

**CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
NON-STANDARD SERVICE
INFORMATION PACKET, APPLICATION & CONTRACT**

PLAT REQUIREMENTS FOR ENGINEERING STUDY

Two (2) copies of the plat that have the following information on the plat.

- **Legal Description**
- **Name of Subdivision**
- **Owners/Developers Name**
- **Lot Sizes & Lot Lines**
- **Right of way Dimensions**
- **Dedicated Utility Easements**
- **Highway and County Road Numbers or Names**
- **Total Acreage**
- **Adjoining Property Owners**
- **Flood Plain**
- **Vicinity Map**

Preliminary plats are acceptable for discussion only

Other requirements:

- **\$1,000.00 Non-Standard Service Investigation Fee**
- **Final plat of Subdivision with County Commissioner's Stamp**
- **Proof of ownership**
- **After approval, a 10% development fee will be added to the final invoice, based on the total cost of the development**

Preliminary Instructions

Non-standard service is a term that simply means that your request for service is not a standard request. Your service offers the potential for significant additional demands on the Cypress Springs Special Utility District's water facilities. All water utilities struggle with meeting regulations for maintaining adequate service capacity. As your proposed project is evaluated, the District concerns itself with its ability to provide the necessary capacity to meet your needs while continuing to provide adequate service to its existing customers. For this reason, the potential impacts on system capacity must be carefully evaluated to maintain adequate capacity and constructed to meet local, state, and federal regulations.

The following information is designed to assist you in understanding the policies and procedures associated with meeting the terms and conditions for non-standard service with the District. As well, the application process is designed to assist the District in evaluating your needs. Through careful evaluation, you can be assured that your interests will be adequately served while protecting the District's physical and financial integrity. Through this process, everyone wins.

This application process can be simple or complex, depending on the nature of your service needs. Therefore, it is important to remember that the District is available to assist you in understanding this information. We encourage you to schedule a session with the staff to work through the details of this process. Helping you through this process will save time and money. Please take advantage of this opportunity.

The Non-Standard Service Application Form is provided in this packet. You may copy, complete, and return it to the District. The staff can assist you in the proper completion of the form, if necessary. The District will date stamp the Application Form upon receipt and return a copy to you for your records. You will also need to provide a copy of an "approved" plat or map of your location, development, or facility to be served along with the application form. The District staff will also advise you of the specific requirements regarding the plat. Once you have completed the Application Form and submitted an acceptable plat, the staff will walk you through the rest of the process. Depending on the complexity of your service request, this process may be modified to specifically serve the demands of your project. Be assured that the District will apply the most streamlined process possible while maintaining consistency in policy application.

One final note: Providing water service to the public costs money. In many cases, water facilities are the single most costly component of a project such as yours. While such projects can prove to be beneficial to the District, the District is not able to venture into speculative projects by extending its services to non-standard service applicants. If you are willing to pay your fair share of costs to provide service to your project, the District will do everything in its power to make water services cost-effective. To this end, we offer our best wishes and support.

Notice of Requirement to Comply With The Service Extension Policy Of Cypress Springs Special Utility District

Pursuant to Chapter 13.2502 of the Texas Water Code, Cypress Springs Special Utility District hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within its service area, described as a Certificate of Convenience and Necessity No.11575 located in and Franklin, Titus, Wood and Hopkins Counties, Texas, 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 service connections or metering equivalents thereof, on a single continuous tract of land, must comply with the Cypress Springs Special Utility District Non- Standard Service Extension Policy (the "Subdivision Policy" contained in Section F of the Cypress Springs Special Utility District Service Policy).

Cypress Springs Special Utility District is not required to extend retail water utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the provisions of the Non-Standard Service Extension Policy (also known as the Cypress Springs Special Utility District Service Policy Section F, Service Extension Policy or Subdivision Policy).

Among other requirements, the Non-Standard Service Extension Policy requires:

- Formal application for service
- Submittal of information necessary for a complete evaluation of service needs:

Other applicable elements of the Extension Policy, depending on the specific circumstances of the Non-Standard or subdivision service, may include:

- Evaluation by the Cypress Springs Special Utility District of the impact the proposed service extension or subdivision will make on the Cypress Springs Special Utility District water supply system and payment of costs for this evaluation;
- Payment of reasonable costs or fees by the developer for providing water supply capacity;
- Payment of fees for reserving water supply capacity;
- Forfeiture of reserved water supply capacity for failure to pay applicable fees;
- Payment of costs of any improvements to the Cypress Springs Special Utility District system that are necessary to provide water; and
- Design and construction of required on-site and off-site facilities by the Cypress Springs Special Utility District and the dedication of required property, facilities, and rights-of-way for the subdivision by the developer upon approval and acceptance by the District following inspection.

The Cypress Springs Special Utility District's service policy and a map showing the District service area may be reviewed and obtained at the district's office at 114 FM 115 Mt. Vernon. The service policy and service area map are also filed of record at the Texas Commission on Environmental Quality in Austin, Texas, and may be reviewed by contacting the PUC, TCEQ, c/o Utility Rates and Services Section, Water Utilities Division, P.O. Box 13087, Austin, Texas 78711.

CYPRESS SPRINGS UTILITY DISTRICT NON-STANDARD SERVICE APPLICATION

Please Print or Type

Applicant's Name/Company: _____

Address/City/State/ZIP: _____

Phone number/s _____

E-mail _____

Please attach a legal description of the proposed development as listed in deed records as a filed plat or parcel of land where other types of non-standard water service are requested. Plat requirements include the name of the subdivision, owner/developer's name, lot sizes and lot lines, lot numbers, right of way dimensions and dedicated utility easements, legal description, highway and county road numbers, total acreage, adjoining property owners, flood plain, and vicinity map. Instrument must show proof of ownership; preliminary plats are acceptable for discussion purposes but an "approved plat" must be provided before contract closing.

Check the type of service application or development:

- | | | | |
|--|---|---|----------------------------------|
| <input type="checkbox"/> Residential Subdivision | <input type="checkbox"/> Duplex's | <input type="checkbox"/> Mobile Home Park | <input type="checkbox"/> RV Park |
| <input type="checkbox"/> Multi-use Facility | <input type="checkbox"/> School | <input type="checkbox"/> Commercial/Industrial Park | |
| <input type="checkbox"/> Line Extension | <input type="checkbox"/> CR/Hwy Rd Bore | <input type="checkbox"/> Large Meter (>1") | <input type="checkbox"/> Other |

Please list all water demand criteria for each meter or meter equivalent, or attach any engineering studies completed for the proposed service:

Maximum number of proposed lots: _____ Range of standard lot sizes: _____

Acreage _____

Please describe in detail the nature and scope of the project/development.

Initial needs: _____

Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase:

Please list any additional special service needs not listed above: _____

Please provide the timeline for initiation of this service, and for service to each additional or projected phase following initial service, including a schedule of events leading up to the anticipated date of service. Specify this for all additional or projected phases.

Please describe how the utility may access the property during evaluation of application:

Please attach the following information, as applicable:

- A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy.
- If applying for a single tap that requires a line extension, road bore, or upsizing of facilities, maps or plans detailing the location of the requested service installation and/or extension and details of demand requirements.

Required Fees

Applicant is required to pay a Non-Standard Service Investigation Fee of \$1,000.00 to the District in accordance with Section F of the District's service policy for purposes of paying initial administrative, legal, and engineering fees. The District will refund any balance that remains after it has completed its service investigation and has completed all legal and engineering services associated with processing a request.

In the event the Investigation Fee is not sufficient to pay all expenses incurred by the District, the Applicant agrees to pay all additional expenses that have been or will be incurred by the District and District will have no obligation to complete processing of the Applications until all remaining expenses have been paid.

District's response to service request

The District will prepare a written response to the Applicant's service request within 90 days from the date the application was submitted and the required fees were paid. The District's response will state the timeframe within which the requested service can be provided and the costs for which the Applicant will be responsible, which may include capital improvements, easements or land acquisition costs, and professional fees.

Applicant has received and reviewed Section F of the District's service policy and agrees to comply with all the requirements contained therein.

Under penalties of perjury, I declare that I have reviewed the information presented in this Application, including accompanying documents, and to the best of my knowledge and belief, the information is true, correct and complete.

Print Applicant/Name of Company

Signature of Authorized Representative

<i>For District Use Only</i>

Date Application Received

Amount Fees Paid/Date Paid

Signature District Staff Member

Date

**CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
NON-STANDARD SERVICE CONTRACT**

THE STATE OF TEXAS

COUNTY OF _____

THIS CONTRACT is made and entered into by and between _____

Hereinafter referred to as "Applicant", and Cypress Springs Special Utility District, hereinafter referred to as "SUD" or "District".

WHEREAS, Applicant 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, SUD 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, Applicant has requested SUD to provide such water service to the Property through an extension of SUD's water system, which includes all on-site and off-site service facilities to meet the level and manner of service requested by the Applicant, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOWN ALL MEN BY THESE PRESENTS:

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

1. Engineering and Design of the Water System Extension.

(a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer in accordance with the applicable specifications of the SUD and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by SUD'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 SUD's consulting engineer, the plans and specifications shall become part of this Agreement by the reference and shall more particularly define "the Water System Extension".

(h) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development as provided to SUD by the Applicant. SUD may require the Water System Extension to be oversized in anticipation of the needs of other customers of the SUD, subject to the obligation to reimburse the Applicant for any such oversizing as provided below.

2. Required Sites, Easements or Rights-of-Way.

(a) Applicant shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) that are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in the public right-of-way.

(h) Any easements acquired by the Applicant shall be in a form approved by the SUD (see Form of Easement, attached to this Contract, and made a part hereof) and shall be assigned to SUD upon proper completion of the construction of the Water System Extension.

(c) The validity of the legal instruments by which the Applicant acquires any such easements and by which the

Applicant assigns such easements to SUD must be approved by SUD's attorney.

3. Construction of the Water System Extension.

- (a) Applicant 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 SUD. SUD may reject any bid.
- (h) The Water System Extension shall be constructed in accordance with the approved plans and specifications. SUD shall have the right to inspect all phases of the construction of the Water System Extension. Applicant must give written notice to SUD of the date on which construction is scheduled to begin so that SUD may assign an inspector. SUD 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 SUD.

- (a) Upon proper completion of construction of the Water System Extension and final inspection thereof by SUD, the Water System Extension shall become the property of the SUD. The Water System Extension shall thereafter be owned and maintained by SUD subject to the warranties required of Applicant. Any connection of individual customers to the Water System Extension shall be made by the SUD.
- (h) Upon transfer of ownership of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for 12 months following the date of the transfer.

5. Cost of the Water System Extension.

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

6. Service From the Water System Extension.

- (a) After proper completion and dedication of the Water System Extension to SUD, the SUD shall provide continuous and adequate water service to the Property, subject to all duty adopted rules and regulations of SUD and the payment of the following:
 - (1) All standard rates, fees as reflected in SUD's approved service policy;
 - (2) Any applicable water service impact fee adopted by SUD;
- (b) It is understood and agreed by the parties that the obligation of the SUD to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission of Environmental Quality or Public Utility 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 SUD is obtained, the Applicant 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 Contract, 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 resumed 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 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 here under by either party to the other party shall be in writing and may be affected 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 noticed mailed to the SUD shall be addressed:

Any notice mailed to Applicant shall be addressed:

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

9. **Breach of Contract and Remedies.**

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance.
- (a) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

10. **Third Parties.**

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

11. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

12. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

13. Mediation. (Optional)

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

14. Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

15. Intent.

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

16. Multiple Originals.

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

17. Authority.

The signatories here to represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

18. Severability.

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other parts 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.

19. 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.

20. Amendment.

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

20. 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 Franklin, Hopkins, Titus and Wood Counties

21. Venue.

Any action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Franklin, Hopkins, Titus and Wood Counties

22. Successors and Assignees

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

23. Assignability

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

24. 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 duty-authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Cypress Springs Special Utility District

APPLICANT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Notice of Requirement to Comply with the Subdivision and Service.

Extension

Policy of Cypress Springs Special Utility District

Pursuant to Chapter 13.2502 of the Texas Water Code, Cypress Springs Special Utility District hereby gives notice that anybody who subdivides land by dividing any lot, tract, or parcel of land within the service area of Cypress Springs Special Utility District, Certificate of Convenience and Necessity No. 11575, in Wood and Hopkins Counties, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including a 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 Non-Standard Service Contract contained in Cypress Springs Special Utility District's Districts Policy.

Cypress Springs Special Utility District is not required to extend retail water utility service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Applicable elements of the Subdivision include:

Evaluation by Cypress Springs Special Utility District of the impact a proposed subdivision service extension will make on Cypress Springs Special Utility Districts water supply system and payment of the cost for this evaluation;

Payment of reasonable costs or fees by the developer for providing water service capacity;

Payment of fees for reserving water supply capacity;

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

Payment costs for any improvements to Cypress Springs Special Utility District system that is necessary to provide the water service;

Construction shall be according to the design approval by Cypress Springs Special Utility District and dedication by the developer of water facilities within the subdivision following inspection.

Cypress Springs Special Utility Districts District Policy and a map showing Cypress Springs Special Utility District service area may be reviewed at Cypress Springs Special Utility District Office at 114 FM 115 in Mt. Vernon Texas 75457. The District Policy and service area map also are filed of record at the Public Utility Commission of Texas 1701 N. Congress Ave., PO Box 13326, Austin, TX 78711-3326, Email: web@puc.texas.gov

**CYPRESS SPRINGS
SPECIAL UTILITY DISTRICT**

**NON-STANDARD SERVICE
EXTENSION POLICY
-SUB-SECTION F-**

SECTION F: DEVELOPER, SUBMISSION AND NON-STANDARD SERVICE REQUIREMENTS

Part I. General Requirements.

This section details the requirements for all types of non-standard service requests.

1. District's Limitations.

All applicants shall recognize that the District must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness.

2. Purpose

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

3. Application of Rules.

This section sets forth the terms and conditions pursuant to which the District will process non-standard service requests. This section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Examples of non-standard services for a single tract of property include, but are not limited to, road bores, extensions to the distribution system, meters larger than 5/8" X 1/4", water service lines exceeding 3/4" diameter and exceeding 100 feet in length. For the purposes of this service policy, applications subject to this section shall be defined as non-standard. In cases of service to a single tract, the board of directors shall determine whether an applicant's service request shall be subject to all or part of the conditions of this section. Non-standard service to subdivisions is governed by this section.

4. Non-Standard Service Application.

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

- a. The applicant shall provide the District a completed Non-Standard Service Application (see Section I of this service policy). The applicant shall specify any special service needs, such as large meter size, size of subdivision or multi-use facility, or the required level of fire protection requested, including the flow and pressure requirements and specific infrastructure needs such as line size and system capacity.
- b. The applicant must be authorized to enter into a contract with the District setting forth terms and conditions pursuant to which non-standard service will be furnished to a property or subdivision. The specific terms and conditions pursuant to which the District will provide non-standard service in response to any request will depend upon the nature of such request and may be set forth in a legally enforceable, contractual agreement to be entered into by the District and the service applicant. A non-standard service contract may not contain any terms or conditions that conflict with this section.
- c. A plat acceptable to the District must accompany the application showing the applicant's requested service area. (See Section C. Definition of Final Plat) The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
- d. A non-standard service Investigation Fee of \$1,000.00 shall be paid to the District in accordance with the requirements of section 0- for purposes of paying initial administrative, legal, and engineering fees.

Section F

- e. The District shall refund any balance that remains after it has completed its service investigation and has completed all legal and engineering services associated with processing a request. In the event such a fee is not sufficient to pay all reasonable expenses incurred by the District, the applicant shall pay to the District all remaining expenses that have been or will be incurred by the District and District shall have no obligation to complete processing of the request until all remaining expenses have been paid.
- f. If after the service investigation has been completed, the District determines that the applicant's service request is for property located, in whole or in part, outside the area described in the District's defined service area, service may be extended provided that:

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

- I. The service location is not within another retail public utility's Certificate of Convenience and Necessity (CCN); and
- II. The District's defined service area shall be amended to include the entirety of the applicant's property for which service is requested. Applicant shall pay all reasonable costs incurred by District for annexation or for amending its CCN, including but not limited to engineering and professional fees. The District may extend service prior to completing the amendment to its CCN but will do so only upon the applicant's legally enforceable agreement to fully support such amendment (including but not limited to the payment of all professional fees, including administrative, legal, surveying and engineering fees incurred by District in securing the amendment). If the District determines to annex the property, the applicant shall secure written requests for annexation from all ownership interests in the property to be annexed and shall pay all costs, including engineering and professional fees for the annexation.

5. Design

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

- a. The District's engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the applicant's requested level and manner of service within the District's specifications, incorporating any applicable municipal or other governmental codes and specifications.
- b. The engineer's fees shall be paid out of the non-standard service Investigation Fee under section 4.
- c. The engineer shall submit to the District a set of detailed plans; specifications, and cost estimates for the project
- d. The District's Engineer shall ensure all facilities for any applicant are of proper size and type to meet the level and manner of service specified, in the non-standard service application. The District reserves the right to upgrade design of service facilities to meet future demands provided however, that the District shall pay the expense of such upgrading in excess of what is reasonably and directly allocable to the applicant's facility requirements.
- e. The District's engineer will determine the fire flow design for any non-standard service request, including new subdivisions, based on density, type of structure, and other factors.

6. Non-Standard Service Contract

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

- a. Specifying the costs for contract administration, the design, construction, and inspection of facilities, securing additional water supply/contracting for additional sewer treatment capacity, and terms by which these costs are to be paid.
- b. Procedures by which the applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.

Section F

- c. Terms by which service capacity adequate to the level and manner of service requested shall be reserved for the applicant following construction of facilities and duration of reserved service taking into consideration the impact the applicant's service demand will have upon the District's overall system capability to meet other service requests, as well as assessment of any base rate following construction of facilities (if applicable).
- d. Terms by which the District shall administer the applicant's project with respect to:
 - i. Design of the on-site and off-site facilities;
 - ii. Securing and qualifying bids
 - iii. Requirements for executing the non-standard service agreement;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing funds advanced prior to initiation of construction;
 - vi. Inspecting facilities following construction; and
 - vii. Testing facilities and closing the project.
- e. Terms by which the applicant shall indemnify the District from all third-party claims or lawsuits in connection with the project.
- f. Terms by which the applicant shall convey facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with the construction of the applicant's project.
- g. Terms by which the applicant shall grant title or easements for use of property during construction and for ongoing service thereafter.
- h. Terms by which the board of directors shall review and approve the non-standard service contract pursuant to current rules, regulations, and by-laws.
- i. Agreement to enforceable remedies in the event the applicant fails to comply with all contract obligations, including specific performance.

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

7. Property and Right of Way Acquisition.

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

- a. If the District determines that easements or facility sites outside the applicant's property are required, the applicant shall secure such easements or title to facility sites exclusively for the District. All easements and property titles shall be researched, validated, and filed by the District at the expense of the applicant.
- b. In the event the applicant is unable to secure any easements or title to any sites required by the District, and the District determines to acquire such easements or title by eminent domain, all reasonable costs incurred by the District shall be paid by the applicant, including administrative, legal fees, appraisal fees, court costs, and the condemnation award.
- c. The District shall require exclusive dedicated easements on the applicant's property as appropriate for the level and manner of service requested by the applicant and system wide service by the District. All such easements shall be adequate to authorize the District to construct, install, maintain, replace, upgrade, inspect, or test any facility necessary for service to the applicant as well as system wide service within the District. Generally, Easements for subdivisions also must be sufficient for service throughout the subdivision when the subdivision is fully occupied. Title to any portion of applicant's property required for onsite facilities will be provided and exclusive to the District.
- d. Easements and facilities sites shall be prepared for the construction of all District facilities in accordance with the district's requirements at the expense of the applicant.

Section F

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

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

9. Bids for Construction

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

- a. The applicant shall execute the non-standard service contract evidencing willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The contractor shall provide an adequate bid bond under terms acceptable to the District;
- c. The contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;
- d. The contractor shall supply favorable references acceptable to the District;
- e. The contractor shall qualify with the District as competent to complete the work;
- f. The contractor shall provide adequate certificates of insurance as required by the District.

10. Pre-Payment for Construction and Other Costs

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

11. Construction

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

Part II. Request for Service to Subdivided Property

This section contains additional requirements for applicants who are developers as defined in Section C Definitions.

1. **Sufficient Information** - Applicants shall provide the District sufficient information describing the level and manner of service requested and the timeline for initiation of this service. The following is the minimum information needed for an engineering evaluation of the requested service to the property described in the application.
 - a. Completion of requirements described in Section F Part I, including completing the *Non-Standard Service Application*.
 - b. Applicant shall provide the District with details concerning access to the property during the evaluation of the application.
 - c. Applicant shall be forfeited in writing by the District or designated representative the timeframe within which the requested service can be provided and the costs for which the applicant will be responsible, in accordance with the details described on the Applicant's request for service.

2. *Service within Subdivisions.*

The District's obligation to provide service to any customer located within a subdivision governed by this section is strictly limited to the level and manner of the service specified by the applicant developer for that subdivision. The applicant developer is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the District under the provisions of this service policy and specifically the provisions of this section. If the applicant developer fails to pay these costs, the District has the right to require payment of the costs by any one or more of the persons purchasing lots or homes within such subdivision before the District is obligated to provide retail utility service to any customer service applicant within the subdivision. In addition, the District may elect to pursue any remedies provided by the non-standard service contract if one has been executed. The applicant developer is advised that purchasers of lots also may have legal recourse to the applicant developer under Texas law, including but not limited to section 13.257, Texas Water Code, and the Texas Deceptive Trade Practices-Consumer Protection Act, Chapter 7, Subchapter E, Business and Commerce Code.

- a. The applicant developer must provide all information otherwise required under this section and must ensure that the District has been provided complete information sufficient to determine whether the level and manner of service requested by the applicant developer can be provided within the time frame specified by the applicant developer and to determine what capital improvements, including expansion of capacity of the District's production, treatment and/or storage facilities and/or general transmission facilities properly and directly allocable to the requested level and manner of service, will be needed. At a minimum, and in addition to information otherwise required under this section, the applicant developer must provide:
 - i. Map and legal description of the area to be served complying with the map requirements of PUC Rules, Chapter 24, Subchapter G, Section 24.119(a)(1-4).
 - ii. Time frame for:
 - a. Initiation of service; and
 - b. Service to each additional or projected phase following the initial service.
 - iii. Detailed description: of the nature and scope of the project/development for:
 - a. Initial service and
 - b. Phased and final needs, including a map showing each phase, and the projected land uses that support the requested level of service for each phase.
 - iv. Flow and pressure or anticipated level of fire protection requested, including line size and capacity
 - v. Specific infrastructure needs for the anticipated level of fire protection requested, including line size and land capacity;
 - vi. Copies of all required approvals, reports, and studies done by or for the applicant developer to support the

Section F

viability of the proposed subdivision.

- vii. The proposed improvements to be constructed by the applicant developer including time and or the construction of these improvements.
 - viii. A map or plat of the subdivision depicting each phase and signed and sealed by a licensed surveyor or registered professional engineer.
 - ix. Intended land use of the development, including detailed information concerning types of land use proposed;
 - x. The projected waste demand of the development when fully built out and occupied, the anticipated water demands for each type of land use, and a projected schedule of build-out
 - xi. A schedule of events leading up to the anticipated date upon which service from the District will first be needed;
 - xii. A proposed calendar of events, including design, plat approval, construction phasing and initial occupancy; and
 - xiii. Any additional information requested by the District necessary to determine the capacity and the costs for providing the requested service.
- b. Applicant developer must establish that current and projected service demands justify the level and manner of service being requested.
 - c. The applicant developer must advise the District that he/she may request expedited decertification from the PUC.
 - d. The application will be processed on a time frame that should ensure final decision by the District within ninety (90) days from the date of the non-standard service application and the payment of all fees required by this section.
- i. Upon payment of all required fees, the District shall review applicant developer's service request. If no additional information is required from the applicant developer, the District will prepare a written report on applicant developer's service request, subject to any final approval by the District's governing body (if applicable) which must be completed within ninety (90) days from the date of application and payment of the required fees. The District's written report will state whether the requested service will be provided, whether the requested service can be provided within the time frame specified by the applicant developer, and the costs for which the applicant developer will be responsible (including capital improvements, acquisition of any additional water supply/sewer treatment capacity, easements and land acquisition costs, and professional fees).
 - ii. In the event the District's initial review of the applicant developer's service application show that additional information is needed, the District will notify applicant developer of the need for such additional information. Notice of the need for additional information will be made in writing within 30 days of the date the District receives the applicant developer's payment of the required fees and completed application for non-standard service. Applicant developer should respond to the District's request for additional information within 15 days of receipt of the District's written request. In any case, the District will provide the written report, including any final approval by the District's Board (if applicable) within ninety (90) days from the date of the initial written application and payment of all required fees.
 - iii. By mutual written agreement, the District and the applicant developer may extend the time for review beyond the ninety (90) days provided for expedited petitions to the PUC. The applicant's developer is advised that failure to timely provide the information required by this section, including this Subsection, may cause the PUC to reject a subsequent petition for decertification of the applicant developer's property. The applicant developer is further advised that if the applicant developer makes any change in the level or manner of service requested, the time frame for initiation of service, or the level or manner or time frame for any phase of service, the applicant developer's original application for non-standard service will be deemed withdrawn, and the change may be considered a new application for non standard. service for all purposes, including the times specified herein for processing.
 - iv. Following ninety (90) days and final approval by the District and acceptance of the District's terms for service by the applicant, a non-standard service contract will be executed, and the District shall provide service according to the conditions contained in the non-standard service contract.

NOTICE TO HOMEOWNERS AND PLUMBERS

Cypress Springs Special Utility District (hereafter called utility) hereby notifies all plumbers and homeowners that all water utilities in the state of Texas must comply with the rules and regulations of the TCEQ concerning construction and renovation of and additions and modifications to private plumbing facilities.

Utility has adopted A BACKFLOW PREVENTION PROGRAM as the prevailing guide for plumbing facility construction and modification standards, particularly regarding the prohibition of the use of lead solder and fittings and the prohibition of cross-connections within the plumbing system. By execution of this document, the homeowner and plumber certify that all plumbing meets, to the best of their knowledge, the following conditions on the date executed below:

- 1. No direct connection between the public drinking 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 Commission regulations.***
- 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 assembly tester.***
- 3. No connection exists that 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 that contains more than 8.0% lead exists in the private water distribution facilities installed on or after July 1, 1988, and prior to January 4, 2014.***
- 5. Plumbing installed after January 4, 2014, bears the expected labeling indicating 0.25% lead content. If not properly labeled, please provide a written comment.***
- 6. No solder or flux that contains more than 0.2% lead exists in the private water distribution facilities installed on or after July 1, 1988.***

This document will be retained as a part of the utility's permanent files along with all plumbing inspection documents. By execution hereof, I certify that the foregoing is true and correct and that I am legally responsible for the validity of the information I have provided. I also understand that the utility will inspect all private plumbing facilities and that I, the homeowner and plumber shall be present to demonstrate compliance.

Signature of Homeowner

Date