

SEWER SERVICE TARIFF
FOR
Aqua Water Supply Corporation
P.O. Drawer P
Bastrop, Texas 78602
(512) 303-3943

This tariff is effective for Aqua's operations under the following Certificate of Convenience and Necessity: CCN #20962.

This tariff is effective in the following county(ies): Bastrop, Travis

This tariff is effective in the following cities or unincorporated towns (if any): N/A

This tariff is effective in the following subdivisions or systems:

Various areas identified on Texas Commission on Environmental Quality sewer service area maps.

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Section 1.0 – DEFINITIONS

In this Tariff, applicant means a person or entity, other than a Developer, who applies for retail sewer service that has or will have retail water service provided by Aqua Water Supply Corporation.

In this Tariff, “Aqua” or “the Corporation” means Aqua Water Supply Corporation.

In this Tariff, “Conservation District” means those political subdivisions of the State of Texas created pursuant to Article XVI, Section 59 of the Texas Constitution, such as a municipal utility district or a water control and improvement district.

In this Tariff, the term “Developer” means a person or entity that subdivides land or requests more than two sewer service connections on a single contiguous tract of land.

In this Tariff, the term “dwelling” or “dwelling unit” means a home, house mobile home, manufactured home, apartment unit, or any unit in a multiunit residential structure.

In this Tariff, the term “industrial waste” means waterborne liquid, gaseous, or solid substances that result from any process of industry, manufacturing, trade, or business.

In this Tariff, “living unit equivalent” or “LUE” means an average daily flow of 250 gallons of wastewater per day.

In this Tariff, the term “sewage” or “domestic wastewater” means waterborne human waste and waste from domestic activities, such as washing, bathing, and food preparation.

In this Tariff, the term “Standard Service” means sewer service provided to a single dwelling by means of a single connection.

In this Tariff, “subdivide” or “subdivision” means the division of any lot, tract, or parcel of land into two or more lots tracts, parcels, or sites, including re-subdivision of land for which a plat has been filed and recorded.

In this Tariff, the term “system” or “wastewater system” refers to the facilities for collection and disposal of wastewater operated by Aqua Water Supply Corporation.

In this Tariff, the term “wastewater” includes sewage and any industrial waste that has been approved for discharge into the wastewater system.

SECTION 2.0 – RATE SCHEDULESection 2.01 – Rates**STANDARD SERVICE**

The monthly service charges for Standard Service shall include the sum of the Customer Fee plus the Volume Charge as listed below.

CUSTOMER FEE - \$41.90 per month

VOLUME CHARGE - \$2.94 per 1000 gallons

The Volume Charge shall be based on the monthly average water consumption for the winter period, which includes the following months: December, January, and February. If there is no historical water consumption for a new connection, the volume charge will be estimated until such history exists.

REGULATORY ASSESSMENT

A Regulatory Assessment in an amount in compliance with the rules and regulations of the Texas Commission on Environmental Quality (TCEQ) or any successor state agency to the TCEQ shall be collected from each retail sewer member.

Section 2.02 – Connection fees

| | |
|----------------|-----------------|
| TAP FEE | \$150.00 |
|----------------|-----------------|

| | |
|-------------------------------|-----------------|
| SERVICE COMMITMENT FEE | \$900.00 |
|-------------------------------|-----------------|

| | |
|-------------------------------|-----------------|
| SYSTEM DEVELOPMENT FEE | \$900.00 |
|-------------------------------|-----------------|

CHARGE FOR LINE EXTENSIONS AND ROAD CROSSINGS

These costs will be billed according to actual costs incurred. These costs are subject to change due to contractor prices.

EASEMENT CHARGES

When Aqua determines that private right-of-way easements are necessary to provide service to an applicant, the applicant shall be required to pay all costs incurred by Aqua in obtaining such easements.

Section 2.03 – Miscellaneous Fees**EQUIPMENT DAMAGE FEES**

Equipment Damage Fees will be determined on a case-by-case basis according to the actual cost incurred by Aqua because of such damage.

FEASIBILITY STUDY FEE

All requests for a Feasibility Study shall be accompanied by a non-refundable fee according to the following schedule:

| Proposed Number of LUE's | Fee |
|--------------------------|-----------------------------|
| 1-12 | \$500.00 |
| 12-250 | \$1000.00 |
| 251 or more | Set on a case by case basis |

This fee shall be paid at the time the request is filed.

SECTION 3.0 – SERVICE RULES AND REGULATIONS

Section 3.01 – Application for Service

An owner of title to real property or a purchaser under an executory for conveyance of real property (“contract for deed”) who is **a member of Aqua and receives water service provided by Aqua** may file an application for sewer service. All applications for sewer service will be made on Aqua’s standard service application and service agreement forms (attached as Appendix A to this Tariff) and must be signed by the applicant before service will be provided by Aqua. The terms and conditions of Appendix A are an integral part of this Tariff.

A separate application or contract will be made for each service at each separate 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.

No application for service in a subdivision shall be approved unless the Developer has fully complied with all the requirements of this Tariff concerning service to subdivisions, including without limitation, full payment of the Service Commitment Fees for the lots in the subdivision.

An applicant seeking service for a tract of land located in a subdivision must provide information showing compliance with all applicable governmental 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, Aqua 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 other utility service.

Section 3.02 - Discharge Limitations and Pre-Treatment Requirements

A. Wastewater Quality

Discharges into the System shall consist only of domestic wastewater free from the prohibited constituents listed in subsection 3.02 B and limited in B.O.D., suspended solids, dissolved sulfides, and pH as hereinafter provided.

Biochemical Oxygen Demand (B.O.D.) – B.O.D. of Wastewater delivered to the System, as determined by a Standard Methods grab sample, shall not exceed 200 mg/l.

Total Suspended Solids – Total Suspended Solids delivered to the System, as determined by a Standard Methods grab sample, shall not exceed 200 mg/l.

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.

Hydrogen Sulfide Concentration – Dissolved sulfides in Wastewater at the point of delivery to the System shall not exceed 0.1 mg/l.

B. Type of Wastewater Unacceptable

1. Aqua 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 wastewater lines of Aqua. These devices shall not be necessary for normal domestic wastewater, but will be required for any waste that, because of its toxic nature, high biochemical oxygen demand (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 Aqua 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.

2. Specific Discharges

- a. Industrial Wastes

Industrial wastes shall not be discharged into the wastewater system without written permission of the General Manager. Permission for the discharge of industrial waste into the wastewater system shall be granted by Aqua only where tests by Aqua show that the industrial wastewater has a chemical oxygen demand and suspended solids at an acceptable level for treatment and where no injurious acids, alkalids, dissolved gases of excess strength parameters are contained in the wastewater which would be detrimental to the operation of any wastewater treatment plants.

b. Grease

Wastewater containing large amounts of grease shall not be discharged into the 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. Grease traps shall only be cleaned by licensed septic tank cleaners except as noted above. 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 thirty (30) days or more often if necessary. 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 Aqua.

c. Oil and Gasoline

Wastes containing oils and gasoline shall not be discharged into the wastewater system.

d. Stormwater, Air Conditioners and Similar Wastes

No storm water 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 with Aqua.

e. Other Wastes

Gasoline; cleaning solvents; non-emulsified oils and greases; mineral oils; ashes; cinders; sand; gravel; tar; asphalt; ceramic wastes; plastics; 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 cyanogens 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, Tex.; and wastewater containing specific pollutant concentrations in excess of any of the

numerical limitations named hereunder are prohibited from discharge to the System:

| Pollutant | Maximum Allowable Concentration (ug/l) |
|----------------------|---|
| Arsenic | 100 |
| Barium | 1,000 |
| Cadmium | 100 |
| Chromium | 1,000 |
| Copper | 1,500 |
| Lead | 1,000 |
| Manganese | 1,500 |
| Mercury | 5 |
| Nickel | 1,000 |
| Selenium | 100 |
| Silver | 2,000 |
| Zinc | 1,000 |
| Total Toxic Organics | 1,000 |

C. Pre-Treatment

In the event that industrial wastes that are discharged into the System sewer come under the Federal Categorical Standards, the industry must provide adequate pre-treatment so as not to exceed the limits set forth by the Federal Government. If any industrial waste discharge does not come under the Federal Categorical Standards a pre-treatment program must be provided so the discharge does not exceed the limits set for the in this Tariff.

Section 3.03 – Installation of Connections for Sewer Service

After the applicant has met all requirements, conditions, and regulations herein set forth, Aqua will then install a tap and take all necessary actions to initiate sewer service. All tap and equipment installations shall be specified by the Corporation and shall be completed by the Corporation staff or the Corporation's designated representative.

Section 3.04 – Refusal of Service

Aqua shall decline to serve an applicant until such applicant has complied with federal, state and county regulations, the rules and regulations of Aqua, and for the following reasons:

1. The applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. The applicant is indebted to any utility for the same kind of service as that applied for;

3. Refusal to pay a membership fee or refusal to make a deposit, if applicant is required to make a deposit by Aqua;
4. The property to be served has been subdivided in violation of applicable county subdivision ordinances;
5. 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 other utility service;
6. More than one dwelling will be connected to a sewer connection on the property, unless the service location qualifies for multiple connection service under the Tariff.

Section 3.05 – Member Deposits

If a member or applicant has filed a petition for relief in U.S. Bankruptcy Court, Aqua may require a deposit to assure payments for service in accordance with 11 U.S.C. § 366.

Section 3.06 – Billing

Bills shall be rendered monthly unless service is terminated before the end of a billing cycle. Service initiated less than one week before the next billing cycle may be billed with the following month's bill.

Payment is considered late if not received at Aqua's office or postal address by the 10th of the month. Service can be disconnected for nonpayment of a bill after five (5) days' written notice.

The member will be responsible for the bill. Aqua will not bill occupants who are not members separately, unless the member agrees to be responsible for the bill.

Section 3.07 – Service Disconnection

A member's utility service may be disconnected if a bill has not been paid and proper notice has been given.

Proper notice shall consist of a separate mailing or hand delivery at least five (5) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The notice must also list the past due balance.

AQUA MAY DISCONNECT A MEMBER'S WATER SERVICE, SEWER SERVICE, OR BOTH AFTER PROPER NOTICE FOR ANY OF THE FOLLOWING REASONS:

1. Failure to pay a delinquent account or to comply with a deferred payment agreement;

2. Willful violation of a usage rule when that violation interferes with another member's service;
3. Failure to comply with discharge limitations or pre-treatment requirements;
4. Failure to comply with valid deposit or guarantee arrangements;
5. Upon discovery by Aqua that the property has been subdivided in violation of applicable county subdivision ordinances;
6. Upon discovery by Aqua that more than one dwelling is connected to a single connection.

Service may only be disconnected without notice:

1. When a known dangerous condition exists, for as long as the condition exists;
2. When service is established through an unauthorized connection or unauthorized reconnection; or
3. In instances of tampering with Aqua's lines or equipment.

Section 3.21 – Forfeiture of Membership

If a service has been disconnected for nonpayment for more than 30 days, the member shall forfeit all rights and privileges of membership and become a nonmember. The application and reconnection fee requirements of Sections 2.0 and 3.0 of this Tariff must be satisfied prior to reconnection of service at the property.

If Aqua's equipment has been tampered with or sewer service is taken by means of an unauthorized connection or both;

The member shall forfeit all rights and privileges of membership;

The member shall forfeit all connection and tap rights; and

The line tap shall be sealed.

Any future service at the location of an unauthorized connection or other tampering with Aqua's equipment will be subject to all application and fee requirements of this Tariff. Full payment must be made of the Tap Fee, System Connection and Development Fees, in effect at the time service is requested.

Section 3.22 – Limitation of Liability

Aqua shall not be liable for any damages, including without limitation, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, resulting from failures or interruptions of wastewater service. Aqua shall not be liable in any event for consequential damages.

Section 3.23 – Transfer of Membership

Where service has not been disconnected by Aqua, a membership may be transferred to a new owner or purchaser under a contract for deed upon the member's full payment of all amounts owed for service, tender of the membership certificate, and payment of the Membership Transfer Fee. The former member will not receive a refund of the Membership Fee when membership has been transferred. All rights of membership will be assigned to the new member.

Section 3.24 – Litigation

This Tariff shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties created under this Tariff shall be performable in Bastrop County, Texas. All payments required to be made to Aqua under this Tariff shall be made at Aqua's office in Bastrop County, Texas. Bastrop County, Texas shall be the exclusive place of venue for any disputes arising under this Tariff, other than disputes within the jurisdiction of the Texas Commission on Environmental Quality. In the event Aqua is required to retain an attorney to enforce this Tariff or collect amounts owed under Tariff, the member shall be responsible for all costs incurred by Aqua, including reasonable attorneys' fees.

SECTION 4.0 – EXTENSION POLICYExtensions to Single Family Residential Dwellings

Provided that the lot or tract of land is not part of subdivision that was created after April 1, 1998, Aqua will make extensions from existing lines to single family dwellings located within its certificated area, at member's expense. The full cost of the off-site sewer main extension to a single-family dwelling shall be paid by the member. This includes all necessary expenses, including the cost for any road cut or road bore. The member shall pay this cost to Aqua at such time as payment is requested by Aqua. Extensions will only be made from existing lines with sufficient capacity.

Individual residential customers who place a unique or non-standard service demand on the system may be charged the actual costs of any additional transmission or treatment facilities required over and above the standard requirements.

Extensions to Subdivisions, Businesses, and Multiple Connections

Developers of new developments or subdivisions must pay for the extension, relocation or increase of sewer line sizes or any other improvements to the wastewater system, if such be

necessary, in order for the Corporation to have the capacity to provide sewer service to the proposed development. These extensions will only be made in accordance with Section 4.0 of this Tariff.

Persons or entities seeking service for a business or for a multiple connection must pay for the extension, relocation or increase of sewer line sizes or any other improvements to the wastewater system, if such be necessary, in order for the Corporation to have the capacity to provide sewer service to the proposed business or multiple connection. These extensions will only be made in accordance with Section 4.0 of this Tariff.

SECTION 5.0 – POLICY FOR SERVICE TO SUBDIVISIONS, BUSINESSES, AND MULTIPLE CONNECTIONS

Section 5.01 – Feasibility Study

Any person or entity seeking sewer service for a subdivision, a commercial development, or a business, or for multiple connection service, such as apartments, manufactured housing parks, or multiunit residential structures such as duplexes, shall submit to Aqua's General Manager a written request that Aqua perform a Feasibility Study to determine if there exists sufficient capacity in the wastewater system to serve the number of dwelling units or living unit equivalents proposed to be located on the tract of land, or if a need exists for an expansion to the capacity of the treatment, transmission, or collection facilities, to serve the proposed development. Each request for a Feasibility Study shall include the following:

- a. A map or plat showing the property, its proximity to Aqua's existing facilities, and those improvements necessary to connect such facilities. The map or plat must show the dimensions of the property. The map or plat must be signed and sealed by a licensed surveyor or registered professional engineer. In the case of subdivisions, the request shall be accompanied by two copies of the proposed plat of the subdivision or, in the case of a commercial development, two copies of the proposed plat of the project site. The legal description of the property must be provided by metes and bounds or by reference to a recorded plat.
- b. The intended land use of the property.
- c. The proposed number of dwelling units or living unit equivalents of wastewater demand. The projected wastewater demand of the development, including average and peak demands in gallons per day (GPD). A projected growth schedule tied to the demand for wastewater treatment service.
- d. A proposed calendar of events, including design, construction phasing and initial occupancy, and the approximate date upon which service from Aqua will first be needed.

Because of factors such as unique topographic features, after initial review of the request Aqua's Engineer may determine that additional information will facilitate evaluating the proposed project. The Developer shall submit such additional information as specified by Aqua's Engineer on a case by case basis.

All requests for a Feasibility Study shall be accompanied by payment of the non-refundable fee set forth in Section 2.03 of this Tariff.

The request for a Feasibility Study will be submitted by the General Manager to Aqua's Engineer for review and evaluation. Under normal circumstances and where sufficient information is submitted with the request, Aqua's Engineer will complete the Feasibility Study and provide a report within 60 days of Aqua's receipt of the request and payment of the required fee. A copy of the report produced by Aqua's Engineer will be provided to the Developer requesting the Feasibility Study. The report produced by Aqua's Engineer should include an estimate of the cost of providing service to the proposed project based on current material and labor prices and preliminary site and engineering information.

At the next Board of Directors meeting following 10 days from Aqua's receipt of its Engineer's report, the request for Feasibility Study and the Engineer's report will be submitted to the Board of Directors for its consideration. If the Board of Directors determines that providing sewer service to the proposed project appears feasible, the Board will adopt a resolution indicating Aqua's ability to provide sewer service to the project and setting forth any special terms and conditions to such service, and Aqua's General Manager will provide the Developer a written estimate of the cost and charges for providing sewer service to the proposed project, which may set forth any special terms and conditions to such service. The Developer's share of the cost to construct the facilities necessary to provide sewer service to the proposed project will be determined at the time Aqua receives quotations from contractors based on final detail design.

Section 5.02 – Reserving System Capacity

A. Determination of Feasibility

After the Board of Directors has determined that service is feasible, but prior to start of construction, the Developer must enter into a contract (the "System Commitment Agreement") with Aqua which defines the terms of service, and such terms of service shall be consistent with the policy stated herein and with the Board Resolution recognizing feasibility of sewer service to the project. The Board may authorize Aqua's General Manager to execute the System Commitment Agreement on its behalf. The Developer must pay the expenses, such as attorney's fees, incurred by Aqua in negotiating and drafting the System Commitment Agreement to provide sewer service to the project. The Developer must pay Aqua a deposit of funds to cover such expenses prior to the drafting of the System Commitment 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 Aqua's system is available on a first come, first serve basis and may be reserved by execution of a System Commitment Agreement and by payment of

Service Commitment Fees corresponding to the number of connections or LUEs required for the proposed service. Developer shall not have any rights to wastewater treatment capacity until after the System Commitment Agreement is fully executed and all applicable fees have been paid.

The Developer must pay for the extension, relocation or increase of wastewater line sizes, or any other improvements to the wastewater system if such be necessary, in order for the Corporation to have the capacity to deliver wastewater service to the proposed development. The Developer or applicant shall construct all of the on-site wastewater facilities within its project. No on-site wastewater facilities shall be extended and constructed by the Developer or applicant or connections to wastewater lines and force mains made until after the System Commitment Agreement is fully executed and all applicable Service Commitment Fees for wastewater service have been paid. The Developer or applicant must meet all requirements as defined in this policy and transfer without charge to Aqua legal title to the wastewater facilities, free and clear of all liens and encumbrances. Aqua shall then assume responsibility for operation and maintenance of those on-site wastewater facilities.

- B. Election by Developer to Construct Treatment and Major Collection Facilities
Should Developer elect to fund the cost of construction of treatment and major collection facilities, or should the Board of Directors make a determination that the construction of the proposed treatment and major collection facilities is not economically feasible for Aqua to fund the costs of construction, upon the request of Developer Aqua will consider entering into a mutually agreeable financing agreement with Developer, which agreement will be submitted to the Board of Directors of Aqua for approval. Said agreement will set out the terms and conditions by which the Developer will provide the necessary funding for the construction of the treatment and major collection facilities, and by which Aqua will reimburse the Developer from the collection of fees received by Aqua as a result of the development of the Developer's property.
- C. Service to Conservation Districts
In cases where the Developer creates a Conservation District, Aqua will negotiate an agreement with the Developer and/or Conservation District, which agreement shall be approved by the Board of Directors of Aqua, to set out the terms and conditions under which service is to be provided by Aqua. Pursuant to the terms of the agreement, the Conservation District and/or Developer will provide the necessary funding for the construction of the facilities. Aqua will own, operate and maintain the facilities. The Conservation District shall be given the exclusive right to the use of the capacity in that portion of Aqua's system funded by the Conservation District. The Conservation District will be responsible for the payment to Aqua of all non-capital costs set out in Section 2.0 above.

Section 5.03 – Service Commitment Agreement

If it is necessary for Aqua to add treatment capacity to Aqua's system before Aqua can adequately serve the project proposed by the Developer or applicant, the following requirements shall apply:

1. The Developer or applicant shall pay the greater of (i) the sum of Service Commitment and System Development Fees corresponding to the number of connections of LUEs required for the proposed service, or (ii) all construction costs necessary to upgrade the System to meet the needs of the proposed project.
2. The design of all off-site improvements to the System shall be accomplished by Aqua and the construction of such improvements shall be done by Aqua. The cost of all such improvements shall be borne by the Developer or applicant in accordance with Subsection 5.03.1 above. Developer or applicant shall pay Aqua the full amount of construction costs prior to awarding the contract for construction of the improvements. These costs shall be payable in the form of a Cashiers Check or other form of payment approved by Aqua's General Manager.

Section 5.04 Design Approval

All on-site wastewater facilities shall be designed by a Professional Engineer registered in the State of Texas and shall be in accordance with the rules and regulations of the Texas Commission on Environmental Quality and the design standards of Aqua.

Prior to the construction and approval of the on-site wastewater facilities, the Developer or applicant, or their consulting engineer shall furnish one (1) set of signed and sealed engineering drawings to Aqua for review and approval by Aqua. Prior to the construction but after approval by Aqua of the on-site wastewater facilities, the Developer or applicant, or their consulting engineer shall furnish three (3) sets of signed and sealed engineering drawings to Aqua. No construction of the on-site wastewater facilities shall take place until the approved drawings or written approval by Aqua of the design has been received by the Developer or applicant.

The Developer or applicant shall give notification 48 hours prior to the start of construction. Work performed without prior notification shall not be accepted by Aqua.

Upon completion of construction, the Developer or applicant shall furnish one (1) set of signed and sealed as-built mylar reproductions for the on-site wastewater facilities he installed.

Section 5.05 - Installation of Wastewater Service Laterals

The on-site wastewater facilities installed by the Developer or applicant shall include complete service laterals for all lots. This shall also include the installation of wastewater service laterals for all lots utilizing an existing wastewater line or force main.

The Developer must install all connections on the lots and mark them clearly to facilitate the delivery of wastewater service when the lot owner arranges for such with the Corporation. The individual lot owners will follow the procedures set forth for Standard Service Applications.

Section 5.06 - Construction Standards

All construction shall conform to the requirements of Aqua. In addition, the on-site wastewater facilities within a subdivision must be designed to be compatible with any other present or future wastewater facilities. In order to provide adequate collection service, all new on-site wastewater facilities constructed by the Developer or applicant shall be reviewed and approved by Aqua's engineer prior to the start of construction. Construction inspection of all Developer or applicant installed work will be provided by Aqua.

Section 5.07 - Easements

No wastewater line will be accepted by Aqua for operation and maintenance unless it is located in a public utility easement or in a private right-of-way easement. All said easements shall be a minimum of fifteen (15) feet in width. Conveyance of all easements shall be at no cost to Aqua and shall be in accordance with the current Aqua practices and conform to the applicable local, state, and federal laws and regulations.

- a) If the Corporation determines that right-of-way easements for facility sites outside the Applicant's property are required, the Corporation shall secure easements or title to facility sites on behalf of the Corporation.
- b) All right-of-way easements and property titles shall be secured, researched, validated, and filed by the Corporation at the expense of the Developer or applicant.
- c) Aqua may, if necessary, 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 of the court, and the like. These costs shall be payable in the form of a Cashier's Check or other form of payment approved by the Board of Directors or Aqua's General Manager.
- d) The Corporation shall require an exclusive 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 Corporation) and title to property required for other on-site facilities.
- e) Easements and facility sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Developer or applicant.

Section 5.08 - Developer's or Applicant's Guarantee of Work

A Developer or applicant shall guarantee all on-site wastewater facilities he installs for a period of one year after completion and acceptance as to its being completed in strict conformance with the requirements imposed by Aqua's engineer. The completion and inspection of sections of the on-site wastewater facilities does not constitute acceptance of those sections by Aqua.

Section 5.09 - General Provisions

1. All mains inside the subdivision or development are the responsibility of the Developer or applicant. The Developer or applicant must pay for the extension, relocation, or increase of wastewater line sizes, or any other improvements to the wastewater system if such be necessary, in order for the Corporation to have the capacity to provide service to the proposed project.
2. Corporation shall design and construct all off-site wastewater facilities required to provide requested service to the development and the Developer shall pay the cost of said off-site improvements to Aqua at such time as payment is requested by Aqua.
3. The oversizing of any wastewater main shall be determined by Aqua.
4. All lift stations and force mains required to serve the development shall be paid for by the Developer or applicant.
5. All sewer laterals must be installed prior to street construction.
6. The Developer or applicant shall pay any applicable costs for connecting to the wastewater system.
7. Once the system is completed, inspected, tested and accepted by the Corporation, the Developer or applicant will convey the wastewater facilities, pipes, meters, and right-of-ways to the Corporation.
8. The Developer or applicant will provide three "as-built" plan maps referenced from permanent reference points such as road centers, etc., prior to Aqua delivering service to the project.
9. After the systems are conveyed to the Corporation, all contractual rights the Developer or 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 Corporation. Such assignment must be made known to such contractors and acknowledged by them to the Corporation. The assignment will also include assignment of warranties of fitness of all materials used in the construction of the system and suppliers and manufacturers must be advised of this assignment and accepted by them. All construction materials and

installations shall be warranted for a period of one year from the time of acceptance. The contractor will agree to pay for any and all material and labor cost in repairing any breakage or leaks or malfunction of the system installed related to providing wastewater service to the development whether it be in the lines or plant facilities. All wastewater facilities constructed by Developer shall be conveyed to Aqua free and clear of any liens or encumbrances of any kind.

SECTION 6.0 – CONSTRUCTION

Section 6.01 - General Provisions

1. The cost of the off-site wastewater main system extension to a single-family unit from an Aqua main shall be paid by the applicant or Developer.
2. The cost of any oversizing, as determined by Aqua, shall be paid by Aqua.
3. The applicant or Developer shall be responsible for the full cost of borings or trestle pipe crossings, if such are required in extending a gravity or pressure main.
4. Aqua shall design and construct all off-site wastewater facilities required to serve the project.
5. The applicant or Developer shall pay any applicable connection charges.

Section 6.02 - Inspection

A. General

Aqua shall inspect the installation of all gravity wastewater trunk lines, lift stations and/or force mains, which are connected to and will flow into Aqua's wastewater collection system. Aqua's inspectors shall make periodic checks during all phases of construction to see that the contractor, Developer or applicant is complying with the construction standards of Aqua and following the engineering plans approved by Aqua'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 Aqua's Engineer for approval prior to the actual field change. These inspections do not relieve the engineer of record who designed the 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 Texas Commission on Environmental Quality and the design standards of Aqua.

B. Notification

The contractor shall notify Aqua a minimum of 24 hours in advance of construction work that will be performed on weekends and holidays. Work performed without prior notification shall not be accepted by Aqua.

C. Preliminary

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

D. Final

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

E. Repeated Trips

If after a request for final inspection, Aqua finds the wastewater facilities are not suitable for final inspection or acceptance, return trips for final inspection will be charged to the Developer or applicant. (It should be noted that this inspection charge applies to repeated trips for final inspection and does not apply under any other circumstances.) This charge shall be paid in full by the Developer or applicant prior to Aqua's acceptance of any wastewater effluent into the wastewater facilities or system and final inspection approval.

F. Testing

Pressure testing of wastewater lines shall be the responsibility of the contractor and he shall notify Aqua engineers and/or inspectors of his scheduled time for such tests so that the tests can be witnessed by an Aqua representative.

If initial tests show failure, the contractor or the Developer or applicant shall pay the costs of retesting the areas that failed after corrective action has been taken, as well as the personnel and equipment costs incurred by Aqua in said retesting, on a per diem basis. The per diem costs shall be determined based on the hourly wage plus overhead of Aqua personnel needed and present at the site, during retesting and by the going rental rate for the vehicles and equipment utilized in retesting. These retesting time costs shall be paid by the contractor or the Developer or applicant prior to Aqua's acceptance of the improvements.

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 copies of said analyses shall be submitted to Aqua prior to utilization of site soil for bedding.

Section 6.03 - Performance and Payment Guarantee

The Developer shall be required by Aqua to pay Aqua upon demand for the cost of any necessary off-site wastewater lines constructed by Aqua and/or to enter into a facilities extension and performance agreement with Aqua secured by a performance and payment bond(s) for the construction of the off-site wastewater lines, force mains, and lift stations, and on-site wastewater facilities.

The final subdivision plat will not be approved until:

1. any necessary on-site wastewater facilities that have been constructed are accepted by Aqua, or
2. the cost of any necessary off-site wastewater lines is paid to Aqua upon demand and/or
3. there is provided to Aqua an extension and performance agreement secured by performance and payment bonds and providing that such on-site wastewater lines, force mains, and lift stations, and on-site wastewater facilities will have been completed and will have been accepted by Aqua within one (1) year of the date of the final subdivision plat is approved by all applicable authorities unless this time period is extended by Aqua.

SEWER SERVICE APPLICATION

GIS INFORMATION

(To be completed by Customer Service)

| | | | |
|--------------|------|----------|----------------|
| Today's Date | Zone | Map Page | Account Number |
|--------------|------|----------|----------------|

| |
|---------------------|
| General Description |
|---------------------|

APPLICANT INFORMATION

| | |
|------------------|---------------|
| Applicant's Name | Spouse's Name |
|------------------|---------------|

| |
|-----------------|
| Billing Address |
|-----------------|

| | |
|----------------------------|------------------------------|
| Telephone Number (Primary) | Telephone Number (Secondary) |
|----------------------------|------------------------------|

| | |
|------------------------------------|----------------------------|
| Applicant's Drivers License Number | Applicant's E-mail Address |
|------------------------------------|----------------------------|

| | |
|---------------------------|--|
| Applicant's Date of Birth | Applicant's E-mail Address (Secondary) |
|---------------------------|--|

| |
|--|
| Proof of Ownership or Right of Occupancy Provided By |
|--|

PROPERTY INFORMATION

| |
|---|
| Legal Description of Property (Include name of road, subdivision with lot and block number) |
|---|

| |
|---|
| Previous Member's Name and Address (If transferring membership) |
|---|

| | | |
|---------|------------------|------------------------------|
| Acreage | Number in Family | Household Size (Square Feet) |
|---------|------------------|------------------------------|

| |
|---------------------------|
| Livestock Type and Number |
|---------------------------|

| |
|---|
| Special Service Needs of Applicant (Including multiple Connections) |
|---|

SIGNATURE

| |
|--|
| Applicant's Name (Note: Form must be completed by Applicant only. A map of service location request must be attached.) |
|--|

| | |
|-----------|------|
| Signature | Date |
|-----------|------|

SEWER SERVICE AGREEMENT

AGREEMENT

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

Witnesseth:

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

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

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

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

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

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

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

The Member shall install at his own expense service lines from the water meter and Aqua sewer line to the point of use, including any customer service isolation valves and other equipment as may be specified by the Corporation. The use of water pipes and pipe fittings that contain more than 8.0% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

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

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

By execution of this Service Agreement, Member shall guarantee payment of all other rates, fees, and charges due on any account for which said Member owns a Membership Certificate. Member acknowledges that nonpayment of amounts due to Aqua will result in disconnection of the water service to Member's property. In the event water service is disconnected, a fee set by Aqua in its tariff will be charged and must be paid before service will be reconnected.

The Board of Directors shall have the authority to cancel the membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. If Aqua's equipment is tampered with or water is taken by means of an unauthorized connection or both, the Member shall forfeit all rights and privileges of membership; the Member shall forfeit all connection and tap rights; the meter shall be removed; and the line tap shall be sealed.

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

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

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

| SIGNATURE | |
|--|-----------|
| Member (Print Name) | Signature |
| Aqua Water Supply Corporation (Print Name) | Signature |