watertight joints tested to line pressure.
- h. A minimum of four (4) feet of type "L" soft copper or approved material pipe shall be installed at the end of the Water Service Line at the connection to the water meter. This connection shall not be made with a female PVC coupling.
- i. Water Service Lines shall be bedded in washed sand or approved gravel bedding to provide six (6) inches of cushion below the line, and twelve (12) inches above. Water meters shall be installed in-ground which has an elevation no higher than four (4) feet from finished grade street level. Meters located on high ground or upon steep slopes are not permitted. The Water Service Line shall be bedded properly in the sand before the District inspection is requested, and the sand for the cover shall be on the site at the time. The trench bottom and walls shall be cleared of all protruding rocks which could damage the pipe before the sand bedding is placed. Washed sand shall be filled to the same elevation as the top of the adjacent curb and shall be compacted to a Proctor density of 90%. No rocks or other material over three (3) inches in diameter shall be used for backfill over the sand. Water lines that must be run under walls or other obstructions making them inaccessible for repair will be sleeved to allow removal of damaged sections.
- j. Isolation valves in Water Service Lines will be set no more than twenty-four (24) inches back from the meter angle stops. Isolation valves will not be set under or near sidewalks

or curbs where they cannot be located. Isolation valves will be of the ball valve curb stop type.

- k. A District-owned water meter and a District-approved meter box shall be installed for each water connection at the location specified by the District's representative. If the water meter box subsides or tilts more than one (1) inch within one year after it is installed, the Person or firm who installed it shall be obligated to raise or straighten the meter box to the proper position. The following materials may be used for the installation of the water meters, service lines, and meter boxes in the District:

WCID 17 STANDARD SERVICE DETAILS

USE PART NUMBERS SPECIFIED OR APPROVED EQUIVALENT

SINGLE SERVICE

1 ½" Corp Stop	FB 1100-6G
1 ½" Ball Valve	B41-666WG
54 Insert Where Appropriate	
1 ½" Poly E SDR 9	200 psi
1 ½" x 1" Reducer Bushing	
1" Poly E SDR 9	200 psi
1" MIPXC.FA	C84-44G
1" Meter Angle Stop	KV43-444WG
Tap Saddle	317-D5

1 - Single Meter Box – 34 P14 with cast iron lid and ring.

DOUBLE SERVICE

Corp Stop	FB-1100-6G	1½ MIP x 1 ½ Compression
1 ½" Poly E SDR 9	200 psi	
Ball Valve	B41-666WG	1½ Compression x 1 ½ FIP
Y-Branch	Y48-246G	2 – 1" Compression x 1 x 1 ½ MIP
1 ½" Poly E SDR 9	200 psi	
Angle Stop	KV43-444WG	1" Compression x Meter Swivel Nut 1"
54 Insert		

2 - Single 34P14 with cast iron lid and ring.

The above list is a typical service list to connect either 5/8", 3/4" or 1" meters. The installation of larger meters shall use the same quality materials above with appropriate increases in size.

- l. The District will supply the meter, meter nipple, and meter box unless supplied by a Developer's contractor. This equipment will become the property of the District

upon project completion. The water nipple will be a 3/4" pipe with male threads. The Customers will be responsible for installing a Customer cut off valve, a pressure-regulating valve ("PRV"), and a backflow preventer (if required) in that order on the yard line. PRV's shall be all brass construction and installed to code. Pressure-regulating valves are required on all new construction. The Customer will submit construction plans to the District so that the yard line can be properly sized. Gate valves, PRVs, and backflow preventers shall be protected by boxes for ease of location and access.

- m. Yard Lines shall be at least 12 - 18 inches (12" - 18") deep and constructed of PVC schedule 40 or better. These pipes must be placed at least 10 feet from any septic drain field. Bedding material for the Yard Line shall be sand, sandy loam, or fines from a rock saw. Yard Lines shall be pressurized and inspected before they are covered. Yard Lines will not be permitted to cross property lines unless the properties are to be used as a single lot. The owner will be required to sign restrictive covenants to that effect.
- n. Outside hose bibbs shall be protected by vacuum breakers.
- o. Potable water supply piping, water discharge outlets, backflow prevention devices, and similar equipment shall not be located where they could be submerged in any contaminated or polluted liquid substance.
- p. Irrigation systems should be equipped with an approved reduced pressure zone ("RPZ") backflow prevention devices in accordance with the District's determination of the system's level of hazard to the public system. Irrigation systems using raw lake water may only be connected to the potable water system if a properly tested RPZ backflow prevention device is installed. Backflow prevention devices must be tested within ten (10) days of installation. The District's water supply shall be protected from swimming pool makeup water by means of an approved backflow preventer or adequate air gap.

6.4 Standards for Wastewater Service Lines and Connections

This section governs the installation of all wastewater connections with the wastewater system serving the District. They are intended as a supplement to the Uniform Plumbing Code. Where these regulations conflict with the Uniform Plumbing Code, the decision of the District's Engineer shall resolve the conflict. In addition to compliance with these rules, all connections shall comply with the Rules and Regulations for Public Water Systems promulgated by the TCEQ Rules. In the event of a conflict between these Rules and TCEQ Rules, the more stringent rule shall apply.

- a. Only one Service Line connection to the District's wastewater collection system is permitted for each residential or commercial building.
- b. Only the following types of pipe and fitting materials are approved for constructing Service Lines. Pipe and fittings in each individual Service Line shall be of identical material:
 - 1. Poly-vinyl Chloride PSM ("PVC") pipe conforming to ASTM Specification D3034 and installed in accordance with ASTM D2321.
 - 2. Ductile-Iron pipe conforming to ANSI A21.51 with rubber gasket joints, conforming to ANSI A21.11 and installed in accordance with the manufacturer's recommendations.

- c. A PVC Schedule 40 or SDR 26 4" x 6" increaser shall be used at the property line for all wastewater connections to increase the size of the service line to tie into the wastewater service stub.
- d. The Service Line shall be installed with watertight joints.
- e. Maximum and minimum grades shall be in compliance with the Uniform Plumbing Code and the City of Austin Plumbing Ordinance.
- f. Service Lines shall be constructed to true alignment and grade. Warped and/or sagging lines will be not permitted. Sewer Service Lines shall be bedded in approved bedding material before the District inspection is requested, and the material for the cover shall be on the site at the time of the inspection. The trench bottom and walls shall be cleared of all protruding rocks which could damage the line before the sand bedding is placed in the trench. Approved material shall be filled to the same elevation as the top of the adjacent curb and shall be compacted to a Proctor density of 98%. No rocks or other material over three inches (3") in diameter shall be used for backfill over the sand.
- g. The building tie-on connection will be made directly to the stub-out from the building plumbing at the foundation on all waste outlets.
- h. Water-tight adapters of a type compatible with the materials being joined will be used at the point of connection of the Sewer Service Line to the building plumbing. No cement or grout materials will be permitted.
- i. Existing service connections, stubs, wyes, or stacks must be utilized for connection of the service line to the District's wastewater collection line unless an exception is approved by the District's representative.
- j. Where a wastewater tap is intended to serve two properties, and there are no existing stub-outs, the first plumber on-site shall install connections for both houses stubbing and capping the second connection if it is not to be used immediately. If existing stub-outs are too deep, the plumber may install his own wye connections to the District's line three (3) to four (4) feet below grade. A Customer cleanout will be installed approximately two (2) to four (4) feet from the house foundation and cut to grade. The District's stub out will then be cut to no more than eighteen (18) inches below grade and capped with a removable cap with a metallic locator attached for ease of location. Screwcaps are acceptable.
- k. No residential swimming pool will be connected to the District's wastewater system.
- l. No rain gutter or downspout will be connected to the District's wastewater system.
- m. No bends or turns at any point in the service line may be greater than forty-five (45) degrees.
- n. Each horizontal service line will be provided with a cleanout at its upper terminal, and each run of piping which is more than ninety (90) feet in length will be provided with a cleanout for each ninety (90) feet or fraction thereof, in the length of such piping.
- o. Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of wye branch and end-of-the-line cleanouts, cleanouts will be installed vertically above the flow line of the pipe.
- p. Cleanouts at the District's service connection will have a metal lid or approved means of locating the cleanout fitting.
- q. All manholes in new construction shall be coated with a La Farge aluminum silicate lining system to 0.5-inch minimum or District approved equivalent. Developers tying into existing manholes will coat the existing manhole as above.

6.4.1 Wastewater Lift Stations and Grinder Pump Stations

The Development of wastewater lift stations within the District shall be in accordance with the City of Austin Water and wastewater design requirements, with the following exceptions:

- a. An engineering design report shall be prepared for each lift station to document average flows, peak flows, pump selection, storage capacity, force main capacity, and system pump curve. The average daily flows as calculated at the wastewater treatment facility may be used in lieu of the City of Austin standards. Lift stations and grinder pump stations shall be constructed using the drawing detail(s) and specifications provided.
- b. All lift stations shall be designed with permanent On-site emergency generators with the automatic transfer switch. If less than fifty (50) GPM capacity, three (3) hours of emergency holding capacity at peak output above the “all pumps on” level and below the inlet pipe elevation shall be provided.
- c. Level controls for pump operation shall be approved by District personnel prior to installation.
- d. Amp and voltmeters shall be supplied on the control panels for main service voltage, and ammeters will be supplied for each pump. Panel mounted voltmeter shall read incoming phase to phase voltage.
- e. Explosion-proof pump and motor need not be provided and standard non-clog design is acceptable.
- f. All TCEQ Chapter 317 provisions shall be complied with.
- g. Force mains shall be a minimum of four (4) inches in size unless grinder pumps are used. Pipe material may be PVC C-900 DR-14 or ductile iron for buried piping. DR-14 WHITE COLOR ONLY – Force mains must be wrapped in brown poly wrap printed with "Force Main".
- h. Check valves on force mains will have counterweighted swing arms installed with the valve.
- i. Security lights will not be installed in the jib cranes’ swing radius.
- j. Wet Well vents will be located so as not to interfere with access to the pumps and motors.
- k. Inside the fenced area of the lift station, a continuous reinforced concrete slab shall be provided for access to the wet well, valve box, and electrical panel area.
- l. The lift/grinder station shall have an all-weather access road capable of accommodating a truck of sufficient size to remove and deliver pumps.
- m. Lift Station wet wells shall be reinforced concrete coated with a La Farge aluminum silicate lining system or approved equivalent to one-inch (1”) thickness, polymer concrete (un-lined), or when approved fiberglass. Valve boxes shall be coated to 80 mils.
- n. See District Lift Station Standards sheets for further detail.
- o. Force main clean-outs shall be spaced at 500 feet intervals unless a waiver is granted. Cleanouts shall be bi-directional.

6.4.2 Residential Grinder Pump Stations Serving Single Property

- a. Residential Grinder Pumps to be E-One Systems in accordance with WCID17 Standard Details for Simplex or Duplex Grinder Pump Station (as applicable) and Grinder Pump Station Control Panel.
- b. Note that the systems specified by WCID 17 have a check valve installed internal to the tank (on the pump) and do not require an additional check valve to be installed outside the wet well.
- c. 1 ¼" male iron pipe braided stainless steel discharge piping installed on the outlet side of the GP tank.
- d. Second Vent: 3" pipe sized vent to be installed from the upper 1/3 of GP tank.
- e. Residential establishments with seven or more bathrooms must install a dual pump system.

6.4.3 Commercial Grinder Pump Stations Serving Single Property

- a. All Commercial establishments slated to install grinder systems must follow WCID 17 Commercial Grinder Pump Station Standard and have dual centrifugal grinder pumps. No positive displacement pumps allowed. Pumps shall be as manufactured by Wilo, Barnes or ABS.
- b. Commercial grinder systems may be equipped with a transmission device that will relay a warning signal to the client's telephone.

6.5 Drainage

The District's drainage systems, including, without limitation, all drainage easements, channels, storm sewer facilities, and all other facilities owned, maintained, or controlled by the District for the purpose of collecting, controlling, storing, or distributing storm and floodwaters or run-off, shall be protected from abuse. Prior to the construction of any improvements within the District, proper erosion control devices, as required by the District's Engineer, shall be installed. Such devices shall be maintained in place during construction and, upon completion, all construction debris and rubbish shall be removed from the site, and any damage to the District's easements or facilities shall be repaired at the expense of the Developer or builder. It shall be a violation of these rules to cause to be placed, deposited, or discharged any foreign materials or debris into the District's drainage systems which could interfere with the proper functioning thereof, including, but not limited to: motor oil, grass or tree clippings, or construction debris.

Drainage areas within Subdivisions shall be constructed so as to minimize maintenance. Outfalls shall be constructed with sufficient ground clearance to preclude clogging with mud, roots, or other debris.

Greenbelts and drainage areas shall be made accessible to heavy equipment to provide for necessary maintenance without the destruction of a homeowner's property.

6.6 Construction and Development Review and Approval Procedures

6.6.1 Water, Wastewater, and Drainage Facility

a. Plan Review

1. Developer's Engineer and Planner/Project Manager(s) will meet with the District's General Manager and District Engineer at project conception to discuss preliminary plans, feasibility, and options. The following issues will be addressed:
 - (i) Location of Development area - in/out of Service Area and District;
 - (ii) Annexation requests;
 - (iii) General layout and plan;
 - (iv) The approximate number of LUEs required;
 - (v) Closest service lines and any preliminary service plans;
 - (vi) Feasibility of conceptual service plans;
 - (vii) Fire protection requirements; and
 - (viii) Pressure plane required.
2. If required by the General Manager, Developer presents preliminary plans to the Board of Directors for preliminary approval and authorization to proceed.
3. The District will issue a letter of intent to provide service for the specified capacity. This letter will include annexation forms (if required) and contain a request for detailed information and plans to be submitted to the District Engineer so that a service plan can be developed.
4. Developer's request for annexation goes before the District Board of Directors. Annexation procedures are started (if necessary).
5. The Developer establishes a preliminary deposit account with the District to cover engineering, administrative, and legal costs of plan review and Development. This cost will be based on the size and complexity of the project and the estimated services required.
6. District Engineer develops a service plan (how the District intends to provide service) based on information provided by the Developer's Engineer. This plan will include any required expansion or alteration of existing facilities, impact on plant capacity, and tie-in locations.
7. Final engineering plans (3 sets) submitted to General Manager and District Engineer with specifications for review and comment. The District uses the City of Austin public works specifications. These plans should include:
 - (i) Subdivision plats, if applicable;
 - (ii) Easement dedications;
 - (iii) Major service lines marked;

- (iv) Valve locations;
 - (v) Construction specifications;
 - (vi) Timetable for the restoration of service following disruption of service or temporary alteration of District facilities;
 - (vii) City/Council plan approvals; and
 - (viii) Preliminary construction schedules.
- 8. If required, the District staff responds with comments/questions.
- 9. Developer responds to District comments/questions, submits revisions and/or updates, if necessary.
- 10. District General Manager and District Engineer present plans and specifications for consideration and approval by the Board of Directors. If plans include temporary alteration of District facilities, the Developer will place in escrow with the District an amount of money sufficient to accomplish the alterations and subsequent repairs or sign a contract to the effect that repairs will be made upon project completion. The Developer will be responsible for the completion of these repairs, and any associated District expenses will be drawn from the account. Upon completion of the work, the balance of this account will be refunded to the Developer.
- 11. Upon approval, the President of the Board of Directors or the District General Manager signs and dates plans' cover sheet. Any approved project not started within 6 months of approval must resubmit plans for re-evaluation.

b. Construction

- 1. Developer's Engineer arranges a pre-construction conference with the District General Manager. For large projects with multi-phases, this conference should be scheduled for each phase. The following issues should be addressed:
 - (i) Contractor contracts;
 - (ii) Water shut-off/tie-ins;
 - (iii) Schedules; and
 - (iv) Inspections required.
- 2. District personnel may inspect the installation of water and wastewater facilities as often as deemed necessary. Water and wastewater inspections will be required in accordance with TCEQ Rules and the Uniform Plumbing Code (with amendments) as most recently adopted by the Board of Directors. Inspection fees will be assessed as a percent of the project cost and will be paid in advance. These fees will cover water/wastewater and drainage construction inspections, flushing, water sampling, and administrative and engineering fees.
- 3. Developer's Engineer will keep the District Engineer informed of any planned changes to approved plans affecting water/wastewater facilities. Board approval may be required for major changes as determined by the District Engineer.

4. Upon project or construction phase completion, Developer's Engineer will schedule a final inspection of water/wastewater facilities with the District Representative, and notify the General Manager and District Engineer. A letter of substantial completion will be issued; however, water service will be contingent upon submission of the required documentation below.
5. After satisfactory completion and Developer acceptance, Developer's Engineer shall submit:
 - (i) Engineer's certificate of completion;
 - (ii) Owner's acceptance letter;
 - (iii) Contractor's affidavit of bills paid;
 - (iv) Complete set of "as-built" reproducible drawings for water/wastewater facilities;
 - (v) Plat map of the project in DXF format on 3.5 disk showing property boundaries, location of utility lines, valves, fire hydrants, and survey registration points;
 - (vi) Maintenance bond (if applicable) between District and Contractor's bonding company to make required repairs to facilities within the first year;
 - (vii) Settlement of any final costs (bacteriological samples, line flushing, etc.); and
 - (viii) Utility conveyance agreement conveying ownership of the utilities to the District.
6. If required, the District General Manager will schedule final acceptance of improvements at the next regular Board of Directors' meeting.

6.6.2 Defined Area Water, Wastewater, and Drainage Facility

a. Plan Review

1. Developer's Engineer and Planners/Project Manager will meet with District Manager and District Engineer at project conception to discuss preliminary plans, feasibility, and options. For large projects, a 20% and 80% completion design meeting may be required. The following issues will be addressed:
 - (i) Location of Development area - in/out of Service Area and District;
 - (ii) Annexation requests;
 - (iii) General layout and plan;
 - (iv) The approximate number of LUEs required;
 - (v) Closest service lines and any preliminary service plans;
 - (vi) Fire protection requirements; and
 - (vii) Pressure plane required.
2. The developer presents preliminary plans to the Board of Directors for preliminary approval and authorization to proceed.
3. The district will issue a letter of intent to provide service to a specified capacity. This letter will include annexation forms (if required) and contain

a request for detailed information and plans to be submitted to the District Engineer so that a District service plan can be developed.

4. Developer's request for annexation goes before the District Board of Directors. Annexation procedures are started (if necessary).
5. The developer establishes a preliminary deposit account with the District to cover engineering, administrative, and legal costs of plan review and Development. This cost will be based on the size and complexity of the project and estimated requirements.
6. District Engineer develops a service plan (how the District intends to provide service) based on information provided by the Developer's Engineer. This plan will include any needed expansion or alteration of existing facilities, impact on plant capacity, and tie-in locations.
7. Defined Area bond issuance procedures are initiated in accordance with Texas Water Code and TCEQ requirements. See District bond issuance and bond reimbursement procedures.
8. For large projects with multi-phases, an annual update of planned construction and reimbursement will be provided.
9. Final engineering plans submitted to General Manager and District Engineer with specifications for review and comment. For large projects, these plans may be completed as phases. These plans should include:
 - (i) Subdivision plats;
 - (ii) Easement dedications;
 - (iii) Major service lines marked;
 - (iv) Valve locations;
 - (v) Construction specifications;
 - (vi) Timetable for the restoration of service following disruption of service or temporary alteration of District facilities;
 - (vii) City/County plan approvals; and
 - (viii) Preliminary construction schedules.
10. The district staff responds with comments/questions.
11. Developer responds to WCID 17 comments/questions, submits revisions and/or updates, if necessary.
12. District General Manager and District Engineer present plans and specifications for consideration and approval by the Board of Directors. If plans include temporary alteration of District facilities, the Developer will place in escrow with the District an amount of money sufficient to accomplish the alterations and subsequent repairs. The Developer will be responsible for the completion of these repairs, and any associated District expenses will be drawn from the account. Upon completion of the work, the balance of this account will be refunded to the Developer.
13. Upon approval, the President of the Board of Directors signs and dates the plans' cover sheet.

b. Bidding Contract Award for Defined Area Construction Projects

1. Construction contracts for water and wastewater and drainage must be advertised for competitive bids.
 2. Advertisements should be published once a week for three (3) weeks with the first being at least twenty-one (21) days before bid opening.
 3. Developer's Engineer will request an affidavit of publication from the newspaper and file a copy with the District.
 4. District General Manager and District Engineer will be notified of the date, time, and place of bid opening.
 5. Developers may advertise and receive bids prior to District plan approval subject to changes required by the District.
 6. After receipt of bids, the Developer's Engineer will prepare a bid tabulation and letter recommending the construction contract award. Copies of the bid tabulation and recommendation letter will be submitted to the District General Manager and District Engineer.
 7. District General Manager and District Engineer will present the recommended contract award for consideration and approval at the next scheduled Board of Directors' meeting.
- c. Construction - refers to water/wastewater and drainage facilities and does not include building construction.
1. Developer's Engineer arranges a pre-construction conference with District Manager. The pre-construction conference is attended by General Manager and District Engineer. For large projects with multi-phases, this conference should be scheduled for each phase. The following issues should be addressed at a minimum:
 - (i) Contractor contracts;
 - (ii) Water shut-offs/tie-ins;
 - (iii) Schedules;
 - (iv) Inspections required; and
 - (v) Coordination with District personnel for required testing of water and wastewater lines.
 2. District personnel may inspect the installation of water and wastewater and District facilities as often as deemed necessary. Water and wastewater facility inspections will be required in accordance with TCEQ rules and the Uniform Plumbing Code, (with amendments) as most recently adopted by the Board of Directors. Inspection fees will be assessed at a percent of the proven project cost and will be paid in advance.
 3. Developer's Engineer will keep District personnel informed of any field changes to approved plans affecting water/wastewater facilities, and the District Engineer will review and approve all shop drawings by stamp and signature.
 4. Developer's Engineer will approve pay estimates and provide monthly reports to District Engineer.
 5. District General Manager and District Engineer review and approve all change orders.

6. District General Manager and District Engineer inspect construction sites to verify pay estimates.
7. District General Manager and District Engineer present pay estimates and change orders to the Board of Directors for approval.
8. Developer's Engineer will sign all certifications, pay estimates, inspection reports, change orders, and documents officially submitted to the District. District Representative will sign as approving authority.
9. Upon project or construction phase completion, the Developer's Engineer will schedule a final inspection of water/wastewater facilities with the District Representative, and notify District General Manager and District Engineer. The district will issue a Certificate of Substantial Completion and a final list of items to be completed.
10. After satisfactory completion and Developer acceptance, Developer's Engineer shall submit:
 - (i) Engineer's certificate of completion;
 - (ii) Owner's acceptance letter;
 - (iii) Contractor's affidavit of bills paid;
 - (iv) Complete set of "as-built" reproducible drawings for water/wastewater facilities;
 - (v) Plat map of the project in DXF format on 3.5 disk showing property boundaries, location of utility lines, valves, fire hydrants, and survey registration points;
 - (vi) Maintenance bond between city/county and District, as required, and contractor's bonding company to make required repairs to facilities within the first year;
 - (vii) Settlement of any final costs (bacteriological samples, line flushing, etc.); and
 - (viii) Utility conveyance agreement conveying water utilities to the District.
11. District General Manager will schedule final acceptance and approval of final pay estimates of improvements at the next regular Board of Directors' meeting.

6.6.3 Qualifications Required to Install Infrastructure

No one shall be allowed to install or construct water, wastewater, or drainage infrastructure in the District unless he or she has been verified to be qualified by District staff.

For the construction of any central facilities, (water treatment plants, pump stations, lift stations, or wastewater treatment plants) or any water or wastewater line above 8" in diameter or over 500 feet in length, a contractor must be licensed as a contractor and bonded. In addition, contractors must demonstrate that they:

1. Have adequate financial resources to perform the work;
2. Are able to comply with the proposed schedule;
3. Have a satisfactory performance record;

4. Have a satisfactory record of integrity and business ethics;
5. Have the necessary organization, experience, accounting, and operational controls, technical expertise, testing and safety programs; and
6. Have the necessary production, construction, and technical equipment to perform the work.

Installation of water lines 8" or less in diameter and under 500 feet in length may be installed by licensed plumbing contractors or other small experienced contracting businesses under the direct supervision of District Staff.

7.0 DISTRICT MANAGEMENT AND ADMINISTRATION

7.1 Personnel Management

The General Manager will make every effort to hire and retain high-quality personnel. The administration of personnel will be conducted in accordance with the District Personnel Manual as amended.

7.1.1 Training

The training of personnel to operate and maintain equipment and systems and to perform required office functions is of prime importance to the District. The General Manager, office manager, and field supervisor are responsible for ensuring that a sufficient number of Certified Water and Wastewater operators are on staff to adequately operate and maintain facilities, and that office personnel is properly trained to perform accounting and billing services and operate all office equipment.

The General Manager will ensure that training, is at a minimum, conducted in the following areas on a regular basis and that records are kept of all formal training.

- Safety;
 - Customer Service; and
 - Water and Wastewater Plant Operations.
- a. Qualification. All personnel will be qualified to perform tasks assigned. Specific qualification programs will be completed prior to being designated as:
- On-call Operators;
 - Water Plant Operators; and
 - Wastewater Plant Operators.

No field employees will perform the duties of the on-call operators without supervision until fully qualified by the field supervisor.

- b. Certification. All certified water and wastewater operators and plumbing inspectors will be required to both maintain their qualifications and work toward the next level.
- c. Other training. Every opportunity will be used to advance an employee's level of training including but not limited to:
- on the job training ("OJT");
 - manufacturer and contractor provided training;
 - local computer training courses;
 - commercial and state maintenance courses;
 - employee cross-training and self-study; and
 - AWWA and local association conferences and seminars.

7.2 Records Management

7.2.1 Definitions

All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information-recording media, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the District or any of its officers or employees pursuant to law or in the transaction of public business are declared to be the records of the District.

- a. **“Customer Information”** means any information collected, assembled, and/or maintained by the District regarding its Customers.
- b. **“Department Head”** means the officer who by ordinance, order, or administrative policy is in charge of an office of the District that creates or receives records.
- c. **“Essential Record”** means any record of the District necessary to the resumption or continuation of operations of the District in an emergency or disaster, to the recreation of the legal and financial status of the District, or to the protection and fulfillment of obligations to the people of the state.
- d. **“Financial Information”** means any information concerning a Customer’s bank accounts, credit card numbers, and debit card numbers and includes any numbers used to obtain money and transfer funds.
- e. **“Permanent Record”** means any record of the District for which the Retention Period on a Records Control Schedule is given as permanent.
- f. **“Personal Information”** means a Customer’s address, telephone number, or social security number.
- g. **“Records Control Schedule”** means a document prepared by or under the authority of the Records Management Office listing the records maintained by the District, their Retention Periods, and other records disposition information that the Records Management program may require.
- h. **“Records Management”** means the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records for the purpose of reducing the costs and improving the efficiency of record keeping. The term includes the development of Records Control Schedules, the management of filing and information retrieval systems, the protection of essential and Permanent Records, the economical and space-effective storage of inactive records, control over the creation and distribution of forms, reports, and correspondence, and the management of micrographics and electronic and other records storage systems.
- i. **“Retention Period”** means the minimum time that must pass after the creation, recording, or receipt of a record, or the fulfillment of certain actions associated with a record, before it is eligible for destruction.
- j. **“Usage Information”** means any information relating to the volume or units of water usage or the amounts billed to or collected from a Customer for water usage.

7.2.2 Declaration as Public Property

All District records are declared to be the property of the District. No District official or employee has, by virtue of his or her position, any personal or property right to such records even though he or she may have developed or compiled them. The unauthorized destruction, removal from files, or the use of such records is prohibited.

7.2.3 Policy

It is the policy of the District to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all District records through a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements of the Texas Local Government Records Act and accepted Records Management practices.

To ensure the preservation of the records of the District, all documents of the District shall remain on file at the District office or designated depository. No official document of the District shall be removed from the file or depository without consent of the Records Management Officer or designated custodian.

7.2.4 Designation of Records Management Officer

The General Manager shall serve as the Records Management Officer. As provided by state law, each successive holder of the office shall file his or her name with the Director and Librarian of the Texas State Library within thirty (30) days of the initial designation of taking up the office, as applicable.

7.2.5 Establishment of Records Management Committee Duties

A Records Management Committee consisting of the General Manager, one or more Directors and the District's Attorney is hereby established. The committee shall:

- a. assist the Records Management Officer in the development of policies and procedures governing the Records Management program;
- b. review the performance of the program on a regular basis and propose changes and improvements if needed;
- c. review and approve Records Control Schedules submitted by the Records Management Officer;
- d. give final approval to the destruction of records in accordance with approved Records Control Schedules; and
- e. actively support and promote the Records Management program throughout the District.

7.2.6 Records Management Plan

The Records Management Officer and the Records Management Committee shall develop a Records Management plan. The plan must contain policies and procedures designed to reduce the cost, improve the efficiency of record-keeping, and to adequately protect Essential Records that are of historical value. The plan must be designed to enable the Records Management Officer to carry out his or her duties prescribed by state law and this policy effectively.

Once approved by the Board of Directors, the Records Management plan shall be binding on all offices, departments, divisions, programs, commissions, bureaus, boards, committees, or similar entities of the District and records shall be created, maintained, stored, microfilmed, or disposed of in accordance with the plan.

State law relating to the duties, other responsibilities, or recordkeeping requirements of a Department Head does not exempt the Department Head or the records in the Department Head's care from the application of this policy and the Records Management plan adopted under it and may not be used by the Department Head as a basis for refusal to participate in the Records Management program.

7.2.7 Duties of Records Management Officer

In addition to other duties assigned, the Records Management Officer shall:

- a. administer the Records Management program and provide assistance to Department Heads in its implementation;
- b. plan, formulate, and prescribe records disposition policies, systems, standards, and procedures;
- c. in cooperation with Department Heads identify Essential Records and establish a disaster plan for each District office and department to ensure maximum availability of the records in order to re-establish operations quickly and with minimum disruption and expense;
- d. develop procedures to ensure the permanent preservation of the historically valuable records of the District;
- e. establish standards for filing and storage equipment and for record-keeping supplies;
- f. establish a uniform filing system and a forms design and control system;
- g. provide Records Management advice and assistance to all District departments by preparation of a manual or manuals or procedure and policy and by On-site consultation;
- h. monitor records retention schedules and administrative rules issued by the Texas State Library and Archives Commission to determine if the Records Management program and the District's Records Control Schedules are in compliance with state regulations;
- i. disseminate to the Board of Directors and Department Heads information concerning state laws and administrative rules relating to local government records;

- j. instruct Records Liaison Officers and other personnel in policies and procedures of the Records Management plan and their duties in the Records Management program;
- k. direct Records Liaison Officers or other personnel in the conduct of records inventories in preparation for the development of Records Control Schedules as required by state law;
- l. ensure that the maintenance, preservation, microfilming, destruction, or other disposition of records is carried out in accordance with the policies and procedures of the Records Management program and the requirements of state law;
- m. keep confidential, to the extent allowed by law, the confidential information of the District's Customers;
- n. report annually to the Board of Directors on the implementation of the Records Management plan in each department of the District, including summaries of the statistical and fiscal data; and
- o. bring to the attention of the Board of Directors non-compliance by Department Heads or other personnel with the policies and procedures of the Records Management program or the Local Government Records Act.

7.2.8 Duties and Responsibilities of Supervisors

In addition to other duties assigned in this order, Department Heads shall:

- a. cooperate with the Records Management Officer in carrying out the policies and procedures established for the efficient and economical management of records;
- b. adequately document the transaction of government business and the services, programs, and duties for which the Department Head and his or her staff are responsible; and
- c. maintain the records in his or her care and carry out their preservation, microfilming, destruction, or other disposition only in accordance with the policies and procedures of the Records Management program.

7.2.9 Designation of Records Liaison Officer

Each Department Head shall designate a member of his or her staff to serve as Records Liaison Officer for the implementation of the Records Management program in the department. If the Records Management Officer determines that, in the best interest of the Records Management program, more than one Records Liaison Officer should be designated for a department, the Department Head shall designate the number of Records Liaison Officers specified by the Records Management Officer. Persons designated as Records Liaison Officers shall be thoroughly familiar with all records created and maintained by the department and shall have full access to all department records. A Department Head may serve as Records Liaison Officer for his or her department.

7.2.10 Duties and Responsibilities of Records Liaison Officer

In addition to other duties assigned, Records Liaison Officers shall:

- a. conduct or supervise the conduct of inventories of the records of the department in preparation for the development of Records Control Schedules;
- b. in cooperation with the Records Management Officer, coordinate and implement the policies and procedures of the Records Management program in their departments; and
- c. disseminate information to department staff concerning the Records Management program.

7.2.11 Records Control Schedules

The Records Management Officer, in cooperation with Department Heads and Records Liaison Officers, shall prepare Records Control Schedules on a department by department basis listing all records created or received by the department and the Retention Period for each record. Records Control Schedules shall also contain such other information regarding the disposition of records as the Records Management plan may require.

Each Records Control Schedule shall be monitored and amended as needed by the Records Management Officer on a regular basis to ensure that it is in compliance with records retention schedules issued by the state.

7.2.12 Destruction of Records Under Schedule

A record whose Retention Period has expired on a Records Control Schedule shall be destroyed unless an open records request is pending on the record, the subject matter of the record is pertinent to a pending lawsuit, or the Department Head requests in writing to the Records Management Committee that the record be retained for an additional period.

Destruction of unscheduled records - a record that has not yet been listed on an approved Records Control Schedule may be destroyed if its destruction has been approved in the same manner as a record destroyed under an approved schedule and the Records Management Officer has submitted to and received back from the Board of Directors, and approved destruction authorization request.

7.2.13 Micrographics/Disk Data

All microfilming or preparing to computer disks of records will be centralized and under the direct supervision of the Records Management Officer. Criteria will be established for determining the eligibility of records for microfilming, and protocols for ensuring that a microfilming program that is exempted from the centralized operations is nevertheless, subject to periodic review by the Records Management Officer as to cost-effectiveness, administrative efficiency, and compliance with commission rules.

7.2.14 Electronic Mail

It is the policy of the District to provide for the efficient, economical and effective management of Electronic Mail Messages in accordance with Title 13 Texas Administrative Code (T.A.C.) §§ 7.71-7.79 and Texas Local Government Code §§ 205.001-205.009. 13 T.A.C. § 7.72(d) provides that the governing body of a local government or designated Records Management Officer must administer a program for the management of Local Government Records created, received, maintained, used, or stored on Electronic Media.

7.2.14.1 Definitions

- (1) **Electronic Mail Messages** – Local Government Records created or received on an Electronic Mail System, including brief notes, more formal or substantive narrative documents, and any attachments which may be transmitted with the message.
- (2) **Electronic Mail Receipt Date** – Information in an Electronic Mail system regarding the date and time of receipt of a message, and/or acknowledgment of receipt or access by the addressee(s).
- (3) **Electronic Mail System** – A Computer application used to create, receive, retain and transmit messages and other Local Government Records. Excluded from this definition are file transfer utilities.
- (4) **Electronic Mail Transmission Date** – Information in an Electronic Mail System regarding the identities of sender and addressee(s), and the date and time messages were sent.
- (5) **Electronic Media** – All media capable of being read by a computer including computer hard disks, magnetic tapes, optical disks, or similar machine-readable media.
- (6) **Electronic Record** – The information that is maintained in electronic format in a computer for computer processing and the product of computer processing of that information that satisfies the definition of a Local Government Record in Texas Local Government Code § 210.003(8).
- (7) **Electronic Records System** – Any information system that produces, manipulates, and stores Local Government Records by using a computer.
- (8) **Mailing List Service** – An electronic mailing list hosting service (e.g., Listserv) used for discussions and announcements within a specified group of individuals. Subscribers to the service participate by sending information to and receiving information from the list using Electronic Mail Messages.

- (9) **Records Management Officer** – The Person who administers the records management program established in each local government under Texas Local Government Code § 203.026.
- (10) **Local Government Record** – Any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by a local government or any of its officers or employees pursuant to law, including an ordinance, or in the transaction of public business. The term does not include:
- (A) Extra identical copies of documents created only for the convenience of reference by officers or employees of the local government;
 - (B) Note, journals, diaries, and similar documents created by an officer or employee of the local government for the officer's or employee's personal convenience;
 - (C) Blank forms;
 - (D) Stocks of publications;
 - (E) Library and museum materials acquired solely for the purposes of reference of display;
 - (F) Copies of the document in any media furnished to members of the public to which they are entitled under Chapter 552, Texas Government Code or other state law;
 - (G) Any records, correspondence, notes memoranda or documents, other than a final written agreement described by Section 2009.054(c), Texas Government Code, associated with a state department of institution, local government, special district, or other political subdivision of the state participated as a party, facilitated as an impartial third party, or facilitated as the administrator of a dispute resolution system or organization.

7.2.14.2 Scope

This policy applies to any Electronic Mail Messages created, received, retained, used, or disposed of using the District's Electronic Mail system or any other Electronic Mail System if the Electronic Mail Message is created, received, retained, used, or disposed of by a District employee, board member, or consultant and is created, received, retained, used, or disposed of under a law or ordinance or in connection with the transaction of official District business.

7.2.14.3 Retention Requirements

The District's approved Control Schedule or Declaration of Compliance with the Local Government Records Retention Schedules provides access to the record series and the retention period for each series. It is the content and function of an Electronic Mail Message that determines the retention period for that message. All Electronic Mail Messages sent or received by a local government are considered Local Government Records. Therefore, all Electronic Mail Messages must be retained or disposed of according to the District's retention requirements. Electronic Mail Messages generally (but not always) fall into two common record series categories. These are:

Local Schedule GR, 1000-26, Correspondence and Internal Memoranda:

- (1) Administrative – Correspondence and internal memoranda pertaining to or arising from routine administration or operation of the policies, programs, services, and projects of a local government. Retention: two (2) years.
- (2) Routine – Correspondence and internal memoranda such letters of transmittal requests for publications, internal meeting notice and similar routine matters. Retention: AV (after the purpose of Local Government Record is no longer deemed administratively valuable.)

7.2.14.4 User Responsibilities

It is the responsibility of the user of the Electronic Mail System, with guidance and training from the Records Management Officer, to manage Electronic Mail Messages according to the District's established retention periods. It is the responsibility of the sender of Electronic Mail Messages within the District's Electronic Mail System and recipients of messages from outside the District to retain the Electronic Mail Messages for the approved retention period. Names of the sender, recipient, date/time of the Electronic Mail Message, as well as any attachments must be retained with the Electronic Mail Message. Except for mailing List Services, distribution lists must be able to identify the sender and recipient of the Electronic Mail Message. User responsibilities may be mitigated by the use of a server-level automated classification system.

7.2.14.5 Maintenance of Electronic Mail Messages

Local Government Records created using an Electronic Mail System may be saved for their approved retention period by one of the following:

- (1) Print Electronic Mail Message and any attachments and file in an appropriate hard copy file.
- (2) Place in folders and save on personal network drive or C: drive.

- (3) Save to removable disk (3.5" disks are not recommended for retention periods of more than one year due to the instability of this medium).
- (4) Transfer to an automated records management software application.
- (5) Managed at the server by an automated classification system.

7.2.14.6 Disposition of Electronic Mail Messages

The process for the legal disposition of Local Government Records (including Electronic Mail Messages) is subject to the same documentation requirements as any other format or medium. The District shall be subject to the following portions of 13 T.A.C. § 7.78 (relating to the Destruction of Electronic Records), which state that:

- (1) Electronic Records may be destroyed only in accordance with the Local Government Code, Section 202.001
- (2) Each local government must ensure that:
 - (A) Electronic Records scheduled for destruction are disposed of in a manner that ensures the protection of any confidential information; and
 - (B) Magnetic storage media previously used Electronic Records containing confidential information are not reused if the previously recorded information can be compromised by reuse in any way.

7.2.15 Request for Public Information

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

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

7.2.16 Confidential Information

The District shall strive to protect the privacy of its Customers where allowed by law.

7.2.16.1 Personal Information and Usage Information

In an effort to protect the Personal Information and Usage Information of the District's Customers, the District shall notify each Customer of his or her right to request that such information be kept confidential. Requests to keep Personal Information and Usage Information confidential must be in writing and may be made on a form sent by the District with the Customer's bill. The District may charge a fee for such service, which shall not exceed the administrative cost of complying with the request of confidentiality. The District shall notify the Customer of any applicable fees when it notifies the Customer of his or her right to confidentiality.

The District may disclose a Customer's Personal Information to the following persons, even if the Customer requests confidentiality:

- a. an official or employee of the state, a political subdivision of the state, or the United States acting in an official capacity;
- b. an employee of a utility acting in connection with the employee's duties;
- c. a consumer reporting agency;
- d. a contractor or subcontractor approved by and providing services to the District, the state, a political subdivision of the state, or the United States;
- e. a person for whom the Customer has contractually waived confidentiality for Personal Information; or
- f. another entity that provides water, wastewater, sewer, gas, garbage, electricity, or drainage service for compensation.

7.2.16.2 Other Customer Information

The District shall hold confidential any other Customer Information that may be kept confidential by law, either constitutional, statutory, or judicial decision. Customer Information to be held confidential includes Financial Information, trade secrets protected by law, and any other information excepted from required disclosure under Chapter 552 of the Texas Government Code.

7.2.16.3 Other Privacy Standards

The District shall implement the following standards to enhance the protection of Customer Information:

- a. The District will safeguard, according to strict standards of security and confidentiality, all Customer Information and shall maintain physical,

electronic, and procedural safeguards to protect Customer information.

- b. The District will limit the collection and use of Customer Information to the minimum required to deliver service to Customers.
- c. Unless required by law, the District will permit only authorized employees, who are trained in the proper handling of customer information, to have access to that information. District Employees who violate the Privacy Policy will be subject to the District's normal disciplinary process.
- d. The District will not reveal customer information to any external organization or Person unless it has previously informed the Customer, been authorized by the Customer, or are required by law or our regulators. From time to time, the District may be required to provide personal information in response to a valid court order, subpoena, government investigation, or as otherwise required by law. The District also reserves the right to report to law enforcement agencies any activities that the District, in good faith, believes to be unlawful. The District may release certain personal information when it believes that such release is reasonably necessary to protect the rights, property, and safety of others and the District.
- e. The District will always maintain control over the confidentiality of its Customer information.
- f. Whenever the District hires other organizations to provide support services, it will require them to conform to the District's policy standards and to allow the District to audit them for compliance.
- g. For purposes of credit reporting, verification and risk management, the District will exchange information about our customers with reputable reference sources and clearinghouse services.
- h. Unless required by law, the District will not use or share - internally or externally - personally identifiable account information for any purpose other than the administration of a Customer's account.
- i. The District will attempt to keep customer files complete, up to date, and accurate. The District will tell its customers how and where to access their account information, and how to notify the District about errors, which it will promptly correct.

7.3 Financial Management

7.3.1 Accounting

The District Board of Directors is responsible for public funds in its care and will make every effort to operate the District in a conservative and fiscally responsible manner. In matters of finance and accounting, the District will take the most conservative and responsible positions possible.

All District accounting will be conducted in accordance with the TCEQ accounting manual, and standard accounting practices. Monthly reports will be submitted to the Board of Directors concerning the status of all accounts. Quarterly reports will be submitted concerning the status of investments. The District accountant is responsible for ensuring that all transactions are properly conducted, and any discrepancies reported immediately to the general manager for correction.

District accounting records shall be prepared on a timely basis and maintained in an orderly manner, in conformity with generally accepted accounting principles and the requirements of the Texas Commission on Environmental Quality. Such records shall be available for public inspection during regular business hours at the District's office.

7.3.1.1 Audit Requirements

The District's fiscal accounts and records shall be audited annually in accordance with State law governing the audits of water districts, at the expense of the District, by a certified public accountant familiar with the TCEQ's rules, regulations, standards, and guidelines applicable to water District audits: Section 49.191-49.200 of the Texas Water Code and 30 Texas Admin. Code Section 293 (Rules of the Texas Commission on Environmental Quality) governs the audits of water Districts (the "Audit Laws").

The audit shall be completed and filed within the time limits established by the Audit Laws. Copies shall be filed with the TCEQ together with an annual filing affidavit in the form prescribed by the Audit Laws. In the event the board refuses to approve the annual audited report, the District shall file a statement with the audit which explains the reasons for disapproval of the audit.

7.3.1.2 Deposits

The Board of Directors will designate one or more banks or savings associations within the state to serve as the depository for District funds. To the extent that the Federal Deposit Insurance Corporation (FDIC) does not insure depository funds, they must be secured according to **Chapter 2257, Texas Government Code**, known as the Public Funds Collateral Act. To ensure FDIC coverage, special fund custodian arrangements will be established according to FDIC laws and rules. A

depository contract shall be written to ensure bank or association compliance with the Public Funds Collateral Act.

It shall be the policy of the District that all funds shall be insured by the FDIC, FSLIC, or by collateral pledged to the extent of the fair Market Value of the amount not insured. The District officials recognize that FDIC and FSLIC insurance is only available up to a maximum of \$100,000 (including accrued interest) and that the number of funds at any one Texas financial institution (including branch banks located within the same County) will be cumulated to determine the maximum amount of insurance coverage.

7.3.2 Budget

Budgets will be prepared annually which allocate the use of the general fund, Impact Fee fund, and capital projects account. This budget will be prepared in accordance with applicable TCEQ regulations. The finance committee will assist in preparing these documents and will make recommendations to the Board on special allocations of funds.

The budget shall take into consideration all District revenues, including, but not limited to: utility fees, taxes, and surcharges, if any, and all projected District obligations and expenditures. The budget may be amended at any time but such an amendment shall be approved in advance by the board. The General Manager of the District may have the authority to reallocate up to 10% of any line item between budget lines, as approved by the Board.

7.3.3 Purchasing and Financial Reporting

a. Purchasing

The General Manager and District Accountant shall establish, maintain and enforce an internal control structure designed to ensure all District assets are protected from loss, theft, or misuse. The internal controls shall address, without limitation, the following concerns:

1. control of collusion;
2. separation of transaction authority from accounting and record keeping;
3. compliance with the District Investment Policy;
4. written confirmation of telephone transaction for investment and wire transfers;
5. compliance with the District Purchasing Procedures; and
6. performance of an independent annual compliance audit of management controls and adherence to the Policy.

Prior to the start of each fiscal year, the Board will approve the District's budget. In approving the budget, the Board authorizes District staff to collect and expend funds in the manner and amount that has been approved. The District staff that are

approved to expend funds include General Manager, Accountant, Field Supervisor, and Department Heads.

b. Definitions

For purposes of this Policy, a “disbursement” is the discharging by making payment of a liability, debt, accounts payable, transfer, or other obligation previously approved by the Board of Directors or General Manager of the District. An “expenditure” represents the prior approval of the liability, debt or other obligation to be discharged by disbursement. A “Cost Center” is a general category of the General Fund Budget such as Water, Wastewater-Steiner, Salaries, etc.

c. Banking and Investment Authority

1. In accordance with Section 49.156 of the Texas Water Code, the Board of Directors of the District shall designate one or more banks or savings associations within the State of Texas to serve as the depository for the funds of the District.
2. The General Manager and the Accountant are responsible for ensuring that signature cards for all District depository accounts contain current information and only the names of those individuals authorized to conduct business on behalf of the District.

d. Disbursement Authority

1. Except for the Operating Fund, Meter Fund and Plumbing Fund checking accounts, all disbursements of District funds shall require the signature of either (i) three Board members, or (ii) the District’s General Manager and the Accountant. If a vacancy exists in one of the two staff positions that are authorized to sign disbursements, the Board may designate an alternate staff member to have temporary check signing authority until such time as the vacancy is filled.
2. Credit card transactions and payroll disbursements made through direct deposit are subject to terms of this Policy and the District’s Purchasing Procedures.
3. Non-payroll checks made payable to any employee of the District may not be signed by the employee receiving the check.
4. Checks made payable to any Board member of the District for director’s fees or reimbursement of expenses may not be signed by the Board member receiving the check.

5. Board members may participate in the District's payroll direct deposit program.
6. Checks in excess of \$75,000 require the signature of at least one Board member except for disbursements identified in Section f.2 and f.4 below.

e. Electronic Transfers

Except as authorized below, the electronic transfer of District funds is prohibited:

1. District funds may be transferred between District accounts only upon the prior authorization of the General Manager or Accountant or as directed by the Board of Directors.
2. District funds may be transferred for authorized investments, as identified in the District's Investment Policy, only upon prior approval of an Investment Officer of the District. All Investment Officers of the District shall be given prior notice of the proposed transfer of District funds for investment purposes, and the transfer of such funds shall require the authorization of the General Manager or Accountant.
3. Principal and interest payments for debt service on District bonds may be made by electronic funds transfer from the District's debt service fund directly to the paying agent's account upon prior approval of the General Manager and Accountant.
4. Notice of all proposed electronic fund transfers to external accounts other than payroll, bond payments, and payments to taxing authorities shall be given to the Board.
5. Payroll taxes and other payments to government entities that are required to be transmitted electronically are permitted.
6. A report identifying all electronic fund transfers shall be prepared and furnished by the Accountant to the Board not less than monthly.
7. Payroll direct deposit for staff and Board members may be made electronically only upon the prior authorization of the General Manager or Accountant.

f. Expenditure Authority

Except in accordance with the terms and conditions set forth below, all expenditures of District funds shall require the prior approval of the Board of Directors of the District.

1. The District's General Manager may approve expenditures of the District's funds provided the proposed expenditure is included within the District's then-current fiscal year budget.
2. The General Manager may approve expenditures of District funds in accordance with any specific authorization granted by the Board of Directors of the District during a Board meeting.
3. The General Manager may approve expenditures of District funds in any amount as may be necessary to respond to emergency conditions that potentially threaten the health, safety or welfare of District customers, residents, or employees for which immediate corrective action is necessary. Notification of such action shall be presented to the Board and subsequently placed on the agenda for the Board of Directors' next regularly scheduled meeting.
4. The General Manager may approve expenditures of District funds regardless of amount for payment of routine operational and administrative expenses such as payment of electrical bills, raw water bills, wastewater disposal bills and bond payments provided the proposed expenditure is within the District's then-current fiscal year budget.
5. Notwithstanding the grant of authority in Section f.1 above, all capital expenditures, not specifically listed in the current fiscal budget, shall be approved by the Board of Directors of the District.
6. The General Manager shall exercise his or her expenditure authority in a prudent and fiscally responsible manner, and consistent with all applicable policies and orders adopted by the Board of Directors of the District.
7. The General Manager may approve a necessary expenditure that exceeds the total budgeted expense for a "Cost Center" of the District, as identified in the District's then-current fiscal year budget, however, any such expenditure must be presented to the Board at the next regular meeting for approval.
8. If a "Cost Center's" total actual revenue or expense is projected to be 5% above or below the approved budget amount at fiscal year-end, an amended budget reflecting the projected amounts will be submitted to the Board for approval at the September regular meeting.
9. The General Manager may not break down any proposed expenditure into components for the purpose of avoiding limitations on his or her expenditure authority.

10. All disbursements, transfers, and expenditures approved by the General Manager shall be identified in the disbursement or other financial reports presented to the Board of Directors.
11. The General Manager shall not exercise his or her expenditure authority so as to avoid or circumvent public, committee or board participation in expenditures or projects that may be of particular interest.

g. Credit Accounts

The General Manager and Accountant are jointly authorized to open credit accounts and establish credit relationships on behalf of the District in accordance with the following terms and limitations:

1. All purchases with District credit cards shall be made in accordance with the terms of this Policy and the District's Purchasing Policies.
2. District accounts may not be used for personal or non-District purposes.
3. The following employees may be issued District credit cards, as designated by General Manager, with credit limits that do not exceed the referenced amounts:

<u>Title</u>	<u>Credit Limit</u>
General Manager	\$5,000
Accountant / Accounting Office	\$5,000
Operations Manager	\$5,000
Field Supervisor	\$2,000
Executive Assistant to General Manager	\$2,000
Supervisor of Electrical & Mechanical	\$3,000
Supervisor of Water Operations	\$3,000

4. Credit limits may only be increased upon the prior authorization of the Board of Directors.
5. Use of credit cards and credit accounts are subject to the same limitations as other expenditures, including that they be exercised only for proper purposes of the District and for expenses identified within, and in amounts not in excess of, the expense line item for the employee's department for the then-current fiscal year budget.
6. Credit card and credit account transactions should be limited to purchases with vendors that will not direct bill the District, and for which it is not practicable to provide payment by check. The original receipts shall be

furnished to the District to evidence the purpose of each payment made by credit card.

h. Delegation of Expenditure Authority

The General Manager may delegate expenditure authority to the following persons (collectively, the “Authorized Personnel”): Accountant, Operations Manager, Field Supervisor, Maintenance Manager, departmental Supervisors, and Assistant Supervisors. Further, in the event of an absence or vacancy, the General Manager may delegate temporary expenditure authorization to other personnel. The Authorized Personnel shall not have the authority to approve or make any expenditure that would exceed the individual budget line item amount for the relevant expense category, as identified in the District’s then-current fiscal year budget, without obtaining the prior approval of the General Manager. Further, the General Manager shall not have the authority to approve any expenditure by Authorized Personnel that would exceed the General Manager’s expenditure authority. In all cases, the General Manager shall remain responsible for overseeing and ensuring that Authorized Personnel exercises any delegated expenditure authority properly, prudently, and in accordance with the terms and limitations of this Policy.

i. Contract Authority

The General Manager is hereby authorized to enter into contracts for a total contract sum (including all goods or services contemplated under the contract) not to exceed \$75,000 subject to the following terms and conditions:

1. All contracts must relate to an expenditure included within the District’s then-current fiscal year budget, and the total amount of payment authorized under the contract must not exceed the budgeted line item amount for the budgeted expense category to which the contract relates.
2. All contracts must be reviewed in advance by legal counsel to the District.
3. Contracts for personal services (excluding temporary contract labor) or professional services shall be approved in advance by the Board of Directors. Professional Services includes those services rendered for or on behalf of the District defined in the Texas Government Code (architecture, accounting, surveying, engineering, appraisal, and legal services, etc.). Temporary contract labor is excluded from this provision and specifically addressed below.
4. Contracts for temporary contract labor may be approved by the General Manager provided they are for \$20,000 or less.

5. The General Manager shall provide adequate prior notice to the Board of Directors of any proposed contract in an amount equal to, or greater than, \$75,000 so that any Director may request that the matter be placed on the Board's agenda for consideration prior to execution.
6. All goods and services contemplated under a contract, regardless of the date of performance or schedule for payment under the contract, shall be considered for purposes of calculating the amount of a contract and whether it falls within the authorization granted by this Policy. A transaction or project shall not be broken down into component contracts for purposes of avoiding the limitations established by this Policy.

j. Accounting Department Review and Reporting

The District's Accountant shall monitor the exercise of purchasing and expenditure authority, contracting authority, and use of District credit cards. All irregularities, exceedances of authority, failure to provide receipts, and similar matters that are not promptly corrected shall be reported by the Accountant to the General Manager immediately and to the Board of Directors not less than quarterly.

k. Budget and Finance Committee

1. The General Manager and Accountant will meet with the Budget and Finance Committee on a quarterly basis to ensure the committee receives all material information regarding the District's financial affairs.
2. The Accountant and Assistant Accountants shall meet with, and provide assistance to the District's independent auditor to facilitate the timely, complete and accurate preparation of the District's annual financial audit report.
3. The General Manager, Accountant and District Auditor will review the audit findings with the Budget and Finance Committee annually. The committee shall review the annual financial audit report and forward it for consideration to the full Board of Directors.

l. Authority to Purchase

A staff member who is approved to make purchases may delegate the process of pricing a purchase or ordering an item. The purchase itself must be pre-approved by the staff member who has that authority. District employees who make unauthorized purchases may be held financially responsible for the purchase.

The preferred method of purchasing items is with vendors that the District either has an existing account with or will establish an account with the District. District purchases are exempt from sales tax. Accounting can provide a tax exemption

form. The cost of the sales tax will not be reimbursed to employees.

m. Methods of Purchasing

1. Vendor Accounts – The preferred method of purchasing is using vendors that have established a line of credit with the District. Most vendors that regularly provide products and services to the District have an existing agreement to bill the District following receipt of the products or services. If the purchase is to be made with a new vendor, Accounting will establish the account at the staff members' request. Only the Accounting Department may complete credit applications.

Once an account is set up, the staff need only contact the vendor for the products or services. Personal purchases are never to be made on District accounts. The vendor will invoice the District monthly.

2. Credit Cards – The District staff that are authorized to have District credit cards are named in Section g.3 above.
3. Fleet Cards – Fleet cards are issued for each vehicle the District owns for purchases of fuel and minor repairs. Each employee who has been approved to drive a District vehicle has been assigned one or more fuel cards. These employees have delegated that authority to purchase fuel for the District vehicles. Each month, Accounts Payable will verify the fuel purchases and match them to receipts. Original receipts supporting the purchases must be returned to Accounts Payable within five (5) days of purchase.
4. Petty Cash – The Accounting Department maintains a small petty cash account for transactions and reimbursements to staff. Generally, these transactions should be less than \$50. To receive funds from petty cash, the staff member must provide an original receipt.
5. Reimbursements – Staff may request to be reimbursed for District related expenses they paid for with their own funds provided the expenditure was pre-approved by their Department Head. The cost of the sales tax will not be reimbursed to employees. Properly completed Reimbursement Request Forms along with the original receipts are to be submitted to Accounts Payable. Accounts Payable will then issue a reimbursement check to the staff no later than ten (10) business days after receipt of request.

n. Price Comparisons

District staff should always make purchases that are financially sound and benefit or meets the business needs of the District. Staff should purchase the best value, not necessarily lowest cost. Purchases of similar items within a 60-day period are considered a single purchase for determining the cost threshold for bidding

purposes.

1. Purchases up to \$5,000 – Purchasers are not required to bid purchases of items that cost up to \$5,000. The purchaser may select their own vendor; however, staff should make every attempt to get the best value for the District.
2. Purchases from \$5,000 to \$25,000 – Purchasers are required to document three quotes for expenditures between \$5,000 and \$25,000. The quotes must be submitted with the purchase request.
3. Purchases from \$25,000 to \$75,000 – Purchasers are required to document three written quotes for expenditures between \$25,000 and \$75,000. The quotes may be via email or in another document as long as the company's logo or letterhead is present and must be submitted with the purchase request or ordering documentation.
4. Purchases in excess of \$75,000 – Purchasers exceeding \$75,000 must use a formal bid process either through a Request for Proposal (“RFP”) or Request for Qualifications (“RFQ”). The Board must approve the purchase prior to the issuance of the RFP or RFQ.
5. Sole Source – If only one qualified vendor or contractor is available to purchase a specific product or service from, staff may avoid the bidding process. However, staff must have prior approval from the General Manager to make sole source purchases. The General Manager may consult with the General Counsel prior to approving a sole-source contract.
6. Designated Construction Projects – The District has elected to permit the provisions of Chapter 2269, Subchapter C, D, E, F, G and I of the Texas Government Code to supersede the provisions of Section 49.273 of the Texas Water Code to allow the District to use alternative contract procurement methods for certain District construction projects. These construction projects will be identified as “Designated Construction Projects” by the District Board of Directors or the General Manager. The District Board of Directors shall vote on any final construction contract negotiated through any selected alternative contract procurement method.

o. Reporting Expenditures

Prior to any invoice being paid, Department Heads will review the detail and verify that the information is correct. If there are errors, Department Heads will request that Accounting correct the error.

All purchases must be supported by documentation that reflects the Authorized Personnel's approval, the accurate coding of which department to charge the

expense to and clear indication or description of what was purchased. The District's Accountant will provide coding to use to ensure the appropriate department is charged.

The staff that is not authorized to purchase on behalf of the District must have prior approval from an Authorized Personnel who does have that authorization. This approval can be in the form of an email or an approved purchase order (when applicable). When possible, the vendor should be given a purchase order number to facilitate the reimbursement process. Paper copies of purchase orders or electronic copies are permissible.

Once the purchase is made, a signed quote agreement or purchase order must be submitted to Accounts Payable. Accounts Payable will match the invoice to the purchase order and process payment. If an invoice is received without a purchase order or quote sheet, Accounts Payable will submit a copy of the invoice to the appropriate Authorized Personnel and request authorization prior to payment.

p. Recurring Invoices

Accounts Payable may pay vendors without Authorized Personnel's approval under the following conditions. In all cases, supporting documentation of the amount paid is required.

1. If a contract exists to provide the same service on regular recurring bases, the contract should have a clear start and end date.
2. If the District is legally required to issue payment, such as taxes or fees, then no purchase order is required; however, the fee invoice should be attached.
3. For services such as utilities, employee benefits, and other recurring expenses, no purchase order is required; however, Accounts Payable may request the Department Head to approve an invoice.

q. Reporting of Financial Information

These procedures are intended to set forth the general practices to be followed by WCID 17 with respect to the preparation and reporting of financial information to the Board of Directors of WCID 17 each month, and the subsequent posting of information on WCID 17's website for public review. In the event the procedures will not be followed for any given reporting period, the Board of Directors shall be notified accordingly. Reports will generally be included as backup material in the Board packets for informational purposes at the Board's regular meeting of each month.

1. Monthly Report Period

The Accounting staff shall generally close the financial books for each

monthly reporting period on the last day of the month. Any invoices received after the last day will be included within the next reporting period. Notwithstanding the foregoing, the Accounting staff shall close the financial books for the last month of the fiscal year (i.e., the month ending September 30th) on October 30th.

2. Financial Reports

Accounting staff shall prepare monthly financial reports for inclusion in the monthly Board Packet for review by the Board of Directors containing the following information:

- a. Monthly Disbursement Report – This report shall include all disbursements made during the preceding reporting period. The report shall provide sufficient detail so as to allow the Board to identify the amount of each disbursement, the check number, and the vendor/payee. All credit card purchases during the reporting period shall be included in the Disbursement Report, including the amount of each purchase, and the vendor/payee to whom the payment was made. The cash disbursements will be posted on the WCID 17 website.
- b. Monthly Cash/Investments Inventory Report
- c. Cash / Investment Inventory Report
- d. Balance Sheet with Fund Balances
 - aa. In compliance with the Governmental Accounting Standards Board, Statement No. 54 (“GASB 54”) the Board of Directors adopted a Fund Balance Reporting Policy, based in part upon the standards set forth in GASB 54. The District shall classify and report its fund balances in its balance sheet according to the following categories:
 - (i) Non-spendable;
 - (ii) Restricted;
 - (iii) Committed;
 - (iv) Assigned; or
 - (v) Unassigned.

The Board of Directors shall approve all fund commitments by formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.

The Board of Directors commits all funds collected as Impact Fees, both water and wastewater, to be spent in accordance with the approved Impact Fee Study. The Board also commits all defined area Operations and Maintenance Tax to be spent for the operations of the defined area only.

The Board of Directors authorizes the General Manager to have the authority to assign any amount of funds. Assignments may occur subsequent to fiscal year-end.

The Board of Directors commits to utilizing funds in the following spending order:

- (i) Restricted;
- (ii) Committed;
- (iii) Assigned; and
- (iv) Unassigned.

- e. Monthly Budget vs. Actual Expense Report (Income Statement), with any requests for budget amendments. The report will reflect amounts by line item for the following;

- Budget to Date amounts
- Actual to Date amounts
- To Date variance percentage
- To Date variance amounts
- Annual Budget
- Year to Date variance percentage.

- f. Quarterly Public Funds Investment Act Report – this report will be placed on the Board’s consent agenda for review and approval at the regular meeting for the month following the quarter-end.

7.3.4 Contracts

The District has broad authority to contract for joint construction, financing, ownership, and operations of permitted projects, and for a partial interest in the same. The District may also enter contracts with terms and conditions the Board may consider desirable fair and advantageous, for specified purposes. Contracts will be limited to a definite term, and maybe for water purchase and sale; waste collection, treatment, and disposal; stormwater control; the development of property such that it can receive District services; maintenance and operation; solid waste collection, treatment, and disposal; and other functional services. A contract may specify the revenue source, or the combination of revenue sources, from which it is payable.

7.3.4.1 Construction Work Contracts

Construction work contracts will conform to the provisions of the Texas Water Code. The Board will advertise solicitation of contract bids for more than \$75,000 in one or more local newspapers. The Board will solicit written competitive bids from at least three bidders for contracts more than \$25,000 but less than \$75,000, but may not advertise these. For contracts less than \$25,000, requirements do not call for the solicitation of bids. Competitive bidding requirements will be waived for specified emergencies or financially advantageous or essential sole source procurement as allowed by law. These bid provisions will not apply to contracts for personal or professional services or for a service operator.

The District will award the construction contract to the most economical and qualified bidder. Contract provisions will be included to cover contract records, performance and payment bonds, inspections and progress reports, progress payments, and retainage. The District Engineer and General Manager will be responsible for ensuring that provisions of contracts are carried out properly.

7.3.5 Bond Issuance - General

District Bonds, notes, or other obligations collectively referred to as “bonds” shall be issued in accordance with state law including Chapters 49 and 51 of the Texas Water Code. The following general procedures will be used:

a. Consultants for Bond Issue

1. Financial Advisor

The Board shall engage a Financial Advisor to assist the District in the bond issuance process. In particular, the Financial Advisor shall be responsible for (i) running the financial schedules necessary for determining feasibility and for submission in the engineer’s report to the TCEQ, (ii) preparation of any offering documents necessary in connection with the sale of any bonds or notes, and (iii) preparation of any necessary submission to the rating agencies and insurance companies. The Financial Advisor will not be authorized to bid on bonds subject to competitive bidding requirements and will not be permitted to serve as an underwriter on any negotiated bond sales.

2. Engineer

The Board shall engage an Engineer to assist in the preparation of the necessary reports in connection with the projects and the issuance of the bonds.

3. Bond Counsel

The Board shall engage nationally recognized Bond Counsel to assist in the bond issuance process. In particular, Bond Counsel shall be responsible for (i) preparation of any necessary election orders and obtaining Justice Department pre-clearance, (ii) preparation of all proceedings necessary to issue the bonds, (iii) obtaining attorney general approval of the bonds, and (iv) delivering an opinion regarding the validity and tax-exempt status of the bonds.

4. **General Counsel**

In instances where the General Counsel to the District is not serving as Bond Counsel, General Counsel shall be responsible for (i) assisting in obtaining TCEQ approval, (ii) reviewing for accuracy or omissions in connection with any disclosure/offering documents in connection with the issuance of bonds, and (iii) assisting as necessary in connection with the overall process of issuing the bonds.

5. **Disclosure Counsel**

The District shall engage Disclosure Counsel (may be Bond Counsel or separate counsel) to conduct diligence in connection with providing the investing public full and accurate disclosure in any disclosure/offering documents prepared in connection with the issuance of the bonds. Disclosure Counsel shall render a "10-b-5" opinion addressed to the Board to the effect that the offering document does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. **Auditor**

The District shall engage an auditor to assist in preparing the reimbursement audit which must be approved by the Board prior to expending Bond Proceeds to reimburse a Developer.

b. **Election Process**

1. **Engineer's Report**

A determination must first be made by staff and the Board whether voted authorization exists for the projects to be financed. If not, before an election is held to authorize the issuance of bonds for such projects, an Engineer's report, which includes the plans and improvements to be constructed together with maps, plats, profiles, and data showing and explaining the

Engineer's report, shall be filed in the office of the District and shall be available for public inspections.

The Engineer's report shall contain a detailed estimate of the cost of improvements, including the cost of any property to be purchased, and an estimate of the time required to complete the improvements to the degree to which they may provide service.

The Board shall consider the Engineer's report and may make changes in the report and note them in the minutes.

2. **Financial Advisor's Evaluation**

The Board will direct the Financial Advisor to evaluate the Engineer's report with respect to project financial feasibility and the potential effect on tax rates. The Board, Engineer, and Financial Advisor shall then confer with Bond Counsel regarding the scope and specificity of the Engineer's report and other matters.

3. **Board Approval**

The Board shall by resolution then approve the Engineer's report.

4. **Public Hearing**

A public hearing widely advertised to all affected parties will be held to consider the bond election. At this meeting, a District Representative will review the entire basic bond issuance process from the beginning, identifying each step and the required documents, and review and outline the usual time frames for each step. The public will be afforded ample opportunity to comment at this hearing.

5. **Election Order**

After the Engineer's report is filed and approved, the Board may order an election in the Defined Area or District as necessary to authorize the issuance of the bonds. Bond Counsel shall assist the Board in preparing the election order and determining the election code.

In the order, the Board shall estimate the total amount of money needed to cover all expenses. The election order shall be adopted in accordance with the Water Code and the Election Code.

The election order shall be entered in the minutes of the Board. The election shall be held in accordance with the Election Code and the Water Code.

c. **Issuance of Bonds**

1. **Developer Request**

With the Board's approval, the Financial Advisor will review the data and submit a report on the feasibility and recommended the timing of the next issue. This report will include data on assessed property values, review of interest rates and tax projections, and evaluation of projected growth.

2. **Public Hearing**

If the subsequent issue is considered feasible by the Board, a public hearing widely advertised to all affected parties will be held to consider the bond issue. At this meeting, a District Representative will review the entire basic bond issuance process from the beginning, identifying each step, and the required documents, and review and outline the usual time frames for each step.

These specific aspects of the particular bond issue will then be covered at the hearing:

- a. District General Manager:
 - 1. projects to be included and their current status;
 - 2. estimated the cost of line items;
 - 3. detailed procedures for review and approval of change orders and construction; and
 - 4. procedures for reimbursement of the Developer.
- b. Financial Advisor:
 - 1. assessed property values;
 - 2. evaluation and verification of the Developer's financial viability;
 - 3. review of interest rates and tax projections; and
 - 4. evaluation of projected growth, market studies, and sales trends.
- c. Bond Counsel:
 - 1. confirm District authority to issue the bonds;
 - 2. confirm voter authorization for the projects proposed to be financed; and
 - 3. brief any other issues pertaining to the bond issuance process.

d. Developer:

1. conduct a presentation of plans for Development to residents which will include lot prices, home prices, sales projections, and project history.

3. **Engineer's Report**

After determining feasibility and holding the public hearing, the Board shall authorize the District Engineer to prepare the application to the TCEQ to approve the project and the issuance of bonds and instruct the Financial Advisor and Bond Counsel to the extent necessary, to assist the District Engineer in preparing such report.

4. **Approval of District Engineer's Report**

Once a draft of the District Engineer's report has been completed, the report shall be presented to the Board for consideration. Upon receipt and review of the District Engineer's report, the Board shall pass a resolution approving submission of the application to TCEQ.

5. **TCEQ Approval**

Upon receipt of any TCEQ Staff Memo, the General Manager and General Counsel will review the TCEQ recommendations to correct any administrative errors and to respond to the TCEQ in regards to agreement or disagreement of such a memo. Should any of the following conditions exist, the Board should call a meeting to discuss and either concur or not concur with the TCEQ Staff Memo.

- a. The District and the Developer are not in agreement as to what the response should be;
- b. There are any questions about what the response should be;
or
- c. Some type of endorsement letter is requested from the District to support a response.

Upon receipt of TCEQ approval, Financial Advisor, Bond Counsel, and General Counsel shall begin preparation of the offering documents and other documentation necessary to issue the bonds. Once a substantial draft of the offering documents is ready, it shall be submitted to the Board for review and approval.

6. **Bond Sale**

The bonds shall be sold in the manner required by law. If the Board deems it necessary, a suit to determine the validity of a bond issue will be filed. If the bonds are required to be bid, the Board shall select and accept the best bid in accordance with the bidding instructions.

7. **Approval of Bond Resolution/Order and Approval and Registration of Bonds**

In connection with the bond sale, the Board shall approve the bond resolution order which shall set forth the terms of the bonds and authorize their issuance. In accordance with the law, the bond resolution/order shall contain a tax levy on all property inside the District or Defined Area in a sufficient amount to redeem and discharge the bonds at maturity. After the bond resolution/order is approved by the Board, Bond Counsel shall submit the bond proceeds to the Attorney General for approval. If the Attorney General finds that the bonds are issued in accordance with law and are valid, binding obligations of the District, he shall officially certify the bonds and execute a certificate, which shall be filed with the Comptroller and recorded. Bond funds obtained will be escrowed, if necessary, in accordance with TCEQ instructions. A reimbursement audit, if necessary, will be conducted prior to any Developer disbursements. The TCEQ and the Board will review and approve all bond disbursements before they are made. The District Engineer and General Manager will inspect all facilities to verify the amount of progress on the project and ensure bond reimbursable facilities are being constructed to District specifications.

8. **Developer Reimbursement**

The District shall not be required to request a conditional waiver from the TCEQ's developer cost participation requirements set out in Section 293.47 of the TCEQ's rules or reimbursement for greater than two (2) years of Developer interest as set out in Section 293.50 of the TCEQ's rules.

d. **Tax Levy**

The Board annually shall levy and have assessed and collected taxes on all property in the District or Defined Area in a sufficient amount to pay the principal of and interest on the bonds and for any paying agent/registrar fees and expenses of assessing and collecting the taxes.

e. **Bond Issuance Costs**

Every effort will be made by the Board to keep bond issuance costs to a minimum. Whenever possible, the associated cost items shall be examined for validity, compared with other issues' costs and negotiated to the best possible rate.

f. **Refinancing**

The Board will refund or refinance outstanding bonds when it is deemed advantageous by the Board.

g. **Bond Anticipation Notes**

The Board shall only consider requests for the issuance of Bond Anticipation Note(s) under the following conditions:

- (i) where the projects proposed to be funded by the Bond Anticipation Note(s) have been approved for reimbursement from District bond proceeds in a final TCEQ order;
- (ii) where extraordinary circumstances exist that may delay the sale of bonds for an inordinate period of time;
- (iii) where the maturity of such Bond Anticipation Note(s) are less than one (1) year, and the principal and interest shall be payable solely from the proceeds of specific obligation bonds or renewals; and
- (iv) where the issuance of the Bond Anticipation Note(s) meet the applicable rules of the TCEQ.

Regardless, the Board reserves the right to approve or disapprove any request for the issuance of Bond Anticipation Note(s) in its discretion, even if the above conditions are met if it determines that approving such Bond Anticipation Note(s) are not in the best interests of the District.

7.3.6. Procedures for Subsequent Issues on Defined Area Voter Ratified Bonds

The Developer will submit a written request to the Board for the Financial Advisor to evaluate the feasibility of a bond issue.

With the Board's approval, the Financial Advisor will review the data and submit a report on the feasibility and recommend the timing of the next issue. This report will include data on assessed property values, review of interest rates and tax projections, and evaluation of projected growth.

If the subsequent issue is considered feasible, a public hearing widely advertised to all affected parties will be held to consider the bond issue. At this meeting, a District Representative will review the entire basic bond issuance process from the beginning, identifying each step, required documents, and review and outline the usual time frames for each step.

These specific aspects of the particular bond issue will then be covered:

- a. District General Manager to obtain:
 1. projects to be included and their current status;
 2. estimated costs of line items;
 3. detailed procedures for review and approval of change orders and construction; and
 4. procedures for reimbursement of the Developer.
- b. Financial Advisor to obtain:
 1. assessed property values;
 2. evaluation and verification of the Developer's financial viability;
 3. review of interest rates and tax projections; and
 4. evaluation of projected growth, market studies, and sales trends.
- c. District Legal Advisor to obtain:
 1. explanation of District authority and responsibility to issue bonds.
- d. Developer to conduct a presentation of plans for Development to residents which will include lot prices, home prices, sales, projections, and project history.

7.4 Identity Theft Prevention Program

Federal Commission Red Flag Rules ("Rules") implementing Section 114 of the Fair and Accurate Credit Transactions Act of 2002 (16 C.F.R. § 681.2) requires that any entity considered to be a "creditor" draft and implement an Identity Theft Prevention Program ("ITPP"). The District maintains individual utility service accounts held by Customers and is thus a creditor. Any definitions and requirements in addition to this Section may be found in the District's ITPP, adopted November 20, 2008.

7.4.1 Identifying Red Flags

The District will consider the types of accounts that it maintains and offers as well as the methods to provide access to its accounts and previous experiences with identity theft to identify relevant Red Flags. The following categories are identified with accompanying Red Flags in the District's ITPP:

1. Notifications and warnings from credit reporting agencies;
2. Suspicious documents;

3. Suspicious personal identifying information;
4. Suspicious account activity or unusual use of the account; and
5. Alerts from others.

7.4.2 Detecting Red Flags

To detect any Red Flags identified in the District's ITPP associated with the opening of a new account, the District will verify the identity of the person opening the account by: requiring identifying information, such as name, date of birth, residential or business address, principal place of business for an entity, drivers' license, or other identification; verify the Customer's identity; review documentation showing the existence of a business entity; or, independently contact the Customer. In order to detect Red Flags for an existing account, the District will monitor transactions with an account by verifying the validity of requests to change billing addresses and verifying changes in banking information given for billing and payment purposes.

7.4.3 Preventing and Mitigating Identity Theft

In the event that District personnel detects any identified Red Flags, such personnel shall take steps, detailed in the District ITPP, to prevent and mitigate identity theft, depending on the degree of risk posed by the Red Flag. Further, in order to further prevent the likelihood of identity theft occurring with respect to District accounts, the District will take steps detailed in Section V of the ITPP with respect to its internal operating procedures to protect customer identifying information. Identifying information is any name or number that may be used, alone or in conjunction with any other information, to specify a specific person.

7.4.4 Program Updates

At least annually, the Program Administrator will consider the District's experiences with identity theft situations, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the District maintains and changes in the District's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will update the Program or present the Board with any recommended changes and the Board will make a determination of whether to accept, modify or reject those changes to the Program.

7.4.5 Program Administration

1. Oversight

The Program Administrator appointed by the Board is the General Manager and will

serve as Administrator for one (1) year. In the event that the term ends and a new Program Administrator has not been appointed by the Board, the most recently appointed Program Administrator shall continue until the Board appoints a Program Administrator. There is no limit on the number of terms that a Program Administrator may serve.

The Program Administrator is responsible for developing, implementing and updating the ITPP, administering the ITPP, ensuring the appropriate training of District staff regarding the ITPP, reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and consider periodic changes to the ITPP.

2. Staff Training and Reports

District staff responsible for implementing the ITPP shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags and the responsive steps to be taken when a Red Flag is detected. Initial training will occur at the time of hiring by the district. Additional training will occur annually after the Board adopts the updated ITPP each year. Specific measures to ensure the protection of individual information through staff training and procedures are detailed in Section VII. B. of the ITPP.

3. Service Provider Arrangements

In the event the District engages a service provider to perform an activity in connection with one or more accounts, the District will take steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft. These steps are detailed in Section VII.C of the District's ITPP.

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7.5 Investment Management

7.5.1 General

It is the policy of the District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines and to the extent possible, at the optimum rates obtainable at the time of investment.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a source of revenue for District funds. The District's investment portfolio shall be managed in a manner designed to optimize this very revenue source, to be responsive to public trust, and to be in compliance with legal requirements.

Texas Government Code, Chapter 2256, as amended, (the "Public Funds Investment Act", "PFIA", or the "Act") requires the governing body of political subdivisions to adopt a written Investment Policy concerning the investment of its funds and funds under its control. The following policies and procedures will be used with respect to the District's investments.

7.5.2 Definitions

- a. Bond Proceeds means the proceeds from the sale of bonds, notes, and other obligations issued by the District and reserves and funds maintained by the District for debt service purposes.
- b. Book value means the face or par value of an investment, adjusted for amortization or accretion.
- c. Funds mean public funds in the custody of the District that (i) are not required by law to be deposited in the State Treasury and (ii) the District has the authority to invest.
- d. Investment Pool means an entity created under the Texas Government Code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.
- e. Market value means the face or par value of an investment multiplied by the market price quoted on the valuation date.
- f. Pooled Fund Group means an internally created fund of the District in which one or more institutional accounts of the District are invested.
- g. Separately Invested Asset means an account or fund of the District that is not invested in a Pooled Fund Group.

7.5.3 Investment Policy

The Board of the District (the “Board”) in accordance with the Public Funds Investment Act hereby adopts an Investment Policy relating to the investment of District Funds.

Investment of District Funds shall be governed by the following investment objectives, in order of priority:

- a. Preservation of safety of principal;
- b. Liquidity; and
- c. Risk appropriate yield.

The Board shall review, not less than annually, this Investment Policy and shall make any changes, thereto, as determined by the Board to be necessary and prudent for the management of District Funds.

This Investment Policy shall govern the investment of all financial assets of the District. These funds are accounted for in the District’s Comprehensive Annual Financial Report (CAFR) and include:

- General Fund;
- Special Revenue Funds;
- Capital Projects Funds;
- Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately; and
- Any new fund created by the District, unless specifically exempted from this Policy by the Board or by law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds. However, this policy does not apply to the assets administered for the benefit of the District by outside agencies under deferred compensation programs.

The District shall maintain a comprehensive cash management program, which includes the collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to enhance cash availability and optimize yield on short-term investment of idle cash.

7.5.4 Risk Management

Credit Risk – The District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:

- Limiting investments to the safest types of investments;
- Pre-qualifying the financial institutions and broker/dealers with which the District will do business; and
- Diversifying the investment portfolio so that potential losses on individual investments will be minimized.

Interest Rate Risk – the District will minimize the risk that the market value of the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity;
- Investing Operating Funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools whose objective is to maintain a stable \$1.00 net asset value; and
- Monitoring rating changes and market value of investments using independent rating services or valuation sources.

7.5.5 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio should invest in demand or money market accounts, money market mutual funds or local government investment pools that offer same-day liquidity and whose objective is to maintain a stable \$1.00 net asset value.

7.5.6 Investment Officer

The person who holds the position of General Manager shall be and is hereby appointed Investment Officer of the District (the “Investment Officer”). The Board hereby also appoints the person or entity serving as the District’s Accountant to be the District’s authorized representative for the investment and reinvestment of the District’s Funds in accordance with Section 49.1571 of the Texas Water Code, as amended. The Investment Officer and the Accountant shall be responsible for the investment of District Funds.

7.5.7 Internal Controls

The General Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the General Manager shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion;
- Separation of transactions authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery of securities;
- Clear delegation of authority to subordinate staff members; and
- Establishment of fraud prevention procedures with financial institutions and third-party custodians.

7.5.8 Internal Management Reports

The Investment Officer, with the assistance of the District's Accountant, shall prepare and submit quarterly to the Board written reports in compliance with the Public Funds Investment Act. The quarterly reports shall be signed by the Investment Officer and the Accountant.

The quarterly reports shall describe in detail the investment position of the District on the date of the report and include the following:

- a. A summary statement for each Pooled Fund Group that contains (i) the beginning market value for the reporting period, (ii) additions and changes to the market value during the period, (iii) ending market value for the period, and (iv) fully accrued interest for the reporting period.
- b. The book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and type of fund invested.
- c. The maturity date of each separately invested asset that has a maturity date.
- d. The account or fund or Pooled Fund Group for which each individual investment was acquired.
- e. A statement to the effect that the investments for the reporting period are in compliance with the investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.
- f. The amount of collateral pledged by the Bank who is holding the District's bank deposits that exceed the amount covered by the Federal Deposit Insurance Corporation.

7.5.9 Prudence

The standard of prudence to be applied by the Investment Officer shall be the “prudent person” rule. This rule states that “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as, the probable income to be derived.” In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- a. The investment of all District Funds, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment.
- b. Whether the investment decision was consistent with the written approved Investment Policy of the District.

7.5.10 Training

The Investment Officer shall attend at least one training session accumulating at least ten (10) hours of instruction relating to investment responsibilities under the Public Funds Investment Act within 12 months after taking office or assuming his or her duties.

The Investment Officer shall also attend an additional investment training session(s) no less often than once every two years concurrent with the District’s fiscal year and accumulate not less than ten (10) hours of instruction relating to investment responsibilities. The investment training session must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source approved by the Board or a designated investment committee advising the Investment Officer. Approved sources include:

- Government Finance Officers Association (national and local)
- Government Treasurers’ Organization of Texas
- University of North Texas
- Texas State University

7.5.11 Indemnification

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment’s credit risk or market price changes, provided that deviations from expectations are reported immediately, and the appropriate action is taken to control additional adverse developments.

7.5.12 Ethics and Conflicts of Interest

The Investment Officer and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. The Investment Officer and employees involved in the investment process shall disclose any personal financial/investment positions that could be related to the performance of the investment transactions with the same individual with which business is conducted on behalf of the District.

An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to the District shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity (marriage) or consanguinity (ancestry) to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board.

7.5.13 Portfolio Management

The District currently has a “buy and hold” portfolio strategy. Maturity dates are matched with anticipated cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- a. An investment with declining credit may be liquidated early to minimize loss of principal.
- b. The cash flow needs of the District require that the investment be liquidated.

7.5.14 Authorized Investments

- a. Obligations of, or Guaranteed by, Governmental Entities
 1. Except as provided below, the following are authorized investments:
 - a. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 - b. Direct obligations of the State of Texas or its agencies and instrumentalities;
 - c. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

- d. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; and
 - e. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- 2. Interest-bearing banking deposits are authorized investments if such deposits are guaranteed or insured by:
 - a. The Federal Deposit Insurance Corporation or its successor; or
 - b. The National Credit Union Share Insurance Fund or its successor.
- 3. Interest-bearing banking deposits other than those described by Section 2 (above) are authorized investments if:
 - a. The funds invested in the banking deposits are invested through:
 - (i) A broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025 of the Texas Government Code; or
 - (ii) A depository institution with a main office or branch office in this state that the investing entity selects;
 - b. The broker or depository institution selected as described by Paragraph (a), above, arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;
 - c. The full amount of the principal and accrued interest of the banking deposits are insured by the United States or an instrumentality of the United States; and
 - d. The investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account:
 - (i) The depository institution selected as described by Paragraph (a);
 - (ii) An entity described by Texas Government Code § 2257.041(d); or
 - (iii) A clearing broker-dealer registered with the SEC and operating under SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3).
- 4. The following are prohibited investments:
 - a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- c. Collateralized mortgage obligations that have a final stated maturity date of greater than ten (10) years; and
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

b. Certificates of Deposits, Share Certificates and other forms of Deposit

- 1. A certificate of deposit, share certificate or another form of deposit is an authorized investment if the deposit is issued by a depository institution that has its main office or a branch office in the State of Texas and is:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its' successor;
 - b. Secured by obligations, including mortgage-backed securities directly issued by a federal agency or instruments that have a market value of not less than the principal amount of the certificates; and
 - c. Secured in any manner and amount provided by law for deposits of the District.
- 2. In addition, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment:
 - a. The funds are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the District;
 - b. The depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District;
 - c. The full amount of the principal and accrued interest of each of the certificates of deposit are insured by the United States or an instrumentality of the United States; and
 - d. The depository institution acts as custodian for the District with respect to the certificates of deposit issued for the account of the District.

c. Repurchase Agreements

- 1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - a. Has a defined termination date;

- b. Is secured by a combination of cash and obligations;
- c. Requires the securities being purchased by the District to be pledged to the District, held in an account in the District's name, and deposited at the time the investment is made with the District or with a third-party selected and approved by the District; and
- d. It is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

- 2. "Repurchase Agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date certain obligations at market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

d. Money Market Mutual Funds

- 1. A no-load money market mutual fund is an authorized investment if the mutual fund:
 - a. Is registered with and regulated by the United States Securities and Exchange Commission ("SEC");
 - b. Provides the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et. seq.*) or the investment company act of 1940 (15 U.S.C. § 80a-1 *et. seq.*);
 - c. Comply with federal SEC Rule 2a-7 (17 C.F.R. § 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. § 80a-1 *et. seq.*); and
 - d. Seek to maintain a \$1,000 net share value.
- 2. The District is not authorized to invest its funds or funds under its control, including Bond Proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds ten percent (10%) of the total assets of the mutual.

e. Guaranteed Investment Contracts

- 1. A guaranteed investment contract is an authorized investment for bond proceeds under this subchapter if the guaranteed investment contract:
 - a. Has a defined termination date;
 - b. Is secured by obligations described by Section 7.4.14(a)(1), excluding those obligations described by Section 7.4.14(a)(2), in an amount at least equal to the number of bond proceeds invested under the contract; and

- c. Is pledged to the District and deposited with the District or with a third-party selected and approved by the District.
2. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested under this subchapter in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.
3. To be eligible as an authorized investment:
 - a. The Board must specifically authorize guaranteed investment contracts as an eligible investment in the order, ordinance, or resolution authorizing the issuance of bonds;
 - b. The District must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;
 - c. The District must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;
 - d. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested, and
 - e. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

f. Investment Pools

1. The District may invest its funds and funds under its control through an eligible Investment Pool if the Board by separate resolution authorizes investment in the particular pool. An eligible Investment Pool must comply with the requirements established in Sections 2256.016 and 2256.019, Texas Government Code, and must invest the funds it receives in authorized investments permitted by the Government Code.
2. The Investment Officer or the District's Accountant must obtain from the Investment Pool an offering circular or another similar disclosure statement that contains, at a minimum, the following information:
 - The types of investments in which money is allowed to be invested;
 - The maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - The maximum stated maturity date of any investment security within the portfolio;
 - The objectives of the pool;
 - The size of the pool;

- The names of the members of the advisory board of the pool and the dates their terms expire;
 - The custodian bank that is safekeeping the assets of the pool;
 - Whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - Whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - The name and address of the independent auditor of the pool;
 - The requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool;
 - The performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios; and
 - The pool's policy regarding holding deposits in cash.
3. A public funds Investment Pool that uses amortized cost or fair value accounting must mark its portfolio to market daily and to the extent reasonably possible, stabilize at a \$1.00 net asset value when rounded and expressed to two decimal places. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, the governing body of the public funds Investment Pool shall take action as the body determines necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants, including a sale of portfolio holdings to attempt to maintain the ratio between 0.995 and 1.005. In addition to the requirements of its Investment Policy and any other forms of reporting, a public funds Investment Pool that uses amortized cost shall report yield to its investors in accordance with regulations of the federal SEC applicable to reporting by money market funds.
4. To maintain eligibility to receive funds from and invest funds on behalf of the District, the Investment Pool must furnish to the Investment Officer or the District's Accountant:
- a. Investment transaction confirmations; and
 - b. A monthly report that contains, at a minimum, the following information:
 - i. The types and percentage breakdown of securities in which the pool is invested;
 - ii. The current average dollar-weighted maturity based on the stated maturity date of the pool;
 - iii. The current percentage of the pool's portfolio investments that have stated maturities of more than one (1) year;

- iv. The book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - v. The size of the pool;
 - vi. The number of participants in the pool;
 - vii. The custodian bank that is safekeeping the assets of the pool;
 - viii. A listing of daily transaction activity of the District;
 - ix. The yield and expense ratio of the pool, including a statement regarding how the yield is calculated;
 - x. The portfolio managers of the pool; and
 - xi. Any changes or addenda to the offering circular.
5. The District, by contract, may delegate to an investment pool the authority to hold the legal title as custodian of investments purchased with its funds.
6. "Yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.

Effect of Loss of Required Rating

The Investment Officer shall periodically monitor rating changes of investments. An investment that requires a minimum rating under this Investment Policy does not qualify as an authorized investment during the period the investment does not have the minimum rating. The District shall take all prudent measures that are consistent with this Investment Policy to liquidate an investment that does not have the minimum rating.

Exemption for Existing Investments

Investments that were authorized at the time of purchase are not required to be liquidated if a change in authorized investments is made.

7.5.15 Investment Parameters

a. Maximum Maturities

The longer the maturity of investments, the greater their price volatility. Therefore, it is the District's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The District attempts to match its investments with anticipated cash flow requirements. Unless matched to specific cash flow, the District will not place investments maturing more than two (2) years from the date of purchase; however, the above-described obligations, certificates, or agreements may be collateralized using longer-dated investments.

No secondary market exists for repurchase agreements, therefore, the maximum maturity shall be 120 days except in the case of a flexible repurchase agreement for Bond Proceeds. The maximum maturity for such an investment shall be determined in accordance with project cash flow projections and the requirements of the governing bond ordinance.

The composite portfolio will have a weighted average maturity of 180 days or less. This dollar-weighted average maturity will be calculated using the stated final maturity dates of each investment.

b. Diversification

The District recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law);
- Limiting investments with higher credit risks (for example, commercial paper);
- Utilizing investments with varying maturities; and
- Continuously investing a portion of the portfolio is readily available funds such as Local Government Investment Pools, money market funds, money market accounts, or overnight repurchase agreements.

There shall be no defined level of investment diversification as long as all District Funds are invested in accordance with this Investment Policy

7.5.16 Yield

District Funds shall be invested to obtain the maximum yield taking into consideration the preservation and safety of the principal and the liquidity of the investment.

7.5.17 Investment Strategy

The Board hereby adopts the Investment Strategy for each fund of the District described in Exhibits “A-1”, “A-2”, and “A-3”, attached hereto. The Investment Strategy describes the investment objectives for each fund and takes into consideration the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the District;
2. Preservation and safety of capital;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

7.5.18 Selection of Banks and Broker/Dealers

a. Primary Depository

At least every five (5) years a Primary Depository shall be selected through the District’s banking services procurement process, which shall include a formal request for proposal (“RFP”). The selection of a depository will be determined by competitive process and evaluation of proposal will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law;
- The ability to provide requested information or financial statements for the periods specified;
- The ability to meet all requirements in the banking RFP;
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service; and
- The creditworthiness and financial stability of the bank.

b. Authorized Brokers/Dealers

If the District should require the services of a broker/ dealer, the District shall, at least annually, review, revise, and adopt a list of qualified broker/dealers authorized to engage in securities transactions with the District. Authorized firms may include

primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories.

c. Competitive Environment

It is the District's policy to require a competitive environment for individual investment transactions, and financial institutions, money market mutual funds, and local government investment pool selections.

d. Delivery vs. Payment

Securities shall be purchased using the **delivery versus payment** (DVP) method. Funds will be released after notification that the purchased security has been received.

7.5.19 Safekeeping of Securities and Collateral

a. Safekeeping and Custodian Agreements

The District shall contract with a bank or banks for the safekeeping of securities either owned by the District as part of its investment portfolio or custodial services for securities held as collateral to secure demand or time deposits. Securities owned by the District shall be held in an account in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third-party custodian designated by the District and pledged to the District as evidenced by pledge receipts of the institution with which the collateral is deposited. Original pledge receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve bank or branch of a Federal Reserve bank, a Federal Home Loan Bank, or a third-party bank approved by the District.

b. Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the District to require full collateralization of all uninsured collected balances plus accrued interest on deposit with a depository bank. In order to anticipate market changes and provide a level of security for all funds collateralized by securities, the collateralization level will be 102% of principal and accrued interest on the deposits less an amount insured by the FDIC. At its discretion, the District may require a higher level of collateralization for certain pledge securities.

For all funds collateralized by a Federal Home Loan Bank Letter of Credit, the collateralization level will be 100% of the principal and accrued interest of the deposit less an amount insured by the FDIC.

The General Manager is responsible for approving collateralization agreements with third-party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

c. Collateral Defined

The District shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities;
- Direct obligations of the state of Texas or its agencies and instrumentalities;
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less;
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A; and
- A letter of credit issued to the District by the Federal Home Loan Bank.

d. Subject to Audit

All collateral shall be subject to inspection and audit by the General Manager or the District's independent auditors.

7.5.20 Additional Requirements

a. Performance Standards

The District's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

b. Miscellaneous

The written policy shall be presented to Investment Pools and discretionary investment management firms (the “business organizations”).

1. These business organizations shall be presented with a copy of this Investment Policy and shall execute a written instrument in compliance with the PFIA and substantially in the form attached hereto as Exhibit “B.”
2. The District may not transact with any business organization that has not delivered to the District the prescribed written instrument.
3. At any time that the District materially amends this Investment Policy, the District shall present the amended Investment Policy to all persons and/or business organizations at which funds of the District are invested and shall obtain a new written instrument of acknowledgment.

c. Annual Financial Audit

The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investment and adherence to the District’s established investment policies. Quarterly reports shall be reviewed by the independent auditor at this time.

7.5.21 Investment Policy Adoption

The District’s Investment Policy shall be adopted by the order of the Board. It is the District’s intent to comply with state laws and regulations. The District’s investment policies shall be subject to revisions consistent with changing laws, regulations, and needs of the District. The Board shall review the policy annually and approve any changes or modifications.

EXHIBIT A-1

INVESTMENT STRATEGY DEBT SERVICE FUNDS

Investment Objectives:

To purchase investments that will preserve the safety of capital, maintain adequate liquidity, and optimize yield (in that order of priority), taking into account the timing of the District's debt service payments.

Investment Strategy:

To invest in any of the authorized investments listed in the District's Investment Policy with the following objectives:

1. Suitability – Any investment eligible in the Investment Policy is suitable for Debt Service Funds.
2. Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.
3. Liquidity – Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Demand deposit accounts, money market accounts, short term investment pools, and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.
4. Marketability – Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.
5. Diversification – Market conditions influence the attractiveness of fully extending the maturity to the next “unfunded” payment date. Generally, if investment rates are anticipated to decrease over time, the District is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide an advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.
6. Yield – Attaining a competitive market yield for comparable security-types and portfolio restrictions are the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

EXHIBIT A-2

INVESTMENT STRATEGY CAPITAL PROJECTS FUNDS

Investment Objective:

To purchase investments that will preserve the safety of capital, maintain adequate liquidity, and optimize yield (in that order of priority), taking into account the timing of planned or potential capital projects that may require the expenditure of the funds in the account.

Investment Strategy:

To invest in any of the authorized investments listed in the District's Investment Policy with the following objectives:

1. Suitability – Any investment eligible in the Investment Policy is suitable for Capital Projects Funds.
2. Safety of Principal – All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Projects Funds to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or three years.
3. Liquidity – Most capital projects programs have reasonably predictable drawdown schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Demand deposit accounts, money market accounts, short term Investment Pools, and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
4. Marketability – Securities with active and efficient secondary markets are necessary for the event of an unanticipated cash flow requirement. The historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.
5. Diversification – Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed-rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the District is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then-current market conditions will determine the attractiveness of diversifying maturities or investing

in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield – Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy’s risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

EXHIBIT A-3

INVESTMENT STRATEGY GENERAL FUND

Investment Objective:

To purchase investments that will preserve the safety of capital, maintain adequate liquidity, and optimize yield (in that order of priority), taking into account the District's monthly operating expenses, the timing of such expenses and the maintenance of any operating reserve that may be designated by the District's Board of Directors.

Investment Strategy:

To invest in any of the authorized investments listed in the District's Investment Policy with the following objectives:

1. Suitability – Any investment eligible in the Investment Policy is suitable for General or Operating-type funds.
2. Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.
3. Liquidity – General or Operating-type Funds require the greatest short-term liquidity of any of the fund-types. Demand deposit accounts, money market accounts, short-term Investment Pools, and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
4. Marketability – Securities with active and efficient secondary markets are necessary for the event of an unanticipated cash flow requirement. The historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.
5. Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the District. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions are the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

EXHIBIT B

**CERTIFICATE OF RECEIPT
AND REVIEW OF INVESTMENT POLICY**
Example

I, _____ of _____, do hereby certify that I have been presented a copy of the Investment Policy for Travis County Water Control and Improvement District No. 17. I have thoroughly reviewed the Investment Policy and acknowledge that _____ has implemented procedures and controls to comply with the Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or related to investment transactions that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

Printed Name: _____
Title: _____
Date: _____

7.6.1 General

This professional services policy has been adopted to provide for the selection, monitoring, review, and evaluation of the District's professional services contracts. Consultants retained by the District to provide professional services include, but are not limited to legal, engineering, financial management, bookkeeping, mapping systems, system control and data acquisition auditing, and tax collecting. The selection of such consultants shall be based upon their qualifications and experience. Consultants may be retained for specific projects or for long term service as required.

7.6.2 Selection Procedure

Professional consultants shall be selected through the use of requests for proposals ("RFP"). Firms or individuals shall be solicited by the General Manager and submittals reviewed by the appropriate committee which will then rank the firms according to qualifications and compare estimated costs and experience level of staff. The committee will then provide recommendations to the Board. The Board of Directors will conduct interviews to select the consultant.

Requests for proposal shall be as specific as possible, but at a minimum will contain the following information:

- Purpose and Scope of Services;
- Dates and Timeline of Submittal;
- Format and Data Required;
- Evaluation Criteria and Minimum Qualifications;
- Costs and Quotes Required;
- Terms of Engagement Desired;
- Point of Contact; and
- Resumes Required.

When a consultant is selected, the General Manager and General Counsel shall construct a contract or engagement letter for Board approval. The engagement letter shall include information on the basis of fees and specific instructions on the billing structure.

The Board shall negotiate costs and terms with the chosen firm. The selection of the lowest bidder is not required.

7.6.3 Periodic Review

The performance of the consultants providing professional services to the District shall be monitored and reviewed a minimum of annually and reviewed by the Board. The Board may appoint a professional services committee to provide such monitoring and review. A decision will be rendered on the retention of the consultant at a regular Board Meeting.

7.7 Facilities Management

7.7.1 Maintenance

All District facilities shall be kept neat, clean, and well organized. Equipment shall be maintained in accordance with manufacturer's specifications and TCEQ requirements. Personnel responsible for using District equipment will adhere to all recommended operating procedures and will take appropriate precautions to safeguard themselves and the equipment. All facilities shall be identified with the District name and phone number. There will be no smoking in any District building.

Water plant buildings shall be kept extremely clean. No hazardous or flammable materials will be stored inside any water treatment building for any reason. There will be no smoking inside the filter or membrane buildings and no eating or drinking in these buildings with the exception of the control room. Precautions will also be taken to keep animals and birds out.

Vehicles will be kept free of trash and cleaned regularly. Vehicles are the responsibility of the employee regularly using them, and will be maintained in accordance with manufacturer's specifications and repaired as required. The field supervisor will be responsible for regularly inspecting vehicles and recommending maintenance. There will be no smoking in District vehicles.

Equipment which is malfunctioning shall be reported to the supervisor and the general manager immediately, and shall be taken out of service. Repairs shall be performed on all malfunctioning equipment in a timely manner, and equipment which is no longer in use shall be properly disposed of.

Trash and debris shall not be allowed to accumulate on the grounds of any District property. Personnel shall regularly check tanks sites and pump stations to ensure that they are clean and mowed as well as functioning properly. Spare parts and excess equipment or materials stored at the main plant or remote sites shall be neatly stowed and protected from the elements as much as possible.

7.7.2 Safety

District personnel will adhere to the policies and procedures set forth in the District safety manual. The District Manager is responsible for ensuring personnel receive proper safety training and for maintaining safety standards during all work activities.

7.7.3 Security

7.7.3.1 General

All District facilities will be locked when unmanned. Office spaces containing records, computers, or test equipment will be equipped with security alarms, bars

over the windows, or other theft-deterrent devices. Vandalism, theft, or other incidents shall be reported to the police immediately. Combinations on locks to facilities shall be changed a minimum of annually.

Keys shall be properly labeled and duplicates kept in the main office. No duplication of keys will be permitted without the permission of the field supervisor or General Manager.

All significant equipment of the District will be inventoried and labeled with a District identification label. Items to be tagged include but are not limited to: computers and printers, cameras, test and location devices, tools, office machines, and laboratory equipment. Vehicles will be identified with the WCID 17 logo and a unit number.

Remote sites shall be fenced, and carry appropriate danger and warning signs, as well as “No Trespassing” or “Keep Out” signs.

Wastewater facilities shall be identified with the appropriate signs indicating non-potable water and safeguarded with an intruder resistant fence.

District personnel will adhere to the provisions of the District’s security manual.

7.7.3.2 Protection of Water Intakes

Major valves such as main intakes or interconnects will be chained and locked in their normal operating positions. As required by TCEQ, a clear zone is established around the vicinity of the raw water intakes. All activity not related to the operation and maintenance of the barge or intake is prohibited within 200 feet. Signs advising the general public of this order shall be posted on District property along the shoreline facing the lake and to the shore. Signs should read:

“RESTRICTED ZONE, POTABLE WATER INTAKES WITHIN 200 FEET,
TRESPASSING PROHIBITED”

This regulation is not intended and shall not be enforced to restrict the use of private property not owned by the District.

7.7.3.3 Private Weapons

Effective through December 31, 2015, all Persons are prohibited from bringing, storing, concealing, or possessing any dangerous weapon, including, but not limited to firearms, handguns, knives (except small pocket knives not intended for use as weapons) and explosive devices on District premises. This policy applies even if the individual is licensed to carry a concealed handgun.

Violation of this policy is grounds for immediate disciplinary action up to and including termination of employment and/or for immediate removal from District property. This prohibition does not apply to duly authorized peace officers or security personnel.

The District reserves the right to conduct searches or inspections under this policy of all property including personal property, located on District premises. The failure of an employee to cooperate with a request for a search or inspection may result in disciplinary action.

Effective starting January 1, 2016, all Persons are prohibited from bringing, storing, concealing, or possessing a handgun at any public meeting of District 17 even if the individual is licensed to carry a handgun. Persons licensed to carry a handgun are otherwise permitted to carry on District premises in accordance with state law. All persons are prohibited from bringing, storing, concealing, or possessing on District premises knives (except small pocket knives not intended for use as weapons) and any weapon otherwise prohibited by law.

Violation of this policy is grounds for immediate removal from District property and notification of the appropriate authorities. This prohibition does not apply to duly authorized peace officers or security personnel.

7.7.4 Building and Equipment Rental

The District boardroom shall be made available for rental to local organizations for meetings or functions if it is not in use by District staff.

7.7.5 Real Property

7.7.5.1 General

Property of the District may be made available for leasing if the property is not being used and the Board of Directors deems the lease to be a good use of the property and beneficial to the District. Funds received from rentals, leasing, or licensing shall be returned to the general fund to offset operating expenses.

Space on tanks or other structures may be leased for communications antenna placement if the installation does not interfere with the operation or maintenance of the tank or the District's own communications equipment.

7.7.5.2 Boat Docks and Marinas

a. Definitions

Additional Buffer Zone – The 1,000-foot area surrounding the District's intake barge, designated by these Rules and Policies, within which boat docks,

launching ramps, marina docks and/or floating piers accessible to the public are prohibited.

Commercial – The characterization of the use of any facility or structure for any business or income-producing purpose.

Dock – For use in this Policy to mean collectively or individually: Swim Dock, Residential Boat Dock, Residential Marina, New Residential Marina, and Public Marina.

New Residential Marina – A Residential Marina for which construction commences after September 1, 2010.

Residential Marina – A boat dock that occupies more than 1,500 square feet of water surface area, and which is intended to benefit only individuals of a specific residential property, and is accessible only to residents of the property and which only residents of the property may purchase, lease or utilize docking space at the marina.

Public Marina – A boat dock that occupies more than 1,500 square feet of water surface area, and which is accessible to the public and which any member of the general public may purchase, lease or utilize docking space at the marina.

Residential Boat Dock – A non-commercial dock that occupies less than 1,500 square feet of water surface area, and is associated with a single-family residence for which no compensation is, or will be, received by the owner or owners of the dock for the use of the dock.

Slip – A space enclosed on two or more sides intended for the long-term mooring of a boat or personal watercraft on a Residential Boat Dock or Residential Marina. **Personal watercraft moored on any dock will be considered as one slip with a maximum of two personal watercrafts per slip.**

Swim Dock – Any swim platform or pier not suitable for long-term boat mooring. No watercraft may be moored to a Swim Dock for more than 48 hours.

Water Surface Area – The area including the widest width times the longest length of a dock or marina's floating and or fixed structures located on or over the water, including the slip areas. Gangways are not included in Water Surface Area measurements.

b. Additional Buffer Zone for Raw Water Intake

No Residential Boat Docks, Public Marinas, Residential Marinas or Swim Docks shall be located within 1,000 feet of the intake barge.

c. Prohibition Regarding Public Marinas and New Residential Marinas

Use of underwater land owned by the District for construction of Public Marinas or New Residential Marinas is not considered prudent for the protection of water resources, or a good use of the District's land.

d. Compliance with the LCRA Ordinances, Guidelines and Safety Standards

All Residential Boat Docks, Residential Marinas, Swim Docks or any other structure located above or anchored to District property must, in addition to the District's Rules and Policies, abide by all LCRA ordinances, guidelines and safety standards regarding the Highland Lakes. These include, but are not limited to, the Highland Lakes Marina Ordinance; the Highland Lakes Watershed Ordinance, Safety Standards for Residential Docks on the Highland Lakes; and Residential Boat Dock Safety Guidelines. Provisions of these ordinances, rules, standards, and guidelines are incorporated into the District's Rules and Policies by Reference. Copies of these ordinances, guidelines and safety standards may be obtained by contacting the District office or LCRA.

e. Licensing

No Dock may be constructed over District property or anchored on District property without first obtaining a license from the District. The District, in its sole discretion, will decide whether to issue such a license. Docks must be located above or anchored on District land in such a way that will not threaten or disrupt the operation of the District's raw water intake as determined by the District. Docks shall not have any permanent fueling or sanitary tank facilities. No gasoline cans or tanks shall be left unattended on such docks. No Residential Boat Dock or Residential Marina may, at any time, be used as a residence or dwelling place.

Persons requesting a license for the construction of any type of dock over District property must complete a License Agreement, provided by the General Manager, which must be reviewed and approved by the General Manager **prior** to any installation or construction.

- Plan Review: Prior to new construction, placement or alteration(s), one (1) set of plans and a License Agreement must be submitted for review and approval. The applicant will be notified within three (3) business days of approval/disapproval.
- Any dock being connected to the WCID 17 potable water supply must comply with the plumbing permit procedures and applicable fees.

- Dock Inspection: To be called for when the completed dock is in place, all anchors set, electrical connections made, side property lines marked and plumbing inspection completed. Dock owner will provide a picture of the dock from the water to the Inspector.
- License Issuance: Upon approval by Inspector, Licensees will be issued a number and plaque, provided by Travis County WCID 17.
- The display of the plaque is required on the licensed dock. The license number shall be displayed on the lakeside of the dock.

The fees for the license to access underwater land owned by the District shall be: a one-time \$300.00 license fee, plus an annual fee of \$150.00 per Slip, per year, for a single Residential Boat Dock; a one-time \$500.00 license fee, plus an annual fee of \$200.00 per Slip, per year for a Residential Marina, and/or; a one-time \$300.00 license fee, plus an annual fee of \$100.00 per year for a Swim Dock. This yearly fee is due January 1 and must be paid to the District by March 31 of each calendar year. The District may, in its sole discretion, determine whether spaces on a Residential Boat Dock or Residential Marina constitute a Slip for the purposes of these fees.

Any license agreement shall be subject to these rules and regulations governing Docks as provided in this section and shall include, at least, the following terms and conditions:

- The licensee shall demonstrate adequate liability insurance providing a minimum coverage of \$300,000 per person per occurrence bodily injury, \$100,000 of property damage or \$300,000 combined single limit. With the exception of a Residential Boat Dock, Residential Marina or Swim Dock that is insured under a homeowner's insurance policy, the licensee will subrogate to the District and shall list the District as an additional insured with respect to the Residential Boat Dock, Residential Marina or Swim Dock.
- The license is personal and not transferable. Any change in ownership of the licensee's property will require the execution of a new license agreement with the subsequent purchaser. The one-time license fee will be waived for the subsequent purchaser of a property with an existing Dock, but all applicable annual fees must be paid after the subsequent purchaser obtains ownership of the property. The subsequent purchaser must comply with WCID 17 Boat Docks and Marina's policy.
- The District may terminate the license upon written notice upon its determination that the licensee has violated this policy or other terms and conditions of the license agreement.
- The licensee shall be responsible for the costs of removal of any Dock upon termination of the license, including removal by the District.

- The licensee shall hold harmless and indemnify the District against any claims or causes of action arising from or related to a Dock whether held by it, its agents or assigns, or third parties.
- The licensee shall acknowledge that it shall be required to comply with any amendment to this policy duly enacted and approved by the District.
- The licensee is prohibited from placing overhead wiring spans above the open water surface. Such wiring includes electrical conductors and communication cables. Licensee must comply with the National Electric Code (“NED”) and National Fire Protection Association (“NFPA”) 303 Marinas and Boat Yards in installing any electrical installations for existing or future Docks. The licensee must have Dock electrical systems designed and installed by a licensed electrician.
- The licensee must obtain a Plumbing Permit from the District to provide potable water to a Dock. The licensee shall adhere to the District’s Rules and Policies related to plumbing, including but not limited to Section 3.4. Any potable water facilities supplying a Dock must be installed in accordance with the Uniform Plumbing Code, most recently adopted Edition, with District amendments (“Plumbing Code”).
- The licensee shall ensure that all Docks are continuously lit from sunset to sunrise and during periods of restricted visibility. Such lighting must adequately define the presence of the Dock.
- The licensee shall maintain any licensed Dock in a good and safe condition and at no time may a Dock become a threat to the public health or safety or a navigation hazard.
- No person shall own or control a Dock that has become abandoned or is in a dilapidated condition.

f. Expansion or Modification of a Dock

Any licensed Dock shall be authorized for location on District submerged property so long as no expansion of the Dock occurs without prior approval of the District, which may be granted in the District’s sole discretion. Expansion is considered an increase in the Water Surface Area of the Residential Boat Dock or Swim Dock. Any expansion of a Dock without prior District approval may result in fines or termination of the License.

g. Inspection

Any agent or employee of the District may inspect a Dock located above District submerged land. The District may provide advance notification for inspection and the licensee or licensee’s representative shall when possible, be present during such an inspection. Authorized agents or District employees shall have the right to enter at all reasonable times in or upon

any property, whether public or residential, for the purpose of inspecting and investigating conditions relating to the construction, modification or relocation of a Dock. Nothing in this section, however, shall preclude a licensed peace officer hired or employed by the District from entering the property without notice to investigate suspected criminal activity as might otherwise be allowed under the laws of this State.

h. License Termination Procedures

If a dock owner has failed to maintain his or her Residential Boat Dock, Residential Marina or Swim Dock, or has in any other way failed to abide the District's Rules and Policies as related to Residential Boat Docks, Residential Marinas or Swim Docks, the District shall proceed with the following procedures.

The licensee will first receive a letter from the District detailing any violations of the District's Rules and Policies, including the failure to pay an Annual Fee under this section. The licensee will be given thirty (30) days to correct the deficiency.

If, after the 31st day from the receipt of this first letter, the licensee has not corrected the deficiency, the District will send a second letter to the licensee detailing violations of the District's Rules and Policies, and assessing a fine against Licensee of \$500.00. The licensee will then have thirty (30) days to correct the deficiency and pay the outstanding fine to the District. This fine is in addition to any other fines or fees that may be owed by licensee.

If, after the 31st day from the receipt of this second letter, the licensee has not corrected the detailed deficiencies and paid any outstanding fines or other fees owed by licensee, the District will terminate the license and may pursue any and all legal remedies against licensee as is authorized by Texas law, including, but not limited to, injunction and removal of the Residential Boat Dock, Residential Marina or Swim Dock. The licensee's receipt of District correspondence under these procedures is deemed to be within three (3) business days of the District's deposit of the correspondence in regular United States Postal Service Mail at the most current address for licensee on file with the District.

i. Variance

The District may, in its sole discretion and judgment, award a variance to any provision contained in the District's License for Residential Boat Docks, Residential Marinas or Swim Docks, or this Policy, if the District determines that such policy or provision creates an unreasonable hardship or grave injustice. Variances must be made in writing.

j. Existing Residential Marinas

Residential Marinas already constructed over District submerged property as of September 1, 2010, may apply for and be granted a Residential Boat Dock License after meeting and complying with additional criteria. Residential Marinas are subject to and must be in compliance with all District Rules and Policies relating to Residential Boat Docks in addition to these regulations relating to Residential Marinas.

Upon application by the owner, the District may, in its sole discretion, grant a Provisional License for a three (3) month term, during which time the Provisional Licensee must obtain a Marina Permit or letter of approval from LCRA. This provisional term may be extended upon licensee providing documentation to the District that an application has been filed with the LCRA. Upon receipt of the LCRA written approval, the District will issue a District License

Any licensed Residential Marina, whether authorized by a License or Provisional License, shall be authorized for location on District submerged property so long as no expansion of the Residential Marina occurs without prior approval of the District, which may be granted in the District's sole discretion. Expansion is considered an increase in the Water Surface Area of the Residential Marina. Any expansion of a Residential Marina without prior District approval will immediately result in the termination of any License or Provisional License.

k. Conflict of Regulations

In cases where the District and another entity have different regulations or requirements relating to boat docks on Lake Travis, the most stringent regulations apply.

7.7.6 Administration of Special Projects

Any request for action by the District that is unrelated to the provision of water or wastewater service and does not fall within the scope of any of the preceding rules and policies shall be considered a Special Project.

Persons requesting a Special Project must submit their requests in writing to the General Manager and provide as much detail as possible with respect to the action requested and the reasons therefore.

If the General Manager determines that the Special Project will require a substantial amount of review and time by the District's staff and consultants, the General Manager will provide written notice to the requestor of such determination. For the purposes of this section a "substantial amount of review and time" shall be deemed to be at least 5 hours of

time spent by the General Manager, District Engineer, and/or General Counsel, respectively.

The Person requesting the Special Project shall post a deposit with the District in cash not to exceed \$5,000 to reimburse the District its' administrative, engineering, legal, and other consultant costs with respect to the Special Project. The District shall provide the Person requesting the Special Project with an accounting of funds used from its deposit and shall reimburse any funds unused by the District. If it is determined that the District's costs will exceed the amount previously deposited, the General Manager may suspend work on the Special Project by the District until an additional deposit is made.

7.8 Americans with Disabilities Act ("ADA") Policy

The District will not discriminate against qualified individuals with disabilities on the bases if disabilities in its services, programs or activities. The ADA does not require that the District take any action that would fundamentally alter the nature of its programs or services, or impose an undue financial or administrative burden.

7.8.1 Employment

The District does not discriminate on the basis of disability in its hiring or employment practices and complies with all regulations promulgated by the U.S. Equal Employment Opportunity Commission under Title I of the ADA.

7.8.2 Effective Communication

The District will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities so they can participate equally in the District's programs, services, and activities to make information and communication accessible to people who have speech, hearing, or vision impairments. No surcharge may be assessed on an individual or group of individuals with a disability to cover the cost of providing the auxiliary aids or services.

7.8.3 Modifications to Policies and Procedures

The District will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities. For example, individuals with service animals are welcomed in the District's offices, even where pets are generally prohibited. No surcharge may be assessed on an individual or group of individuals with a disability to cover the cost of modifying any policy or procedure.

7.8.4 ADA Coordinator

Any individual requiring an auxiliary aid or service of effective communication, or a modification of policies or procedures to participate in a program, services or activity of

the District, should contact the District's ADA Coordinator, Jason F. Homan, at (512) 266-1111 Extension 113, as soon as possible.

Complaints that a program, service, or activity of the District is not accessible to persons with disabilities should be directed to the ADA Coordinator, Jason F. Homan, at (512) 266-1111 Extension 113.

8.0 APPEALS AND VIOLATIONS

8.1 Customer Complaints, Disputes and Appeals

In the event of a dispute between a Customer and the District regarding any bill or utility service, the Customer shall be given the opportunity to meet with the District's Customer Service Representative to attempt to resolve the dispute.

The District shall designate one or more of its employees as Customer Service Representatives, and a Customer Service Representative shall be available to meet with Customers, during the District's normal business hours to resolve disputes as to bills and/or service. Anyone objecting to the actions or decisions of the Customer Service Representative may informally appeal to the General Manager.

If the complaint is not resolved informally, a written request may be made within 6 business days prior to the next regular meeting for a formal hearing before the Board of Directors of the District. No formal hearing is permitted where the sole complaint is that the Customer is financially unable to pay the bill and there is no dispute as to the accuracy of the billing or liability.

During the formal appeal process, utility service shall be continued unless it has been terminated before the formal hearing appeal was commenced.

Failure to file a written appeal within the time specified will be taken as an acceptance of the previous decision.

8.2 Appeal to Board of Directors

Any person aggrieved by any action of the District's representative in administering the provisions of these rules may appeal to the Board of Directors of the District. The decision of the Board of Directors shall be final.

8.3 Penalties for Violation

Violation of these Rules shall result in the offending party being subject to fines of up to \$5,000.00. In addition, unless otherwise specified herein, the offending party shall be liable to the District for any costs incurred by the District in connection with any repairs or corrections necessitated by any such violation. The District Board of Directors and/or the General Manager have the discretion to assess the nature and/or amount of any penalties resulting from a violation of the Rules. The foregoing shall be in addition to any other penalties provided by state law.

Appendices

- A. Personnel Policy
- B. Safety Manual
- C. Security Policy
- D. Water Conservation and Drought Contingency Plan
- E. Service Agreement Water/Wastewater
- F. Service Agreement Grinder Pump Sewer System
- G. Industrial Waste Ordinance
- H. Emergency Response Plan
- I. Reclaimed Water Use Agreement
- J. Service to Multiple Properties Agreement
- K. Landscape Irrigation Policy
- L. Identity Theft Prevention Program
- M. Water and Wastewater Line Illustrations
- N. Information, Data and Cyber Security Policy (Adopted 2017-04-20)
- O. Service Extension Request (SER)