

or registered professional engineer; (c) all intended land uses in the development, including detailed information concerning the types of land uses proposed; (d) the projected water demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out for the development and associated water demand during the build-out; (e) a schedule of events leading up to the anticipated date upon which service from the CCN holder will first be needed; and a proposed calendar of events, including design, plat approval, construction phasing and initial occupancy. Applicant/Developer must establish that current and projected service demands justify the level and manner of service being requested. In making his/her written request for service, the Applicant/Developer must advise the CCN holder that he/she may request expedited decertification from the TCEQ.

Upon payment of the required fees, the Corporation shall review Applicant/Developer's service request. If no additional information is required from Applicant/Developer, the Corporation will prepare a written report on Applicant/Developer's service request, subject to any final approval by the Corporation's governing body (if applicable) which must be completed within the 90 days from the date of application and payment of the required fees. The Corporation's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the Applicant/Developer, and the costs for which the Applicant/Developer will be responsible (including capital improvements, easements or land acquisition costs, and professional fees).

In the event the Corporation's initial review of the Applicant/Developer's service request shows that additional information is needed, the Corporation will notify Applicant/Developer of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the Corporation receives the Applicant/Developer's payment of the required fees. Applicant/Developer should respond to the Corporation's request for additional information within 15 days of receipt of the Corporation's written request. The Corporation will provide the written report, including any final approval by the Corporation's Board (if applicable) within 90 days from the date of the initial application and payment of all required fees.

Following receipt of the additional information from Applicant/Developer, the Corporation will proceed with preparing the written report to Applicant/Developer, as described above. By mutual written agreement, the Corporation and the Applicant/Developer may extend the time for review beyond the 90 days provided for expedited petitions to the TCEQ.

4. Upon final approval by the Corporation and acceptance of proposal for service by the Applicant/Developer, a non-standard service contract will be executed and the Corporation shall provide service according to the conditions contained in the Non-Standard Service Contract.

SECTION G.

RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be non-refundable.

1. ***Service Investigation Fee.*** The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
 - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
 - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
 - (1) provide cost estimates of the project,
 - (2) to present detailed plans and specifications as per final plat,
 - (3) to advertise and accept bids for the project,
 - (4) to present a Non-Standard Service Contract to the Applicant, and
 - (5) to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. ***Membership Fee.*** At the time the application for service is approved, the Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation.
 - a. The Membership Fee for water service is \$100.00 for each service unit.
 - b. Membership Fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence or actual connections served.
3. ***Easement Fee.*** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements on behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites on behalf of the Applicant. (See Section E.3, F.8)
4. ***Installation Fee.*** The Corporation shall charge an installation fee for service as follows:
 - a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.

- c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.3.e of this Tariff.

5. **Front-End Capital Contribution.** In addition to the Membership Fee, each Applicant shall be required to contribute capital in an amount projected to defray the cost of up-grading system facilities to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing or reserving service on a per residential meter equivalent basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The current fee is \$5,000.00. This fee is applicable to all new Memberships.

6. **Monthly Charges.**

a. **Service Availability Charge (Monthly Minimum)**

Water Service - The monthly charge for metered water service, which may or may not include allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications) (see Miscellaneous) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

METER SIZE	RECOMMENDED CONTINUOUS RATE OF FLOW	METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	10.0 GPM	1.0	\$ 40.00
3/4"	15.0 GPM	1.5	\$ 40.00
1"	25.0 GPM	2.5	\$ 61.25
1-1/2"	50.0 GPM	5.0	\$ 122.50
2"	80.0 GPM	8.0	\$ 196.00
3" DISP.	90.0 GPM	9.0	\$ 220.50
3" CMPD.	160.0 GPM	16.0	\$ 392.00
3" TURB.	175.0 GPM	17.5	\$ 428.75
4" CMPD.	250.0 GPM	25.0	\$ 612.50
4" TURB.	300 GPM	30.0	\$ 735.00
6" CMPD.	500 GPM	50.0	\$ 1225.00
6" TURB.	625 GPM	62.5	\$ 1531.25
8" CMPD.	800 GPM	80.0	\$ 1960.00
10" CMPD	1,150 GPM	115	\$ 2817.50

- b. **Reserved Service Charges** -- The monthly charge for each non-standard account at a specific location for which a meter has not been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserved service. This monthly charge shall be based on the Corporation's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's property designated to receive service. This fee is the Service Availability Charge for Metered Service on a per Service Unit basis.
- c. **Gallonage Charge** - In addition to the Service Availability Charge, a gallonage charge shall be added at the following rates for usage during any one (1) billing period.

Water Rate

The \$/1000 gallons rate is:

0	10,000 gallons	\$5.40
10,000	– 20,000 gallons	\$5.60
20,001	– 30,000 gallons	\$5.80
30,001	– 40,000 gallons	\$6.30
40,001	– 50,000 gallons	\$6.80
50,001	– 60,000 gallons	\$12.60
60,001	– and above gallons	\$12.60

The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6 Monthly Charges of this Tariff. (30 TAC 291.76 d.(3)(i))

7. **Assessments** – If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations. (Article XVIII of Bylaws, Section I.)
8. **Late Payment Fee.** Once per billing period, a penalty of \$25.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period. **NOTE:** For Political Subdivisions and state agencies the above late payment fee does not apply. Instead a late penalty of 1% shall be assessed for any amount unpaid on the 46th day after the bill is received by the state agency or political subdivision and an additional 1% shall be assessed for each month thereafter that the bill remains unpaid. (See Government Code Chapter 2251)
9. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$10.00 per notification. (See Miscellaneous Transaction Forms.)
10. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of \$10.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation. (See Miscellaneous Transaction Forms.)
11. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$50.00. (see Miscellaneous Transaction Forms)

12. **Reconnect Fee.** The Corporation shall charge a fee of \$100.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E.3.b. Re-Service.
13. **Service Trip Fee.** The Corporation shall charge a trip fee of \$100.00 for any service call or trip to the Member's tap as a result of a request by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities) or for the purpose of disconnecting or collecting payment for services.
14. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.
15. **Customer History Report Fee.** A fee of \$25.00 shall be charged to provide a copy of the Members record of past water purchases in response to a Member's request for such a record.
16. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, the actual cost shall be imposed on the affected account.
17. **Non-Disclosure Fee.** A fee of \$5.00 shall be assessed any customer requesting in writing that personal information under the terms of this tariff not be disclosed to the public.
18. **Information Copy Fee.** A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Buildings and Procurement Commission set forth in 1 TAC Section 111.70.
19. **Customer Service Inspection Fee.** A fee of \$100.00 will be assessed each Applicant before permanent continuous service is provided to new construction. A \$25.00 Re-Inspection Fee will be assessed to the Applicant each time the Customer Service Inspector has to return to the property to re-inspect the new construction before it passes inspection and permanent continuous service is provided to the facility.
20. **Groundwater District Production Fee** – A fee of _____ per thousand gallons of water used by each customer; this fee is collected to pay a portion of the annual fee charged by the Corporation by the McLennan County Groundwater Conservation District based on the amount of water pumped from the Corporation's wells located within the boundaries of the District.
21. **Other Fees.** All services outside the normal scope of utility operations which the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.

22. **Copy of Tariff.** A fee of \$15.00 will be charged for a copy of the tariff.
23. **Attorney's Fee.** If the Corporation incurs attorney's fees, court costs, or related expenses including expert fees and expenses (collectively called "Attorney's fees"), incident to (1) collecting any Member's late-paid or unpaid fee, charge, bill, rate or contribution which is assessed or charged under any Tariff provision, or (2) any Member's violation or breach of any Tariff provision, the Corporation shall be entitled immediately upon demand to reimbursement from the Member for such Attorney's fees, and if unpaid may recover such Attorney's fees from the Member in a legal action.
24. **Administrative Fees.** The Corporation will charge an administrative fee of \$25.00 for copies or photocopies of documents or other such statements of information in response to requests for such information from any individual or business entity or agency.
25. **Fees and Charges For Adding a Development, Subdivision or Non-Standard System to the System.** The Developer is to pay for the investigation of the existing system to determine if the development, subdivision or non-standard service can be served or if improvements are needed to serve the subdivision or non-standard service.
- The preliminary Hydraulic Study charge will be an Engineer's Fee. This fee is payable in advance to the Spring Valley WSC.
- If the Engineers report indicates that the Spring Valley WSC can handle the increased load, then the Spring Valley WSC and the Developer may enter into an agreement. If the Engineers report shows the Spring Valley WSC cannot handle the increased load, then the Developer and the Engineer may enter into a contract for the Engineer to draw up plans and costs for bringing the Spring Valley WSC up to capacity to handle the increased demand, it being understood that the Developer shall pay the Engineer for this study and the Developer shall bear the entire cost of upgrading the Spring Valley WSC to serve his development, subdivision or non-standard service.
26. **Regulatory Assessment.** A fee of 0.5% of the amount billed for water service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Oct. 2002. TCEQ Section 291.76 (c).)
27. **Additional Assessments.** In the event any federal, state or local government imposes on the Corporation a "per meter" fee or an assessment based on a percent of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
28. **Broken Cut-Off Replacement Fee.** A fee of \$100.00 shall be assessed if a customer/member breaks/damages the curb-stop (company cut-off).

SECTION H.
DROUGHT CONTINGENCY
AND
EMERGENCY WATER DEMAND MANAGEMENT PLAN

1. INTRODUCTION

The goal of this plan is to cause a reduction in water use in response to drought or emergency conditions so that the water availability can be preserved. Since emergency conditions can occur rapidly, responses must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the rationing program.

A Drought/Emergency Management Committee consisting of two Board Members and the System Manager will monitor usage patterns, public education efforts and make recommendations to the Board on future conservation efforts, demand management procedures or any changes to this plan. The Committee will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during a drought or emergency. This Committee will also review and evaluate any needed amendments or major changes due to changes in the WSC service area population, distribution system or supply. This review and evaluation will be done on a regular basis of five years unless conditions necessitate more frequent amendments.

The plan will be implemented according to the three stages of rationing as imposed by the Board. Section D describes the conditions that will trigger these stages.

2. PUBLIC INVOLVEMENT

Opportunity for the public to provide input into the preparation of the Plan was provided by the Board by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

3. COORDINATION WITH REGIONAL WATER PLANNING GROUP

The water service area of Spring Valley Water Supply Corp. is located within the Brazos River Authority and Spring Valley Water Supply Corp. has provided a copy of the Plan to the Brazos River Authority.

4. TRIGGER CONDITIONS

The Drought Emergency Management Committee is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specific triggers are reached. The Committee will monitor monthly operating reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering

conditions described below take into consideration: the vulnerability of the water source under drought of record conditions, the production, treatment and distribution capacities of the system, and member usage based upon historical patterns

- a. **Stage I - Mild Conditions:** Stage I water allocation measures may be implemented when one or more of the following conditions exist:
 1. Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 2. Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 3. There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.
- b. **Stage II - Moderate Conditions:** Stage II water allocation measures may be implemented when one of the following conditions exist:
 1. Water consumption has reached 90 percent of the amount available for three consecutive days.
 2. The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days. Example: The highest recorded water level drops ____ () feet or more for ____ () consecutive days.
- c. **Stage III - Severe Conditions:** Stage III water allocation measures may be implemented when one of the following conditions exist:
 1. Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
 2. Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 3. Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24 hour period.
 4. Natural or man-made contamination of the water supply source(s).
 5. The declaration of a state of disaster due to drought conditions in a county or counties served by the Corporation.
 7. Other unforeseen events which could cause imminent health or safety risks to the public.

5. STAGE LEVELS OF ALLOCATIONS

The stage levels of water allocations are to be placed in effect by the triggers in Section D. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of the Stages listed below. The water allocation measures are summarized below.

a. Stage I - Mild Conditions

1. Alternate day, time of day, or duration restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect)
2. The system will reduce flushing operations.

3. Reduction of customer's water use will be encouraged through notices on bills or other method.

b. Stage II - Moderate Conditions

- a. All outside water use is prohibited (except for livestock or other exemption or variance granted under this section).
- b. Make public service announcements as conditions change via local media (TV, radio, newspapers, etc.).

c. Stage III - Severe Conditions

1. All outside watering prohibited.
2. Water use will be restricted to a percentage of each member's prior months usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- c. Corporation shall continue enforcement and educational efforts.

NOTE :

- Refer to your water purchase contract for additional restrictions/requirements that may be imposed by stipulations from the wholesale supplier.
- There may be additional restrictions imposed by Governmental Entities.
- Meters will be read as often as necessary to insure compliance with this program for the benefit of all the customers.

6. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the Corporation, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Drought/Emergency Management Committee, decide if the appropriate stage of rationing shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water rationing is to be instituted, written notice to the customers shall be given.

Written notice of the proposed water allocation measure shall be mailed or delivered to each affected customer upon the initiation of each stage. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water rationing shall begin,
- b. The expected duration,
- c. The stage (level) of water allocation to be employed,
- d. Penalty for violations of the water allocation program, and
- e. Affected area or areas

A sample Customer Notice of rationing condition is included in Miscellaneous Transaction Forms of this tariff.

If the water allocation program extends 30 days then the Chairperson of the Drought/Emergency Management Committee or manager shall present the reasons for the allocations at the next scheduled Board Meeting and shall request the concurrence of the Board to extend the allocation period.

When the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the Board.

7. PENALTIES FOR VIOLATIONS

- a. First Violation** – The customer/member will be notified by a written notice of their specific violation and the penalty to be assessed for continued violations.
- b. Second Violation** – The Corporation will assess a penalty of \$_____.
- c. Subsequent Violations** – The Corporation will assess an additional penalty of \$_____ for violations continuing after the Second Violation.

These provisions apply to all customers of the Corporation.

8. EXEMPTIONS OR WAIVERS

The Drought/Emergency Management Committee may, in writing, grant a temporary variance for water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health or sanitation for the public or the person requesting such variance and if one or more of the following conditions are met:

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

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Drought/Emergency Management Committee within 5 days after the Plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the Committee and shall include the following:

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

Variances granted by the Committee shall be subject to the following conditions, unless specifically waived or modified by the Committee or Board of Directors:

- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specific requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under

Schedule F. Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the Committee's decision on any subsequent petition.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the instance of the variance.

9. IMPLEMENTATION

The Board establishes a Drought/Management Committee by Resolution, the chairperson, of which, will be the responsible representative to make Drought and Emergency Water Management actions. This Committee will review the procedures in this plan annually or more frequently. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.

This Plan was adopted by the Board at a properly noticed meeting held on September 19, 2004.

Spring Valley

WATER SUPPLY CORPORATION SERVICE APPLICATION & AGREEMENT

CORPORATION USE ONLY

Date Approved
Service Classification
Cost
Work Order Number
Eng. Update
Account Number
Service Inspection Date

Please Print: DATE _____

APPLICANT'S NAME _____

CO-APPLICANT'S NAME _____

CURRENT BILLING ADDRESS: FUTURE BILLING ADDRESS:

PHONE NUMBER - Home () - Work () -

PROOF OF OWNERSHIP PROVIDED BY (Warranty Deed etc) _____

DRIVER'S LICENSE NUMBER OF APPLICANT _____

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

PREVIOUS OWNER'S NAME AND ADDRESS (If transferring Membership)

ACREAGE _____ DWELLING SQ FT _____

NUMBER IN FAMILY _____ LIVESTOCK & NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT: _____

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. (A MAP OF SERVICE LOCATION MAY BE REQUIRED).

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

White, Not of Hispanic Origin Black, not of Hispanic Origin American Indian or Alaskan Native Hispanic Asian or Pacific Islander Other (Specify) Male

AGREEMENT made this ____ day of _____, 20____, between Spring Valley Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the corporation) and _____, (hereinafter called the Applicant and/or Member),
Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and the Applicant shall purchase, receive, and/or reserve 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 a Membership Fee, the Applicant qualifies for Membership as a new applicant 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 has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and 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. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water and/or wastewater system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining

- a. The number of taps to be considered in the design and
- b. The number of potential ratepayers considered in determining the financial feasibility of constructing
 - 1) a new water system or
 - 2) expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fees.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or submeter water to any other persons, dwellings, businesses, 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 and necessary 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 Member shall install at their own expense any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections and other undesirable plumbing practices.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. This service agreement serves as notice to each customer of the plumbing restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable plumbing practices are prohibited by state regulations:

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an airgap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with state plumbing codes.
- b. 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 shall be eliminated at the service connection by the proper installation of an airgap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection which allows condensing, cooling or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- f. No plumbing fixture is installed which is not in compliance with a state-approved plumbing code.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours. The following will be inspected: New construction, modifications/renovations that involve plumbing, any structure, including mobile homes, moved into the CCN of the Corporation and are connected to the water system. Additionally, if a cross connection, backflow potential, or modification is suspected an inspection will be accomplished.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable plumbing practice on their 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 as required. Failure to comply with the terms of this service agreement shall cause the

Corporation to 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 agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, 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 of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as are required by the Corporation.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Applicant Member

Date Approved

UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration

RIGHT OF WAY EASEMENT
(Location of Easement Required)

KNOW ALL MEN BY THESE PRESENTS, That _____,
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Spring Valley WSC, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove _____ over and across _____ acres of land, more particularly described in instrument recorded in _____, Deed Records, McLennan County, Texas, together with the right of ingress and egress over Grantors' adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, the center line thereof to be located across said land as follows:

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein, and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 20__.

Signature

Signature

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he(she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 20__.

(Seal)

(Notary Public in and for) _____ County, Texas.

UNITED STATES DEPARTMENT OF AGRICULTURE
Farmers Home Administration

RIGHT OF WAY EASEMENT
(General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that _____,
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Spring Valley WSC, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install, and lay and thereafter use, operate, inspect, repair, maintain, replace, and remove water distribution lines and appurtenances over and across _____ acres of land, more particularly described in instrument recorded in Doc # _____, Deed Records, McLennan County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as installed.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 15' in width the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this _____ day of _____, 20____.

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE _____ day of _____, 20____.

(Seal)

(Notary Public in and for) _____ County, Texas.

NON-STANDARD SERVICE AGREEMENT

STATE OF TEXAS
COUNTY OF McLENNAN

THIS AGREEMENT is made and entered into by and between _____, hereinafter referred to as "Developer", and Spring Valley Water Supply Corporation, hereinafter referred to as "WSC".

WHEREAS, Developer is engaged in developing that certain _____ acres of land in _____, County, Texas, more particularly known as the _____ subdivision, according to the plat thereof recorded at Vol. _____, Page _____ of the Plat Records of _____ County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, WSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, Developer has requested WSC to provide such water service to the Property through an extension of WSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and WSC agree as follows:

1. **Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Registered Professional Engineer in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the property based on plans for the development of the Property based on plans for the development of the Property provided to WSC by the Developer. WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of the WSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below.

2. **Required Easements or Rights-of-Way.**

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land which are necessary for the construction of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way.
- (b) Any easements acquired by the Developer shall be assigned to WSC upon proper completion of the construction of the Water System Extension. The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to WSC must be approved by WSC's attorney.

3. **Construction of the Water System Extension.**

- a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of the WSC. WSC may reject any bid.
- b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. WSC shall have the right to inspect all phases of the construction of the Water System Extension. Developer must give written notice to WSC of the date on

which construction is scheduled to begin so that WSC may assign an inspector. WSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. Dedication of Water System Extension to WSC.

Upon proper completion of construction of the Water System Extension and final inspection thereof by WSC, the Water System Extension shall be dedicated to the WSC by an appropriate legal instrument approved by WSC's Attorney. The Water System Extension shall thereafter by owned and maintained by WSC.

5. Cost of the Water System Extension.

- (a) Developer shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including without limitation to the cost of the following:
 - (1) engineering and design;
 - (2) easement or right -of-way acquisition;
 - (3) construction;
 - (4) inspection;
 - (5) attorneys' fees;
 - (6) governmental or regulatory approvals required to lawfully provide service.
- (b) Developer shall indemnify WSC and hold WSC harmless from all of the foregoing costs.
- (c) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by WSC.
- (d) If WSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of WSC, WSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by the WSC's consulting engineer, in three annual installments without interest beginning one year after dedication of the Water System Extension to WSC.

6. Service From the Water System Extension.

- (a) After proper completion and dedication of the Water System Extension to WSC, WSC shall provide continuous and adequate water service to the Property, subject to all duly adopted rules and regulations of WSC and the payment of the following:
 - (1) All standard rates, fees and charges as reflected in WSC's approved tariff;
 - (2) Any applicable impact fee adopted by WSC;
 - (3) Any applicable reserved service charge adopted by WSC.
- (b) It is understood and agreed by the parties that the obligation of WSC to provide water service in the manner contemplated by this Agreement is subject to the issuance by the Texas Natural Resource Conservation Commission and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (c) Unless the prior approval of WSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this agreement; or
 - (3) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

7. Effect of Force Majeure.

In the event either party is rendered unable by force majeure to carry out any of its obligations under this

Agreement, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however,

that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

8. **Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the WSC shall be addressed:

SPRING VALLEY WSC
P. O. BOX 399
LORENA, TEXAS 76655

Any notice mailed to Developer shall be addressed:

Either party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

9. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

10. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

11. **Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the WSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

12. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in McLennan County, Texas.

13. **Venue.**

Venue for any suit arising hereunder shall be in McLennan County, Texas.

14. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

15. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of the WSC.

16. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

"WSC"

DEVELOPER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ALTERNATE BILLING AGREEMENT FOR RENTAL ACCOUNTS

NAME: _____

METER #: _____

ADDRESS: _____

ACCT #: _____

I hereby authorize Spring Valley Water Supply Corporation to send all billings on my account to the person(s) and address below until further written notice:

I understand that under this agreement that I will be given notice by the Corporation of all delinquencies on this account prior to disconnection of service. A notification fee shall be charged to the account in accordance with the provisions of the Corporation's Tariff.

I also understand that I am responsible to see that this account balance is kept current, as is any other account in the Corporation. This account shall not be reinstated until all debt on the account has been retired.

Signature _____

Date _____

NEW LAW EFFECTS CONFIDENTIALITY OF UTILITY RECORDS

The Texas Legislature passed H.B. 859 this past session to allow various utilities to maintain confidentiality of certain records at the request of the customer. Effective September 1, 1993, H.B. 859 provides that a government operated utility which provides water, sewer, garbage, gas, or electricity for compensation, may not disclose personal information in a customer's account records if the customer requests in writing that the utility keep the information confidential. The utility is required to include with a bill sent to each of its customers a notice of the customer's right to request confidentiality of personal information as well as any applicable fee or form required to comply with such requests. Personal information means an individual's address, telephone number, or social security number. This bill applies to WSC's, cities, districts and all governmental bodies who are subject to the Open Records Act.

Such confidentiality does not prohibit a WSC from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with any annual or special meeting of the Corporation's members.

The attached forms are designed for your use and may be copied, customized to your utility's needs, and mailed to each customer as required by law. Note the following instructions:

Form #1 is for use by cities or districts.

Form #2 is for use by water supply corporations.

Type your address in the appropriate spaces.

Fill in the charge for the service (not to exceed \$5.00).

This is a one-time requirement for each customer. All existing customers should be notified by use of these or similar forms and all new applicants should be given notice and opportunity for confidentiality of records. The attached forms may be used in your application for new services.

**YOU CAN NOW REQUEST THAT PERSONAL INFORMATION
CONTAINED IN OUR UTILITY RECORDS
NOT BE RELEASED TO UNAUTHORIZED PERSONS**

The Texas Legislature recently enacted a bill, effective September 1, 1993, allowing publicly-owned utilities to give their customers the option of making the customer's address, telephone number, and social security number confidential.

IS THERE A CHARGE FOR THIS SERVICE?

Yes. There is a one-time charge of \$5.00 to cover the cost of postage and implementation which must be paid at the time of request.

HOW CAN YOU REQUEST THIS?

Simply complete the form at the bottom of this page and return it with your check or money order for \$5.00 to:

Spring Valley Water Supply Corporation
P. O. Box 399
Lorena, Texas 76655

Your response is not necessary if you do not want this service.

WE MUST STILL PROVIDE THIS INFORMATION UNDER LAW TO CERTAIN PERSONS.

We must still provide this information to (1) an official or employee of the state or a political subdivision of the state, or the federal government acting in an official capacity; (2) an employee of a utility acting in connection with the employee's duties; (3) a consumer reporting agency; (4) a contractor or subcontractor approved by and providing services to the utility or to the state, a political subdivision of the state, the federal government, or an agency of the state or federal government; (5) a person for whom the customer has contractually waived confidentiality for personal information; or (6) another entity that provides water, wastewater, sewer, gas, electricity, or drainage service for compensation.

Detach And Return This Section

Yes, I want you to make my personal information (address, telephone number, and social security number) confidential. I have enclosed my payment of \$5.00 for this service.

Name of Account Holder

Address

City, State, Zip Code

Account Number

Area Code/Telephone Number

Signature

CUSTOMER NOTICE OF WATER RATIONING

DATE: _____

TO: Customers of Spring Valley Water Supply Corporation

FROM: _____, Manager, Spring Valley WSC

Due to extreme water usage during the past weeks our system is unable to meet the demand of all water needs. Therefore, under our Emergency Water Rationing Program on file with the Texas Commission on Environmental Quality, Stage _____ - _____ Rationing will begin on _____ and will be in effect no later than _____ or until the situation improves.

Stage _____ rationing allows _____

_____.

The Board has authorized the installation of a flow restrictor in your line if you are found violating these rules. Subsequent violations may result in temporary termination of service. If you feel you have good cause for a variance from this rationing program please contact us in writing at the address above. A complete copy of our approved Rationing Program is available for review at our business office.

Thank you for your cooperation.

SPRING VALLEY WSC DEFERRED PAYMENT AGREEMENT

By execution of this Agreement, the undersigned Member agrees to payment of outstanding debt for water utility service as set forth below:

Member agrees to pay \$ _____ per month, in addition to current monthly water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the account is paid in full. Any fees normally assessed by the corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff unless other satisfactory arrangements are made by the Member and approved by the Corporation's authorized representative.

Member

Date

Spring Valley WSC Authorized Representative

SPRING VALLEY WATER SUPPLY CORPORATION INSTALLMENT AGREEMENT

AN AGREEMENT made this _____ day of _____, 20____, between Spring Valley Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and _____, (hereinafter called the Applicant and/or Member).

By execution of this Agreement, the undersigned Member agrees to payment of outstanding debt for water utility service rates, fees, and charges, as set forth in the Corporation's Tariff, until the _____ (Front-End Capital Contribution, High water bill from a leak, or other connection fee) is paid in full. Any fees normally assessed by the Corporation on any unpaid balance shall apply to the declining unpaid balance.

Failure to fulfill the terms of this Agreement shall institute the Corporation's disconnection procedures as set forth in the Corporation's Tariff.

APPROVED AND ACCEPTED this _____ day of _____, 20____ at the regular monthly meeting of the Board of Directors of the Spring Valley Water Supply Corporation.

President, Spring Valley WSC

Sec/Treasurer, Spring Valley WSC

THE STATE OF TEXAS
COUNTY OF McLENNAN

IN WITNESS WHEREOF the said Member/Applicant has executed this instrument this _____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for said County and State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public in and for _____
County, Texas.

Member/Applicant

Commission Expires ____/____/____

SPRING VALLEY WATER SUPPLY CORPORATION LINE EXTENSION REFUND AGREEMENT

The Spring Valley Water Supply Corporation Board affirms that _____ will be compensated as provided in this Refund Agreement approved at the regular board meeting on the _____ day of _____, 20____, on a prorated basis for construction costs for the _____ feet of _____ inch line extension which have been paid by _____. This will be collected from all approved applicants requesting service from said line extension, to a maximum of _____ connections for a period not to exceed _____ years from the _____ day of _____ in the year of _____ (date the line extension was completed and/or approved for service) after which time the Refund Agreement will expire and the Corporation shall be under no further obligation to _____. The Corporation shall transfer said compensation within _____ days of receipt.

It is to understand that the Corporation will secure this compensation through new customer service fees from applicants for service from said line extension, and from no other sources. Accordingly, the compensation provided by this Refund Agreement will be modified automatically in the event any applicant requesting service from said line extension obtains a final administrative or Judicial Determination limiting the amount of the Corporation may charge applicants for service from said line extension.

This agreement entered into on the _____ day _____ in the year of _____ by:

Spring Valley Water Supply Corporation

Signed by Applicant

Signed by President

Address

Address

City

Zip

City

Zip

Witness

Date filed: ____/____/____

THE STATE OF TEXAS
COUNTY OF McLENNAN

IN WITNESS WHEREOF the said Member/Applicant and President of Spring Valley WSC has executed this instrument this _____ day of _____, 20____.

BEFORE ME, the undersigned, a Notary Public in and for _____ County and State of Texas, on this day personally appeared _____ and _____ known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public

SPRING VALLEY WATER SUPPLY CORPORATION MEMBERSHIP MORTGAGE AGREEMENT

This agreement hereby verifies that the Spring Valley WSC provides or is able to provide utility service under the terms and conditions of its Tariff to the property so designated in this agreement.

The Spring Valley WSC does meet the service requirements of the Texas Commission on Environmental Quality and currently holds all authorization or certification required.

The Membership available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the Spring Valley WSC's Tariff, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The Spring Valley WSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least thirty (60) days prior to Membership/Service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the Spring Valley WSC.

A guarantor and/or mortgagee shall qualify as a bona fide lien-holder to the Membership by providing a Deed of Trust*, to be hereto affixed, for the real property in question and designated below which clearly defines the guarantor and/or mortgagee as the lien-holder of the Membership and the real property for which Membership was issued. Spring Valley WSC shall notify the entity so designated in the Deed of Trust*.

Legal Description of Property:

Mortgagee (Lien-Holder)

Guarantor (If Applicable)

Spring Valley WSC Representative

Date

Note: * Please attach Deed of Trust or other proof of ownership for permanent record.

**SPRING VALLEY WATER SUPPLY CORPORATION
METER TEST AUTHORIZATION
AND TEST REPORT**

NAME: _____

ADDRESS: _____

DATE OF REQUEST: _____ PHONE NUMBER (DAY): _____

ACCOUNT NUMBER: _____ METER SERIAL NUMBER: _____

REASONS FOR REQUEST: _____

Members requesting a meter test may be present during the test, but if not, Member shall accept test results shown by the Corporation. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench. Member agrees to pay \$____.00 for the test if the results indicate an AWWA acceptable performance, plus any outstanding water utility service. In the event that the Member is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Member after the date of the test.

Signed by Member

TEST RESULTS

Low Flow (1/4 GPM)	_____ %	AWWA Standard 97.0 - 103.0 %
Intermediate (2 GPM)	_____ %	AWWA Standard 98.5 - 101.5 %
High Flow (10 GPM)	_____ %	AWWA standard 98.5 - 101.5 %

Register test _____ minutes at _____ gallons per minute recorded per _____ gallons.

Meter tests accurately; no adjustments due.

Meter tests high; adjustment due on water charges by _____ %

Meter tests low; no adjustment due.

Test conducted by _____ Approved

**SPRING VALLEY WSC
NOTICE TO OWNER OF RENTAL PROPERTY**

You are hereby given notice that your renter/lessee is past due on your account with the Corporation. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and the utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the Corporation's policies under the terms and conditions of its Tariff shall govern restoration of disconnected service. A fee of \$____.00 has been posted to the account for mailing of this notice. Any unpaid bills, service fees, or reconnect fees (service trip fees) are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

Spring Valley WSC Management

Amount Due Including Service Charges _____

Final Due Date _____

**NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION AND
SERVICE EXTENSION POLICY OF
SPRING VALLEY WATER SUPPLY CORPORATION
/SPECIAL UTILITY DISTRICT**

Pursuant to Chapter 13.2502 of the Texas Water Code, Spring Valley Water Supply Corporation/Special Utility District hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Spring Valley Water Supply Corporation/Special Utility District, Certificate of Convenience and Necessity No. 11287, in McLennan County, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water or sewer service connections on a single contiguous tract of land must comply with the extension policy stated in Section "F" in Spring Valley Water Supply Corporation's tariff.

Spring Valley Water Supply Corporation is not required to extend retail water service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Among other requirements, the Subdivision Policy requires:

Applicable elements of the Subdivision Policy, depending on the specific circumstances of the subdivision service, may include:

Evaluation by Spring Valley Water Supply Corporation of the impact a proposed subdivision service extension will make on Spring Valley Water Supply Corporation's water supply/sewer service system and payment of the costs for this evaluation;

Payment of fees for reserving water supply/sewer capacity;

Forfeiture of reserved water supply/sewer service capacity for failure to pay applicable fees;

Payment of costs of any improvements to Spring Valley Water Supply Corporation's system that are necessary to provide the water/sewer service;

Construction according to design approved by Spring Valley Water Supply Corporation and dedication by the developer of water/sewer facilities within the subdivision following inspection.

Spring Valley Water Supply Corporation's tariff and a map showing Spring Valley Water Supply Corporation's service area may be reviewed at Spring Valley Water Supply Corporation's office. The tariff/policy and service area map also are filed of record at the Texas Commission on Environmental Quality in Austin, Texas and may be reviewed by contacting the TCEQ, c/o Utility Rates and Services [Certification and Rate Design] Section, Water Utilities Division, P.O. Box 13087, Austin, Texas 78711.

**SPRING VALLEY WSC
NOTICE OF RETURNED CHECK**

TO:

DATE:

CHECK NUMBER:

AMOUNT OF CHECK:

Your check has been returned to us by your bank for the following reasons:

You have ten days from the date of this notice in which to redeem the returned check and pay an additional \$____.00 Returned Check Fee. Redemption of the returned check and payment of additional fees may be made by cash, money order, or certified check. If you have not redeemed the returned check and paid the additional service fees within ten (10) days, your utility service will be disconnected.

SPRING VALLEY WSC MANAGEMENT

WATER SUPPLY CORPORATION REQUEST FOR SERVICE DISCONTINUANCE

I, _____, hereby request that my water meter (SSN# _____)
or account number _____ located on _____, be disconnected from
Spring Valley Water Supply Corporation service and that my membership fee is be refunded to me. I
understand that if I should ever want my service reinstated I may have to reapply for service as a new
member and I may have to pay all costs as indicated in a then current copy of the Spring Valley Water
Supply Corporation Tariff. Future ability to provide service will be dependent upon system capacity,
which I understand may be limited and may require capital improvements to deliver adequate service. I
also understand that these improvements will be at my cost. I further represent to the Corporation that
my spouse joins me in this request and I am authorized to execute this Request for Service
Discontinuance on behalf of my spouse.

Signature

Date of Signature

NOTE: Charges for service will terminate when this signed statement is received by the Spring
Valley WSC office. A \$5.00 fee will be assessed for the processing of this transaction and deducted
from the membership fee in addition to final charges.

**SPRING VALLEY WATER SUPPLY CORPORATION
RIGHT-OF-WAY EASEMENT DENIAL FORM AND AFFIDAVIT**

PROPERTY OWNER'S NAME

LEGAL DESCRIPTION OF PROPERTY

Spring Valley WSC has attempted to acquire an easement for a community water distribution system across your property. It is now necessary to require an easement either be granted or refused by you within thirty (30) days after receipt of this notice. Attached is Spring Valley WSC's standard easement form as furnished to us by the Farmers Home Administration. If you are not in agreement to grant easement, sign the middle portion of this document and return it to us, at which time this document will be filed in our office. Failure to return this document or the attached easement will result in a copy of this document being completed and signed by us to keep on file for future reference purposes. Failure to grant easement does not relieve Spring Valley WSC of the obligation to serve water to the aforementioned property in the future, but does make the then current property owner, at time of application for water service, responsible for the financial burden of moving the water line from public right-of-way to private right-of-way plus any other normal charges for service. For further clarification, contact our office at P. O. Box 399, Lorena, Texas 76655.

I, _____ hereby refuse Spring Valley WSC easement for a community water distribution system on the aforementioned property.

Signature of Property Owner

AFFIDAVIT

Being duly sworn upon my oath, I hereby certify that this is a true copy of the document sent by certified mail to _____ on _____, and a signed receipt verifying delivery and acceptance is on file in the office of Spring Valley WSC, _____, Texas. I further certify a signed easement or signed refusal of easement was not received within thirty (30) days following receipt by property. I further state under oath that the engineer for the Corporation has furnished the property owner an estimate of cost for rerouting pipeline for which easement was denied to private property.

Official of Spring Valley WSC

THE STATE OF TEXAS
COUNTY OF McLENNAN

THIS INSTRUMENT was acknowledged before me on _____, 20____ by _____.

Notary Public, McLennan County, Texas
My Commission Expires: _____

**SPRING VALLEY WATER SUPPLY CORPORATION
TERMINATION NOTICE**

TO:

ACCOUNT NUMBER:

DATE:

DATE OF SCHEDULED TERMINATION:

You are hereby advised that the delinquent status of your account is jeopardizing your Membership with the Corporation. If payment is not received by our office within ten days of the date of this notice, your utility service will be terminated. To regain service after termination, you must re-apply for a new Membership and pay all costs applicable to purchasing a new Membership under the terms of the Corporation's Tariff. If you have no intentions of retaining our service, make sure the service line is capped. We will not cap your line for you, but will remove the meter regardless of the circumstances.

SPRING VALLEY WSC MANAGEMENT

SPRING VALLEY WATER SUPPLY CORPORATION
P. O. BOX 399
LORENA, TEXAS 76655

857-8614

Waco-McLennan County Health District
225 W. Waco Drive
Waco, Texas 76708

Dear Sir,

We have installed a water meter at the following location:

Name _____

Address _____

City _____

This information is provided so you may check on availability/approved septic system.

SPRING VALLEY WSC MANAGEMENT

TARIFF FILING REQUIREMENTS

Effective September 1, 1989, all non-profit water supply corporations are required to file their tariff with the Texas Commission on Environmental Quality for information purposes only. Tariffs should be mailed to:

Texas Commission on Environmental Quality
P.O. Box 13087
Capitol Station
Austin, Texas 78711-3087
Attention: Rate Section Tariff Clerk

The deadline for filing tariffs was January 1, 1990. Utilities failing to comply with the Commission's rules may be subject to fines and penalties. The Commission will accept voluntary compliance with the filing requirements without penalty.

RE-SERVICE ILLUSTRATION

The following illustration demonstrates the intent of Section E. 3. b. of this Tariff.

Example Case:

A meter is currently active on a tract of land and serves a 3-bedroom house. The meter and service has been active for several years. The original cost of the service to this property included a \$100 Membership Fee, a \$250 materials and labor charge, and a \$500 Equity Buy In Fee.

The Buy In Fee is the Corporation's estimated cost of production, storage, and distribution capacity lost when the customer was added. This Buy In Fee is assessed to defray the cost of replacing the lost capacity to meet future growth needs. The purpose is to keep the rates down for existing customers. This is accomplished because the Buy In Fee eliminates, at least in theory, the need to borrow money to expand the system.

The Corporation currently has a Service Availability Charge of \$12.00 and a Reserved Service Charge of \$10.00 per month. The Service Availability Charge is assessed for active metered accounts and covers the cost of service to that customer. The Reserved Service Charge is assessed for active non-metered accounts and covers the same costs for metered accounts except meter reading, billing, and maintenance costs which cannot be attributed to non-metered accounts.

The Reserved Service Charge is the monthly cost for holding capacity that would otherwise be available to paying, active accounts. This supports the concept that all water systems have limited capacity and therefore cannot reserve service without compensation for anyone who might otherwise restrict the utility from adding a paying customer.

The house has been vacant for six months and the Member is behind on his water payments approximately \$120.00. The Corporation locked the meter after the first month of delinquency and is now liquidating the \$100.00 Membership Fee. A \$20.00 balance remains on the account at the time the account is inactivated.

Because the former Member paid a \$500.00 Buy In Fee on the tract of land on which the meter was set, the Corporation cannot charge this fee on this tract again. However, the Corporation cannot reserve system capacity or service at this location without some charge for reserving the capacity or service. We can assume that since a house exists on the tract of land, there is a good possibility that someone will want service at that location. It would be good business on the part of the Corporation to reserve service capacity for this location. However, we cannot reserve service without charging for reserved service.

The solution to this problem is to set up an accounting system for these types of inactive accounts. Each inactive account, like this hypothetical case, could be debited monthly an amount equal to the Corporation's Reserved Service Charge. The debit balance would accumulate monthly until such time as the total balance equaled the \$500.00 Buy In Fee.

At such time as a new Applicant comes in to request service at the property in question, the cost

of service would include a \$100.00 Membership Fee, actual cost of labor and materials to reinstall the meter, and whatever balance was showing on the account. If the property remains vacant until such time as the \$500.00 Buy In Fee is totally diminished, then any new Applicants would be required to pay the prevailing rate for service.

To clarify our example, let's say that a new Applicant comes twelve months after the date of Membership liquidation. There would be then twelve monthly assessments or debits on this account of the Reserved Service Fee. This fee is \$10.00 per month in our example, so a total of \$120.00 worth of debits would be due from the Applicant in addition to the \$100.00 Membership Fee and, for example's sake, \$60.00 for the re-installation of a meter in the empty meter box. The total cost of Re-Service to the Applicant would be \$280.00.

While this process may seem complicated, it does allow the Corporation to recover all of its costs of reserving service and sets a time frame for which the Buy In Fee is held intact for a particular property. However, a more conservative approach is to only charge the Membership Fee, labor, and materials cost to Re-Service a property. You may choose this option to avoid any controversy and minimize your bookkeeping efforts.

CALCULATION OF THE AVERAGE NET EQUITY BUY IN FEE OF A SAMPLE UTILITY

Meaningful determination of the A.N.E.P. Fee is achieved only when the following conditions are met in calculation of the fee:

1. An accurate accounting of the fixed and cash assets of the utility should be maintained, preferably by a Certified Public Accountant;
2. All funds obtained as an "impact fee," Equity Buy In Fee, or other similar funds which are to be used for future capital expenditures should be maintained in a separate fund and earmarked for this purpose. This amount should not include the Membership Reserve or debt reserves;
3. A realistic depreciation schedule should be maintained for each asset item based on its anticipated useful life rather than on the life of the debt incurred to pay for the asset; and
4. An actual count should be retained of existing and terminated accounts for which capital contributions have been received, but not to include Membership transfers. This count shall be the number of Contributing Members on which the average is taken in calculation of the Net Equity Buy In Fee.

EXAMPLE:

Capital Contributed To-Date By:

Plus Fixed Assets Of The Corporation..... \$2,000,000.00

Less Accumulated Depreciation..... \$750,000.00

Less Outstanding Long Term Debt Excluding Current Maturities \$800,000.00

Equals Corporation Equity \$450,000.00

Less Developer's Capital Contribution..... \$57,000.00

Equals Net Equity..... \$393,000.00

Average Net Equity Per 2,000 Contributing Members \$196.50

Average Net Equity Buy In Fee = \$346.50