

**AMENDED ORDER ESTABLISHING SERVICE RATES, CHARGES AND TAP FEES
AND ADOPTING RULES AND POLICIES WITH RESPECT TO THE
DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS**

(May 10, 2023)

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

WHEREAS, under Section 49.212, *Texas Water Code*, the Board of Directors (the "Board") of Paloma Lake Municipal Utility District No. 2 (the "District") is authorized to adopt and enforce all necessary charges, fees or rentals for providing District facilities or services; and

WHEREAS, under Section 54.205, *Texas Water Code*, the Board is authorized to adopt and enforce reasonable rules and regulations to: (i) secure and maintain safe, sanitary and adequate plumbing facilities as part of its sewer system; (ii) to preserve the sanitary condition of all water controlled by the District; (iii) to prevent waste or the unauthorized use of water; or (iv) to regulate privileges on any land or easement controlled by the District;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF PALOMA LAKE MUNICIPAL UTILITY DISTRICT NO. 2 AS FOLLOWS:

I. General Policies.

A. Definitions. In addition to the terms defined in the preamble to this Order, for purposes of this Order, the following terms have the meanings indicated below.

1. "Backflow Prevention Device" means an assembly or device that is designed to prevent backflow of water into the District's water system and meets the testing standards accepted by the American Water Works Association or the University of Southern California Foundation for Cross Connection Control and Hydraulic Research.
2. "City" means the City of Round Rock, Texas.
3. "Code" or "Uniform Plumbing Code" means the version of the Uniform Plumbing Code adopted and enforced by the City of Round Rock from time to time.
4. "Commission" means the Texas Commission on Environmental Quality, or any successor agency.
5. "Consent Agreement" means the "Consent Agreement Between City of Round Rock, Texas and Blake Magee Investments, L.P. for Paloma Lake Municipal Utility District No. 1 and Paloma Lake Municipal Utility District No. 2" dated effective as of September 22, 2005, as assigned and amended from time to time.
6. "District's representative" means the general manager of the District or another representative or employee of the District acting under the direction of the District's general manager or Board of Directors.
7. "Dwelling Unit" means a residential dwelling unit occupied by a separate

family or family unit.

8. “Homeowners’ Association” means a non-profit corporation created under a declaration of covenants, conditions and restrictions of record which is applicable to all of the residential property within the District.

9. “Impact Fees” means the water and wastewater impact fees payable to the City in connection with new development and/or new connections within the District.

10. “Living Unit Equivalent” or “LUE” means a separately metered Dwelling Unit, or, in the case of a commercial customer, its equivalent determined according to the following schedule:

<u>Meter Size</u>	<u>Living Unit Equivalent</u>
5/8”	1
3/4”	1.5
1”	2.5
1-1/2”	5
2”	8
3”	15
4”	25
6”	80
8”	140
10”	220
12”	270

11. “Rules” means rules and regulations adopted by the District under Section 54.205, Texas Water Code, including any rules adopted by this Order.

12. “Systems” means the District’s water, wastewater and drainage systems.

13. Winter-averaging period” means the period established by the City of Round Rock as the District’s winter-averaging period.

B. All Services Required. Except for water meters purchased and used solely for the purpose of irrigating with treated water or as otherwise expressly authorized in the Rules, no service may be provided through the District’s Systems unless the applicant agrees to take both water and wastewater service.

C. All Services Charged. At no time will the District render water or sewer services without charge to any person, firm, corporation, organization or entity.

D. Damage to District Facilities by Third Parties. Prior to installing underground facilities or excavating in the area of the District’s Systems, representatives of developers, contractors and/or utility companies must meet with the District’s representative to file their construction plans and schedules and review the engineering plans illustrating the location of the District’s facilities. Any contractor, developer, or other person or entity which damages the District’s facilities will be responsible for all costs and expenses incurred by the District as a result of such damage.

II. Connections to the District's Systems.

A. Applications for Connections.

1. Any party desiring to make a connection to the District's Systems must first make an application to the District's representative in the form approved by the Board. The applicant must, upon request, furnish the District's representative with evidence that the party who will actually install the tap and connecting line has comprehensive general liability insurance in the minimum amounts of \$300,000 bodily injury and \$50,000 property damage, with an underground rider and a completed operations rider.

2. The District's representative will review all applications for connections to the District's Systems. If the District's representative finds that the materials to be used and the procedures and methods to be followed in the plumbing system and making the connection are equal to or better than the standards established by the City and the Uniform Plumbing Code and are in compliance with all terms and conditions of the Rules, the District's representative may approve the application and the proposed connection, subject to the payment of all applicable fees and such terms or conditions as he deems necessary to accomplish the objectives of the Rules.

B. Payment of Fees. Any party desiring to make a connection to the District's Systems must, at the time the application for connection is made, pay to the District's representative: (i) all applicable City Impact Fees, as established and amended from time to time; (ii) the appropriate water tap fee and/or sewer tap fee specified in this Order, and (iii) any application, inspection or other fees and security deposits specified in this Order. No connection may be made until these fees are paid.

C. Impact Fees. The District will collect and remit to the City the applicable Impact Fees for new development and/or new connections within the District. The Impact Fees per LUE are as follows:

<u>Section:</u>	<u>Water:</u>	<u>Wastewater:</u>	<u>Total:</u>
Paloma Lake Sections 17A, 17B and 18	\$4,296 per LUE	\$1,306 per LUE	\$5,602
Paloma Lake Sections 19A, 19B and 21, which are covered by plats recorded between January 1, 2009 and July 31, 2012	\$4,446 per LUE	\$2,383 per LUE	\$6,829
Paloma Lake Sections 20A, 20B, 22A and 23A, which are covered by plats recorded between August 1, 2012 and February 29, 2016	\$3,889 per LUE	\$2,073 per LUE	\$5,962
All other sections, covered by plats recorded after March 1, 2016	\$4,025 per LUE	\$2,099 per LUE	\$6,124

D. Tap and Inspection Fees.

1. The District's water tap fees are \$600 per LUE
2. The District's sanitary sewer tap fees are \$450 per LUE
3. For meters used for park, open space or amenity centers owned and operated by a non-profit Homeowners' Association, the Homeowners' Association will be required to pay actual meter costs and inspection fee costs only. No District tap fees will be assessed.

4. The District's fee for the first inspection of the water tap and the wastewater tap for each Dwelling Unit is included in tap fee. The fee for any additional inspections is \$50 per inspection, which must be paid to the District's representative at the time the inspection is requested.

a. The District's fee for each inspection of the water tap for each connection other than a Dwelling Unit will be determined based on time and materials required, and must be paid to the District's representative at the time the inspection is requested.

b. The District's fee for each inspection of the wastewater tap for each connection other than a Dwelling Unit is \$100, which must be paid to the District's representative at the time the inspection is requested.

E. Plumbing Inspections and Fees. The District will conduct five inspections of new residential and commercial plumbing construction as required by The Plumbing License Law, Chapter 1301, *Texas Occupations Code*. An inspection will be conducted at the time the service line is constructed, at the time of plumbing rough-in, for copper, at top-out, and upon completion of construction. The fee for these inspections, which will be performed by an independent plumbing inspector retained by the District, will be as follows:

Each Dwelling Unit: \$250

Other: To be determined by the District's representative based upon the size and scope of the project

In addition, an inspection will be performed on all new irrigation system plumbing installations at a cost of \$50 per inspection. The applicable inspection fees will be conducted at the time of purchase of the water and wastewater tap for the new construction. If an inspection is failed, a fee of \$50 will be assessed for any re-inspection required. If the property is not accessible for inspection at the time an inspection is scheduled, the inspection will be deemed to have been failed and a re-inspection fee will be assessed.

F. Cross-Connection Inspection Fees. The District will conduct cross-connection inspections of any modifications to existing construction that affects the customer's plumbing, including remodeling, installation of irrigation systems and construction of swimming pools.

1. Residential. The District's cross-connection inspection fees for changes to an existing Dwelling Unit are as follows:

Rough-in	\$50
Service Line	\$50
Copper	\$50
Top out	\$50
Final	\$50
Backflow	\$75 for each device

The fee for each reinspection is \$50, except for reinspection of backflow prevention devices, for which the fee is \$75 per device. The District will charge a reinspection fee in addition to the original cross-connection inspection fee if the applicant's plumber misses the appointment for a scheduled inspection.

2. Other. The District's cross-connection inspection fee for changes to existing construction other than a Dwelling Unit will be determined by the District's representative based upon the size and scope of each project.

G. Security Deposits, Generally. A security deposit must be paid to the District's representative by each customer other than a builder or contractor subject to Article III of this Order prior to the District's providing service to that customer. Security deposits are not transferable from one customer to another customer, but if a customer is moving from one address to another address within the District and the customer's bill is current, the customer may transfer his or her security deposit to the account established for the new address, and will be held by the District to assure the prompt payment of all bills for water and wastewater services to the customer. At its option, the District may apply all or any part of a customer's security deposit to any delinquent bill of the customer. Upon discontinuation of service, whether because of the customer's delinquency or upon the customer's request, the deposit will be applied against amounts due, including any disconnection fees. Any portion of the deposit remaining after deduction of these amounts will be refunded to the customer. In no event will a security deposit bear interest for the benefit of the customer.

1. Residential Security Deposits. A security deposit of \$100 is required for each Dwelling Unit (5/8 or 3/4 inch residential meter) where the Dwelling Unit is occupied by the owner of the property. A security deposit of \$150 is required for each single-family Dwelling Unit (5/8 or 3/4 inch residential meter) where the residence is occupied by a customer who is not the owner of the property. If a residential customer is given notice of disconnection due to a failure to make timely payment of the District's utility bills and fails to pay all past-due amounts by the time and date specified on the notice of disconnection, then, regardless of whether or not service is physically disconnected, the District will require an additional \$100 security deposit for each disconnection, up to a maximum of \$300. The additional deposit will be added to the next utility bill mailed to the customer after the date of reconnection or the customer's payment of any past-due amount to the District. Residential security deposits must be in the form of cash, money order or other form acceptable to the District's representative.

2. Homeowners' Association Security Deposits. No security deposit will be required for service to meters used for park, open space or amenity centers owned and operated by a non-profit Homeowners' Association; however, if a Homeowners' Association is given notice of disconnection due to a failure to make timely payment of the District's utility bills and fails to pay all past-due amounts by the time and date specified on the notice of disconnection, then, regardless of whether or not service is physically disconnected, the District will require a \$100 security deposit for each disconnection, up to a maximum of \$300. The deposit will be added to the next utility bill mailed to the Homeowners'

Association after the date of reconnection or the Homeowners' Association's payment of any past-due amount to the District. Homeowners' Association security deposits must be in the form of cash, money order or other form acceptable to the District's representative.

3. Security Deposits for Other Uses. A security deposit equivalent to 90 days' peak water and wastewater usage is required for each customer not covered by Subsections 1 and 2, above. The amount of the security deposit will be based on historical usage when this information is available, and will be based upon an estimate of usage by the District's representative when this information is not available. These security deposits must be in the form of cash, certified check or bond or letter of credit approved by the Board as to form and issuer. All such security deposits will be subject to adjustment based upon annual usage patterns, which will be subject to review by the Board in July of each year. A customer which elects to post a bond or letter of credit for its security deposit will be required to pay an additional \$100 annual service charge to defray the District's administrative expense relating to the bond or letter of credit.

H. Non-Refundable Application Fee. An application fee of \$30 must be paid by each customer, other than builder, developer or contractor subject to Article III of this Order, at the time service is requested and an account is opened, to cover administrative costs associated with establishing and servicing the account.

I. Additional Charges. Any non-routine charges incurred by the District in connection with any water tap, sewer tap or inspection are the responsibility of the applicant and payable to the District upon demand.

III. Requirements of Builders and Contractors.

A. Builder Deposit. Each builder must deposit the sum of \$200 multiplied by that homebuilder's estimated number of housing starts within the District for three months or \$2,000, whichever is less, with the District's representative. Each developer of a commercial project within the District must deposit the sum of \$2,000 with the District's representative. These deposits will be placed in a separate account and will be refunded, without interest, to the builder or developer on completion of the builder's or developer's construction program within the District.

B. Use of Deposit. The cost of any repairs to the District's facilities caused by the builder's or developer's negligence or intentional acts, or due to the negligence or intentional acts of any contractor or subcontractor performing work associated with the builder's or developer's projects; the costs of any professional services incurred by the District due to builder or contractor damage, dumping or violations of the District's Rules; and the cost of connections, inspections, water service and wastewater service will be billed by the District's representative to the responsible builder or developer, and will be payable upon demand by the District. If, at any time, a builder or developer is delinquent in paying these bills for a period of 30 days, or is responsible for outstanding bills in the amount of \$200 or more, the District may transfer all or any part of its builder or developer deposit to the District's operating fund to pay these outstanding or delinquent bills and may require: (i) that the deposit be replenished by the builder or developer by the amount transferred; or (ii) that, for a homebuilder, an increased deposit of \$300 multiplied by the number of estimated starts by the builder over three months or \$5,000, whichever is more, or, for a developer, that an increased deposit of \$5,000, be made. No additional water or sewer taps will be sold nor will any other approvals be issued to a builder or developer who is delinquent in the payment of any sums due to the District.

C. Contractors. Each builder, developer or contractor within the District must pay the costs of any water service or wastewater service provided to it in accordance with the terms and provisions of this Order. No person or entity may withdraw water from any District fire hydrant unless the water is measured through a fire hydrant meter obtained and installed in accordance with Subsection D, below.

D. Fire Hydrant Meter and Deposit. No builder, developer, contractor or other person or entity may temporarily connect to or withdraw water from the District's water system through a fire hydrant unless it utilizes a fire hydrant meter obtained from and assigned to it by the District. The assigned fire hydrant meter must be attached directly to the fire hydrant and used when making a temporary water connection for any purpose other than actual fire-fighting, unless the District agrees otherwise. In addition, directly downstream from the fire hydrant meter, the builder, developer, contractor or other person must install a reduced pressure Backflow Prevention Device or a Code-approved air gap. A security deposit of \$1,200 must be paid to the District's representative at the time the meter is issued. This deposit will be held by the District and will be refunded, without interest, at the completion of the builder's or contractor's construction program within the District. No deposit will be required if the use of a fire hydrant is required by a contractor's construction agreement with the District. A violation of this metering requirement or the Backflow Prevention Device requirement will result in the offending party being subject to a fine in the amount of \$5,000 per violation. The District may deduct the amount of any fines imposed as a result of a builder's, developer's or contractor's violation of this requirement from the meter deposit and may further require that the builder, developer or contractor replenish the deposit by an amount equivalent to the total deducted.

IV. Water and Wastewater Service.

A. Service Initiation and Online Customer Account Profile Fee. A party desiring to receive service from the District's Systems must make an application for service to the District's representative in the form attached as **Exhibit A** to initiate service and establish an online customer account profile with the District's online billing system. In cases when the property owner is not the occupant of the premises, the District's representative may require the owner and the occupant to sign an agreement specifying who is responsible for the bills and deposits.

B. Water and Sewer Service Rates. The following rates and charges for the sale of water and the collection and disposal of sewage will be in effect for all in-District customers from the effective date of this Order.

1. General Provisions.

a. Bills for sewer service will be computed as follows:

- (i) based on the lesser of (a) the average amount of water used by the customer during the winter season based upon the average of the monthly readings of the customer's water meter during the winter-averaging period, or (b) the customer's actual water usage during the billing period.
- (ii) If a separately metered single-family residential dwelling unit does not have an acceptable history of water usage during the winter-averaging period, the customer's monthly sewer bill will be based on the lesser of (i) 7,000 gallons, or (ii) the customer's actual water usage.

- (iii) If any customer other than those covered by 1.b.(ii). does not have an acceptable history of water usage during the winter-averaging period, the customer's monthly sewer bill will be calculated based upon the customer's current monthly water usage.

b. A customer receiving water through an irrigation-only meter approved by the District will not be billed for sewer services.

2. Monthly Charges for separately metered, single-family residential customers (5/8 or 3/4 inch meter), effective for usage on or after November 16, 2016:

- (i) Basic Service Rate: \$39.50 per dwelling unit
- (ii) Monthly Sewer Rate per 1,000 gallons: \$4.20
- (iii) Monthly Water Rates per 1,000 gallons:

0 – 10,000 gallons	\$4.25
10,001 - 30,000 gallons	\$4.75
over 30,000 gallons	\$5.50

3. Monthly Charges for Homeowners' Association meters for park, open space or amenity center uses (including temporary fire hydrant meters), effective for usage on or after November 16, 2016:

- (i) Basic Service Rate: \$10 per meter
- (ii) Water Commodity Charge: \$4.25
(per 1,000 gallons)
- (iii) Sewer Commodity Charge \$4.20
(per 1,000 gallons):

No sewer commodity charges will be assessed to a Homeowners' Association in connection with water used through a dedicated irrigation-only water meter.

1. Monthly Charges for school district connections, effective for usage on or after November 16, 2016:

a. Charges for connections at which the meter is installed at the point of connection to the District's water system:

- (i) Basic Service Rate: \$20 per meter
- (ii) Water Commodity Charge:

0 – 10,000 gallons	\$4.25
10,001 - 30,000 gallons	\$4.75

over 30,000 gallons \$5.50

(iii) Sewer Commodity Charge: \$4.20
(per 1,000 gallons)

b. Charges for connections at which the meter is installed on a service line past the point of connection to the District’s water system: 1.25% times the rates specified in subsection 4.(a)., above.

2. Monthly In-District Fire Hydrant Rates per Fire Hydrant Meter, effective for usage on or after November 16, 2016:

(i) Service Availability Charge: \$60.00

(ii) Commodity Charge per 1,000 gallons: \$6.00

3. Monthly Rates for Other Customers: To be determined by the District

C. Temporary Water and Wastewater Service. Temporary water and wastewater service will be provided for a five calendar-day period for the purpose of maintaining rental property or unoccupied property that is for sale. A flat fee of \$75 must be paid to the District’s representative at the time the temporary service is requested. The fee is nonrefundable, and will be used to cover the cost of initiating and terminating service, and water and wastewater used during the connection period.

D. Regulatory Assessment. A regulatory assessment charge of 1/2% of all retail water and sewer charges will be added to each customer’s monthly billing. The assessments will be remitted by the District to the Commission for use in performing its regulatory duties and in providing technical assistance and training to utilities

V. Charge for Reconnection.

In the event of any discontinuation of service, whether because of customer’s delinquency or upon a customer’s request, the customer will be required to pay all past-due amounts, plus the applicable reconnect fee, prior to service being reconnected. A reconnect fee will be charged if the customer is given notice of disconnection and all past-due amounts are not paid by the time and date specified on the notice of disconnection, regardless of whether or not service has been physically disconnected. Service will be reconnected on the same day if payment is made prior to 2:00 p.m. If payment is tendered after 2:00 p.m., the customer will be required to pay the after-hours reconnect fee in order to obtain same-day reconnection of service. The following fees will apply:

1. Water System

a. When meter removed \$ 100

b. When meter not removed \$ 40

c. After-hours reconnect fee above fee plus \$35
(when reconnection requested
or payment made after 2:00 p.m.)

2. Wastewater System - Two times the cost to the District.

VI. Metering.

A. Meter requirements.

1. Use of Meter. All water sold by the District will be charged for by meter measurements.
2. Installation by District. The District will provide and install and will continue to own and maintain all meters necessary for the measurement of water to its customers.
3. Standard Type. The District will not furnish, set up, or put in use any meter which is not reliable and of a standard type which meets industry standards; provided, however, special meters not necessarily conforming to these standards may be used for investigation or experimental purposes.

B. Meter Readings.

1. Meter Unit Indication. In general, each meter will indicate clearly the gallons of water or other units of service for which charge is made to the customer.
2. Reading of Meters. As a matter of general practice, service meters will be read at monthly intervals, and as nearly as possible on the corresponding day of each meter reading period, but may be read at other than monthly intervals if the circumstances warrant.

C. Bill Adjustment Due to Meter Error. If any meter is found to be outside of the accuracy standards established by the American Water Works Association, proper correction will be made of previous readings for the period of two months immediately preceding the removal of the meter from service for the test, or from the time the meter was in service since last tested, but not exceeding two months, as the meter will have been shown to be in error by such test, and adjusted bills will be rendered. No refund is required from the District except to the customer last served by the meter prior to the testing. If a meter is found not to have registered for any period, to have been bypassed or tampered with, to have not been installed, or is, for any reason, unable to be located, the District's representative will make a charge for units used, based on amounts used under similar conditions during the preceding or subsequent period or during corresponding periods in previous years, or used by similar users under similar circumstances.

D. Meter Tampering or Valve Tampering. For purposes of this section, "meter tampering" means tampering with a District water meter, District valve or other District equipment; bypassing a meter, operating a District valve without express authorization to do so; reconnecting service without authorization to do so, whether the disconnection was due to non-payment or for any other reason; or any other instance of diversion or bypass, including physically disorienting the meter, attaching objects to the meter to divert service or to bypass the meter, inserting objects into the meter, or using other electrical or mechanical means to tamper with, bypass, or divert water service, failing to have a meter installed or covering or physically obstructing the location of the meter. Meter tampering, bypass or diversion is prohibited. Reconnecting service without authorization will be prosecuted as theft of service. Any party who tampers with a District meter or takes water from an unmetered or other unauthorized connection to the District's Systems will be subject to a penalty in the amount of

\$5,000 per violation; each day of which will constitute a separate violation, and will also be liable for all attorney's fees incurred by the District and costs of court. The District may offset a customer's deposit against the amount of any penalties or costs imposed as a result of a violation of this section and may further require that the deposit be replaced and any unpaid penalties and costs paid before service is reconnected.

E. Meter Re-reads and Meter Tests. The District's representative will, upon request of a customer, re-read the customer's meter. Upon receipt of a request, the District's representative will advise the customer that, if the meter reading proves accurate, the customer will be billed for the cost of the meter re-read. If, upon re-reading the meter, the original reading is found to be correct, the District will charge the customer a fee to cover the cost of the re-read. If the original reading is found to be incorrect, there will be no charge to the customer.

The District's representative will, upon request of a customer, field accuracy test the accuracy of the customer's meter. Upon receipt of a request, the District's representative will advise the customer that, if the meter test proves accurate, the customer will be billed for the cost of the test. If, upon testing the meter, the meter is found to be accurate, the District will charge the customer a fee to cover the cost of the test. If the meter is found to be inaccurate, there will be no charge to the customer.

If a customer requests that a meter be pulled and tested for accuracy, the customer will be responsible for all costs incurred by the District in removing and testing the meter unless the meter registers more than two percent above or below the test result under reasonable flow quantities, in which event the costs will be borne by the District. The customer may receive a copy of the test report upon request.

F. Meter Test Facilities and Equipment.

1. The accuracy of a water meter will be tested by comparing the actual amount of water passing through it with the amount indicated on the dial. The test will be conducted in accordance with the standards for testing cold water meters as prescribed by the American Water Works Association.

2. The District will provide the necessary standard facilities, instruments, and other equipment for testing its meters in compliance with these sections.

G. Water Leak Adjustment Policy. A customer who has experienced a water leak may request a billing adjustment by submitting a written request, detailing the circumstances of the leak, to the District's representative. All requests must be accompanied by information, including invoices, confirming the existence of the leak and its repair. Upon receipt of a complete request, the District's representative will determine the customer's average historical water usage and may, provided that the customer has promptly repaired the leak, adjust the customer's water bill by reducing the charges for any water usage over the customer's average historical usage to the District's cost of water. The customer's average historical usage will be billed at the District's established rates under this Order. No adjustments will be granted if a customer has not acted diligently to identify and repair a leak, and ordinarily an adjustment will not be granted for a period longer than 30 days after the date of the customer's first utility bill which reflected abnormally high usage.

H. Meter Test Measurement Standards.

1. Measuring devices for meters tests may consist of a calibrated tank for

volumetric measurement or tank mounted upon scales for weight measurement. If a volumetric standard is used, it will be accompanied by a certificate of accuracy from any standard laboratory. If a weight standard is used, the scales will be tested and calibrated periodically by such approved laboratory and a record maintained of the results of the test.

2. Standards used for meter testing will be of a capacity sufficient to insure accurate determination of accuracy.

3. A standard meter may be provided and used by the District for the purpose of testing meters in place. This standard meter will be tested and calibrated periodically to insure its accuracy within the limits required by these sections. In any event, these tests will be made at least once per year while the standard meter is in use, and a record of such tests will be kept by the District's representative.

I. Meter Test Prior to Installation. No meter will be placed in service unless its accuracy has been established. If any meter is removed from service, it must be properly tested and adjusted before being placed in service again. No meter will be placed in service if its accuracy falls outside the limits as specified by the American Water Works Association.

VII. Rendering and Form of Bills.

A. Bills for water and sewer service will be rendered monthly. Service initiated less than one week before the next billing cycle may be billed with the following month's bill. Bills will be rendered as promptly as possible following the reading of meters. One bill will be rendered for each meter.

B. Information to be Included on the Bill. The customer's bill will show the following information, if applicable (and be arranged so as to allow the customer to readily compute his bill using a copy of the applicable rate schedule, which will be mailed to the customer on request):

- (i) the date of reading, current reading and the previous reading;
- (ii) (the number of gallons metered;
- (iii) the total amount due for water service and separately stated, the total amount due for sewer service, and total surcharge;
- (iv) the due date of the bill;
- (v) the total amount due as penalty for nonpayment within a designated period;
- (vi) the local telephone number or toll free number where the District's representative can be reached.

C. Payment Obligation. If a customer does not receive a bill or bills, his obligation to make payment for services rendered is not diminished or released.

D. Overbilling and Underbilling. If billings for District services are found to differ from the District's rates for the services, or if the District fails to bill the customer for services, a

billing adjustment shall be calculated by the District. If the customer is due a refund, an adjustment will be made for the entire period of the overcharges. If the customer was undercharged, the District will backbill the customer for the amount of the commodity actually used by the customer and may backbill at the actual cost of the commodity to the District. If the underbilling is \$25 or more, the District will offer the customer a deferred payment plan option for the same length of time as that of the underbilling. In cases of meter tampering, bypass, or diversion, the District may, but is not required to, offer a customer a deferred payment plan.

E. Prorated Charges. When a bill is issued for a period of less than one month, charges will be computed based on metered usage and the basic service rate will be prorated based on the number of days service was provided.

F. Disputed Bills.

1. A customer may advise the District that a bill is in dispute by written notice to the District's representative. A dispute must be registered with the District prior to the date of proposed discontinuance for a customer to avoid discontinuance of service as provided by these sections.

2. Notwithstanding any other section of this Order, the customer is not required to pay the disputed portion of a bill which exceeds the amount of that customer's average monthly usage at current rates pending the completion of the determination of the dispute. For purposes of this section only, the customer's average monthly usage at current rates is the average of the customer's gross District service for the preceding 12-month period. If no previous usage history exists, consumption for purposes of calculating the average monthly usage will be estimated on the basis of usage levels of similar customers and under similar conditions.

3. Notwithstanding any other section of this Order, a customer's service is not subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the determination of the dispute. The customer is obligated to pay any billings not disputed under Article IX of this Order (relating to Delinquent Accounts).

G. Adjusted Bills Due to Meter Tampering. If meter tampering occurs, a customer's bill may be determined based on any of the following methodologies:

(i) based upon service consumed by that customer at that location under similar conditions during periods preceding the initiation of meter tampering. An estimated bill will be based on at least 12 consecutive months of comparable usage history of that customer, when available, or a lesser history if the customer has not been served at that location for 12 months. This subsection does not prohibit the District from using another method of calculating a bill for unmetered water when the District's representative determines that another method is more appropriate

(ii) based upon that customer's usage at that location after the meter tampering has been corrected; or

(iii) where the amount of actual unmetered consumption can be calculated by industry-recognized testing procedures, the bill may be calculated for the consumption over the entire period of meter bypassing.

In addition to charges under this section, the customer will be responsible for all penalties and charges imposed under Section D, above, and/or Section H, below.

H. Equipment Damage Charges. The District will charge for all labor, material, equipment, and other costs necessary to repair or replace equipment damaged due to meter tampering, service diversion, or the discharge of wastewater which the District's system cannot properly treat. The District will charge for all costs incurred to correct any instance of meter tampering, service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of these charges will be provided to the customer.

VIII. Delinquent Accounts.

A. The District will bill each customer monthly for all services rendered in the preceding month. All bills will be considered past due and become delinquent if not paid by the third day after the date of issuance ("Due Date"). The customer will be subject to termination of service, if full payment, including late fees, is not received by the 20th day of the month ("Delinquency Date"). If the due date falls on a Saturday, Sunday, or legal holiday on which banks are required to close in the State of Texas, the applicable period will be extended to the next business day.

B. A late charge of ten percent (10%) of the amount of the bill will be added on the Delinquency Date and this late fee shall continue to be assessed each month while the delinquent amount remains unpaid.

C. The District reserves the right to institute suit for the collection of any amounts due and unpaid, together with interest thereon at the maximum legal rate and reasonable attorneys' fees.

D. The District further reserves the right to charge a customer paying a bill with a check which is dishonored an amount established from time to time by the District's representative, which amount will be based on the prevailing or usual charges made for dishonored checks and drafts by other vendors in the same general area as the District.

E. Notification of Alternative Payment Programs or Payment Assistance. If a customer contacts the District's representative to discuss his inability to pay a bill or indicates that he is in need of assistance with his bill payment, the District's representative will inform the customer of all available alternative payment and payment assistance programs available from the District, such as deferred payment plans, as applicable, and of the eligibility requirements and procedure for applying for them. A deferred payment plan is any arrangement or agreement between the District and a customer in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. All deferred payment agreements must be in writing. It is understood that the District's representative may suspend the termination of services to customers for up to 30 days based upon the District's representative's determination that the customer is making a good faith effort to pay the District's account; however, extensions beyond 30 days must be approved by the Board.

F. Post-Bankruptcy Services. In the event of bankruptcy of any District customer, amounts due for pre-bankruptcy services will be posted to the customer's existing account and amounts due for post-bankruptcy services will be posted to a separate account. The customer will be required to provide the District with adequate assurance of payment for services rendered after the date of the bankruptcy filing, in the form of a security deposit satisfying the

requirements of this Order. Any existing security deposit will be held by the District as security for sums due for pre-bankruptcy services and will not be credited towards the security deposit for post-bankruptcy services. If the customer fails to furnish the required security deposit for post-bankruptcy services to the District, the District may discontinue service to the customer in accordance with the provisions of this Order.

IX. Termination of Service.

A. Disconnection with Notice. District service may be disconnected after proper notice for any of the following reasons:

1. within 30 days from the date of the issuance of a currently delinquent bill, the customer has neither paid the delinquent bill and all currently past due bills nor entered into, and commenced paying under, a written deferred payment agreement;
2. the customer has defaulted in the obligations under any deferred payment agreement;
3. violation of the this Order or any other rules of the District pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation; or
4. failure to comply with deposit arrangements where required by Article II of this Order.

B. Disconnection Without Notice. District service may be disconnected without notice where a known dangerous condition related to the type of service provided exists for as long as the condition exists or where service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment or in instances of tampering with the District's meter or equipment, bypassing the same, or other instances of diversion. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of and the reason for disconnection will be posted at the place of common entry or upon the front door of each affected structure as soon as possible after service has been disconnected.

C. Disconnection Prohibited. District service will not be disconnected in the following circumstances:

1. delinquency in payment for District service by a previous occupant of the premises; or
2. failure to pay the account of another customer as guarantor thereof, unless the District has in writing required the guarantee as a condition precedent to service; or
3. the customer has notified the District's representative of the customer's desire to protest the disconnection, which requires the District to comply with the procedures set forth in Section E prior to disconnecting the customer's service.

D. Notice of Disconnection of Service.

1. Mailed Notice. Proper notice of disconnection of service consists of a separate mailing by first class mail, postage prepaid at least 10 days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The information included in the notice will be provided in English and Spanish if necessary to adequately inform the customer. A statement notifying the customer that, if they are in need of assistance with payment of their bill, they may be eligible for alternative payment programs, such as deferred payment plans, and to contact the District representative for more information must be attached to or on the face of the termination. The notice will advise the customer of the basis for the District's decision to disconnect service and that he has the right to request a hearing on the matter by contacting the District's representative at least 48 hours before the stated date of disconnection. The District's representative's telephone number must appear on the notice together with information regarding appropriate times to contact the representative. If notice is mailed, the stated date of disconnection may not fall on a holiday or weekend, but will be the next working day after the 10th day. Payment at the District's authorized payment agency is considered payment to the District. The District will not issue a termination notice to the customer earlier than the first day a bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the District's authorized payment agency.

E. Customer Appeal Procedures.

1. Informal Hearing. Upon receipt of a customer's request to protest the termination of service, the District's representative will schedule an informal hearing with the customer and his representative prior to disconnection. The presiding officer at the informal hearing will be an individual who did not participate in the initial decision to pursue disconnection of the customer's service. The customer will be allowed to question the District's billing representative at the informal hearing regarding the basis for the decision to terminate service and present any testimony or evidence regarding the termination of service or its basis. The presiding officer will render a decision on the matter and state reasons for the decision and the grounds upon which the decision is based.

2. Appeal. The customer may appeal the decision of the presiding officer to the Board. If the customer posts a bond in an amount sufficient to cover the cost determined by the presiding officer to be due, the District will not proceed with termination of the customer's service until a final decision is made by the Board.

F. Disconnection. If payment of all delinquent and past due amounts has not been made by 5:00 p.m. on the date specified by written notice to the customer, and no other arrangements for payment have been made, service will be disconnected. In order to reconnect service, the customer must pay all delinquent and past-due amounts, plus the applicable reconnect fee. The reconnect fee will be due regardless of whether or not service has been physically disconnected. If payment is tendered after 2:00 p.m. on the date of disconnection, the customer must pay the after-hours reconnect fee in order to obtain same-day reconnection of service. If a customer defaults under a payment plan entered into with the District, termination procedures will immediately be initiated.

G. Disconnection on Holidays or Weekends. Unless a dangerous condition related to the type of service provided exists, or unless the customer requests disconnection, service will not be disconnected on a day, or on a day immediately preceding a day, when personnel of the District are not available to the public for the purpose of making collections and reconnecting service.

H. Disconnection for Ill and Disabled. The District may not discontinue service to a delinquent residential customer permanently residing in an individually-metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at the residence becoming seriously ill or more seriously ill. Each time a customer seeks to avoid termination of service under this section, the customer must have the attending physician (for purposes of this section, the term “physician” means any public health official, including medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the District’s representative within 15 days of issuance of the bill. A written statement must be received by the District’s representative from the physician within 30 days of the issuance of the bill. The customer who makes such request must enter into a deferred payment plan with the District.

I. Reconnection of Services. If service is discontinued for any reason, reconnection of services will be established within 24 hours of payment of the past due bill in its entirety and any other outstanding charges, including all reconnection fees.

J. Meter Removal. The District’s representative will remove a customer’s water meter if the customer illegally restores his service without payment of his delinquent account.

K. Late Fees and Disconnections During an Extreme Weather Emergency for Nonpayment.

1. Notwithstanding any other provision of this Order, the District may not impose a late fee on, or disconnect the retail water or sewer service of, an Affected Customer for nonpayment of a bill that is due during an Extreme Weather Emergency until after the Extreme Weather Emergency is over. An “*Affected Customer*” is a customer that receives retail water or sewer service from the District in an area experiencing an Extreme Weather Emergency and has a bill due during the Extreme Weather Emergency. An “*Extreme Weather Emergency*” is a period beginning when the previous day’s highest temperature in an area did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. An Extreme Weather Emergency is over on the second business day that the temperature exceeds 28 degrees Fahrenheit.

2. An Affected Customer may request to establish a Payment Schedule for unpaid bills that are due during an Extreme Weather Emergency. A “*Payment Schedule*” is an agreement between the District and an Affected Customer that allows the Affected Customer to pay, in one or more installments, an unpaid bill due during an Extreme Weather Emergency after its due date. If the District receives a request to establish a Payment Schedule within 30 days from the date the Extreme Weather Emergency ends (a “*Timely Request*”), it must offer the requesting Affected Customer a Payment Schedule and a deadline for accepting the Payment Schedule (the “*Acceptance Deadline*”). A Payment Schedule may be established in person, by telephone, or online, but all payment schedules must be reduced to writing and provided to the Affected Customer. A Payment Schedule offered may (i) include a finance charge, conspicuously stated on the Payment Schedule, for late fees on the Payment Schedule not to exceed an annual rate of 10 percent simple interest; and (ii) require payment in one or more installments. A Payment Schedule offered must (i) be written in plain language in English and, if requested, Spanish; (ii) identify the total amount due, and, if payment is to be made in multiple installments, the number of installments and the amount of each installment; (iii) identify the deadline for payment, or if payment is to be made in multiple installments, the deadline for each installment; (iv) identify the dates the Extreme

Weather Emergency occurred, and the due dates and amounts owed of any bills that were due during the Extreme Weather Emergency; and (v) include a statement, in a clear and conspicuous type, that states “If you are not satisfied with this agreement, or if the agreement was made by telephone and you feel this does not reflect your understanding of that agreement, contact Crossroads Utility Services at (512) 246-1400.”

3. The District may not disconnect retail water or sewer service for nonpayment of bills due during an Extreme Weather Emergency of an Affected Customer that has made a Timely Request for a Payment Schedule until after the Payment Schedule has been offered and the Affected Customer has either declined to accept the Payment Schedule by the Acceptance Deadline or violated the terms of the Payment Schedule. Any preexisting disconnection notices issued to an Affected Customer for nonpayment of a bill due during an Extreme Weather Emergency are suspended upon the Timely Request for a Payment Schedule. If the Affected Customer does not accept the offered Payment Schedule by the Acceptance Deadline or violates the terms of the Payment Schedule, any suspended disconnection notices are reinstated, and the District may renegotiate the terms of the Payment Schedule or disconnect service on or after the disconnection date listed on the disconnection notice. If the Affected Customer does not accept the offered Payment Schedule by the Acceptance Deadline or violates the terms of the Payment Schedule and there is not a preexisting disconnection notice, the District must issue a disconnection notice under 16 TAC § 24.167 (related to Discontinuance of Service) prior to disconnecting the water or sewer service of the Affected Customer.

X. Continuity of Service.

A. Service Interruptions.

1. The District will make all reasonable efforts to prevent interruptions of service. When interruptions occur, the District will re-establish service within the shortest possible time.

2. The District will make reasonable provisions to meet emergencies resulting from failure of service, and the District will issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

3. In the event of national emergency or local disaster resulting in disruption of normal service, the District may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

B. Record of Interruption. Except for momentary interruptions due to automatic equipment operations, the District’s representative will keep a complete record of all interruptions, both emergency and scheduled. This record will show the cause for interruptions, date, time, duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

XI. Customer Service Agreement and Plumbing Regulations.

A. Authority; Service Agreement. In accordance with Chapter 341, Subchapter C, *Texas Health and Safety Code* and 30 *Texas Administrative Code* § 290.46(i), all customers receiving water and/or wastewater utility service from the District are subject to the

requirements of this Article. The provisions of this Article constitute a service agreement between the District and each customer receiving utility services from the District. By requesting and/or accepting utility service from the District, each customer agrees to comply with the provisions of this Article.

B. Purpose. The District is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this Article is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must agree to comply with this section as a condition to receiving water and/or wastewater services from the District.

C. Plumbing Restrictions. The following undesirable plumbing practices are prohibited:

1. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination must be isolated from the public water system by a Code-approved air-gap or an appropriate Backflow Prevention Device. In addition, any pressure relief valves and/or thermal expansion devices must comply with the Code, as well as any applicable State plumbing codes.

2. No cross-connection between the District's potable water distribution system and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone Backflow Prevention Device.

3. No connection which allows water to be returned to the District's potable water distribution system is permitted.

4. No pipe or pipe fitting which contains more than eight percent (8.0%) lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

5. No solder or flux which contains more than .02 percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

6. Copper water lines, including customer service lines, will not be permitted unless completely wrapped with an impermeable material approved by the District's representative at the time of installation, and such installation is inspected by the District's representative prior to the time the lines are covered.

D. Service Conditions. The following are the terms for the provision of service between the District and each customer of the District:

1. The customer must comply with the provisions of this Order as long as the customer is receiving service from the District.

2. The customer must allow his or her property to be inspected for possible cross-connections and other undesirable plumbing practices as required by this Order. These inspections will be conducted by the District or its designated agent prior to initiating service

and may be conducted periodically thereafter. All inspections will be conducted during the District's normal business hours.

3. The District will notify the customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or periodic reinspection.

4. The customer must immediately correct any undesirable plumbing practice on his premises.

5. The customer must, at his expense, properly install, test, and maintain any Backflow Prevention Device required by the District. Copies of all testing and maintenance records must be provided to the District.

6. The customer agrees that the District does not guarantee any specific quantity or pressure of water. The District is not liable to the customer for any failure or refusal to furnish any particular amount or pressure of water to the customer at any time.

E. Backflow Prevention Devices.

1. Backflow Prevention Devices are required to be installed, at the customer's expense, on all sprinkler systems, spas and pools.

2. If the District determines that there is an actual or potential source of contamination, pollution or hazard to the District's water system, the District may require the installation of a Backflow Prevention Device at any existing meter or fixture, and/or prohibit a new connection to the District's water system unless:

a. there is a Code-approved air gap between the potential source of contamination, pollution or hazard and the drinking water supply; or

b. a Backflow Prevention Device is installed between the potential source of contamination, pollution or hazard and the drinking water supply.

3. A Backflow Prevention Device must be tested upon installation. The test must be conducted by an individual who has completed a Commission-approved course on cross-connection control and backflow prevention and passed an exam administered by the Commission or its agent, who must complete and deliver to the District a signed, original "Backflow Prevention Assembly Test and Maintenance Report in the form attached to this Order as **Exhibit B**.

4. A Backflow Prevention Device that is installed to protect against cross-connection, potential cross-connection, or other situation involving any substances that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply must be inspected and certified to be operating within American Water Works Association or University of Southern California specifications at least annually by a Recognized Tester.

5. All test and maintenance reports must be completed in the form attached as **Exhibit B**, or a form that contains the same information, and must be filed with the District within 30 days of the test date, regardless of whether the report indicates a passed or failed test.

6. The District will maintain test and maintenance reports for at least three years.

F. Enforcement. Any customer who fails to comply with the terms of this Article may be assessed a fine in accordance with Article XV of this Order. In addition, the District may terminate service and/or properly install, test, and maintain an appropriate Backflow Prevention Device at the service connection. Any expenses associated with the enforcement of this Article will be billed to the customer.

XII. Customer Service Inspections.

A. Inspection. In accordance with 30 *Texas Administrative Code* §290.46(j), an applicant for service or customer must submit a completed customer service inspection certification to the District in the following instances:

1. before the District provides service to new construction;
2. when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist; or
3. after any material improvement, correction or addition to any existing private plumbing facilities.

B. Certifications. A customer service inspection certification in the form attached as **Exhibit C** must be completed at the applicant's or customer's expense by:

1. a plumbing inspector and water supply protection specialist licensed and in good standing with the Texas State Board of Plumbing Examiners;
2. a certified waterworks operator and employee of the District's management company who has completed a training course, has passed an examination administered by the Commission or its designated agent, and holds an endorsement granted by the Commission or its designated agent; or
3. a licensed plumber, if the inspection and certification are for a single-family residential service.

C. Records. The District will maintain copies of completed customer service certifications for a minimum of ten years.

D. Unacceptable Plumbing Practices. If unacceptable plumbing practices are discovered, they must be promptly repaired and eliminated by the customer or applicant for service to prevent contamination of the water supplied by the District. The existence of an unacceptable plumbing practice is sufficient grounds for immediate termination of service without notice in order to protect the health and safety of all District customers. Service will not be restored until the potential source of contamination has been eliminated or additional safeguards have been taken and a new customer service inspection certification is provided to the District.

E. Enforcement. If the customer fails to comply with the terms of this Article, the District may assess fines in accordance with Article XV of this Order, and may terminate service. Any expenses associated with the enforcement of this Article will be billed to the customer.

XIII. Service Commitment, Out of District Service, Plan Review and Inspection Fees.

Applicants for service commitments, out-of-district service requests, construction plan review and/or inspection, subdivision plan review and/or inspection or other types of District approvals are responsible for the payment of all legal, engineering and/or management fees incurred by the District in reviewing their applications. The District's representative will establish a deposit amount equivalent to the estimated consultant fees that are expected to be incurred in connection with the application, and the applicant must deposit this amount with the District prior to any review or processing work being initiated. All consultants fees associated with the application incurred by the District will be charged against the deposit. Upon completion of the review process, the applicant must pay any fees incurred by the District in excess of the deposit. Any excess deposit remaining after payment of all fees will be returned to the applicant. No service commitment or plan approval will be issued by the District until all fees are paid.

XIV. Development and Utility Construction Agreements.

Applicants who desire to enter into a utility construction agreement or other type of development agreement with the District must pay all legal, engineering and/or management fees incurred by the District in the negotiation and preparation of the agreement. No agreement will be executed by the District or become effective until these fees are paid.

XV. Penalties.

A. Water and sanitary sewer service will not be provided by the District until all requirements of this Order have been met.

B. The provisions of this Order constitute rules adopted under Section 54.205, *Texas Water Code*. Violation of any provision of this Order will result in the offending party being subject to the payment of a penalty in an amount, not to exceed \$5,000 per violation, established by the Board. Each day during which an offense continues will constitute a separate violation. In addition to the penalty established by the Board, the violating party will be liable to the District for any other penalty provided by the laws of this State, and any costs incurred by the District in connection with any repairs or corrections necessitated by any violation. If the District prevails in any suit to enforce the provisions of this Order, the District may additionally recover its reasonable attorneys' fees, expert witness fees and other costs incurred by the District before the Court.

C. The District's attorney is directed to publish notice of the rules contained in this Order as provided by Section 54.207, *Texas Water Code*.

XVI. Supersedes Prior Rate Orders.

This Order supersedes and replaces all prior District rate orders.

[Remainder of page intentionally left blank. Signature page follows.]

PASSED AND APPROVED this 10th day of May, 2023.



Carter Breed, President
Board of Directors

ATTEST:



Thomas S. Cooper, Secretary
Board of Directors

**EXHIBIT A
APPLICATION FOR SERVICE**

WATER/WASTEWATER SERVICE APPLICATION

Return to: Paloma Lake Municipal Utility District No. 2 Work Order #: _____
 c/o Crossroads Utility Services, LLC.
 2601 Forest Creek Drive
 Round Rock, Texas 78665-1232 (512) 246-1400 Date: _____

Applicant's Name: _____ Property Owner's Name: _____

Service Address: _____ Property Owner's Address: _____

Billing Address: _____

Date to BEGIN Service:

Applicant's Phone No.: _____ Applicant is: Owner Tenant
Other

Applicant's Driver's License: _____ Applicant's Employer: _____

Applicant's Social Security No.: _____ Work Phone: _____

Applicant's Previous Address: _____ Spouse's Name & Work No.: _____

How Long at this Address: _____ Name & Address of Nearest Relative NOT
Living with You:

The undersigned hereby makes application to Paloma Lake Municipal Utility District No. 2 for water, wastewater and solid waste disposal services. We/I understand and agreed that we/I will be responsible for all water, wastewater and solid waste disposal services provided to the property described in this application until such time as service to the property is disconnected in accordance with the District's rules and regulations regarding utility services. We/I agree to comply with the District's rules and regulations and to pay for all utility services rendered to the property in a timely manner and understand that a violation of the rules and regulations may result in a penalty and/or the termination of utility service to my/our property. We/I understand and agree to the terms and conditions of the Service Agreement attached as **Exhibit 1** to this Application. I/We represent that the information above is true and correct.

Customer Signature: _____
Date: _____

Under Chapter 182, Subchapter B, *Texas Utilities Code*, you have the right to request confidentiality of certain information in your account records, including address, telephone number or social security number or information relating to the volume or units or utility usage or the amounts billed to or collected from you. Please check one of the following:

I request that the personal information described above be kept confidential.

I do not request that the personal information described above be kept confidential.

Customer Signature: _____

Date: _____

EXHIBIT 1

SERVICE AGREEMENT

I. **PURPOSE.** Paloma Lake Municipal Utility District No. 2 (the "*District*") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this agreement.

PLUMBING RESTRICTIONS. The following unacceptable plumbing practices are prohibited:

No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination must be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

No connection which allows water to be returned to the public drinking water supply is permitted.

No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

SERVICE AGREEMENT. The following are the terms of the service agreement between the District and _____ ("*Customer*").

The District will maintain a copy of this agreement as long as Customer and/or the premises is connected to the District's water system.

Customer agrees to allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections will be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other

unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections will be conducted during the District's normal business hours.

The District will notify Customer in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic reinspection.

Customer must immediately correct any unacceptable plumbing practice on his/her premises.

Customer will, at his/her expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records will be provided to the District.

Customer understands and agrees that the District does not guarantee any specific quantity or pressure of water for any purpose whatsoever and that the District is not liable to customer for failure or refusal to furnish any particular amount or pressure of water to Customer at any time.

ENFORCEMENT. If Customer fails to comply with the terms of the Service Agreement, the District may, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this Service Agreement will be billed to Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

ADDRESS: _____

**EXHIBIT B
BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT**

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the public water supplier for recordkeeping purposes.

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

NAME OF PWS: _____

PWS I.D. #: _____

LOCATION OF SERVICE: _____

The back flow prevention assembly detailed below has been tested and maintained as required by Texas Commission on Environmental Quality regulations and is certified to be operating within acceptable parameters.

Not needed at this address

TYPE OF ASSEMBLY

Reduced Pressure Principle
Double Check Valve

Pressure Vacuum Breaker
Atmosphere Vacuum Breaker

Manufacturer: _____ Size: _____

Model Number: _____ Located At: _____

Serial Number: _____

	Reduced Pressure Principle Assembly		Pressure Vacuum Breaker		
	Double Check Valve Assembly		Relief Valve	Air Inlet	Check Valve
	1st Check	2nd Check		Opened at _____ psid	_____ psid
Initial Test	DC - Closed Tight RF _____ psid Leaked	Closed Tight Leaked	Opened at _____ psid	Did Not Open	_____ psid Leaked
Repairs and Materials Used					
Test After Repair	DC - Closed Tight RF _____ psid Leaked	Closed Tight	Opened at _____ psid	Opened at _____ psid	_____ psid

The above is certified to be true.

Firm name: _____

Certified Tester: _____

Firm Address: _____

Cert. Tester No.: _____

Date: _____

**EXHIBIT C
CUSTOMER SERVICE INSEPTION CERTIFICATION**

Name of PWS: _____

PWS I.D. #: _____

Location of Service: _____

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

Compliance	Compliance	Non-
(1) No direct connection between the public water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.		
(2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.		
(3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.		
(4) No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988.		
(5) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1998.		
(6) No plumbing fixture is installed which is not in compliance with a state approved plumbing code.		

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service Lines:	Lead	Copper	PVC	Other
Solder:	Lead	Lead Free	Solvent Weld	Other

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

Signature of Inspector

Registration Number

Title

Type of Registration

Date

License Expiration Date