

SECTION F.
DEVELOPER, SUBDIVISION AND NON-STANDARD SERVICE
REQUIREMENTS

Part I. General Requirements

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

- 1. Corporation's Limitations.** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and with covenants of current indebtedness. The Corporation is not required to extend retail Corporation service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. Section 13.2502 of the Texas Water Code requires that notice be given herein or by publication or by alternative means to the Developers/Applicants.
- 2. Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions and other kinds of Non-Standard Service are determined, including the Non-Standard Service Applicant's and the Corporation's respective costs.

For purposes of the Section, the term "Applicant" shall refer to the individual or entity that desires to secure Non-Standard Service from the Corporation. The Applicant must be the same person or entity that is authorized to enter into a contract with the Corporation setting forth the terms and conditions pursuant to which Non-Standard Service will be furnished to the property. In most cases, the Applicant shall be the owner of real property for which Non-Standard Service is sought. In the event that the Applicant is other than the owner of real property, the Applicant must furnish evidence to the Corporation that it is authorized to request Non-Standard Service on behalf of such owner, or that it otherwise has authority to request Non-Standard Service for the real property.

- 3. Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required for a single tract of property. Example of non-standard service for a single tract of land can include, but are not limited to, road bores, extensions to the distribution system, service lines exceeding ¾" diameter and service lines exceeding 10 feet. Non-residential or residential service applications requiring a larger sized meter typically will be considered non-standard. Service in a Development of two or more tracts of land will be considered non-standard. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation or their designee shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

This Section sets forth the general terms and conditions pursuant to which the Corporation will process Non-Standard Service Requests. The specific terms and conditions pursuant to which the Corporation 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 Corporation and the service Applicant. The agreement may not contain any terms or conditions that conflict with this Section.

4. Non-Standard Service Application. The Applicant shall meet the following requirements prior to the initiation of a Non-Standard Service Contract by the Corporation:

a. The Applicant shall provide the Corporation a completed Service Application and Agreement giving special attention to the item(s) on SPECIAL SERVICE NEEDS OF THE APPLICANT.

b. A final plat (see Tariff Definition Section-Final Plat) approved by the Corporation must accompany the Application showing the Applicant's requested service area. 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.

NOTE: It is the responsibility of the developer/applicant to secure all necessary approvals of the subdivision once an Agreement is in place between the Corporation and the Applicant.

c. A Non-Standard Service Investigation Fee shall be paid to the Corporation in accordance with the requirements of Section G of this Tariff for purposes of paying initial administrative, legal, and engineering fees. The Corporation 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 expenses incurred by the Corporation, the Applicant shall pay to the Corporation upon the Corporation's request all additional expenses that have been, or will be incurred by the Corporation and Corporation shall have no obligation to complete processing of the Application until all remaining expenses have been paid.

d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property located, in whole or in part, outside the area described in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:

- 1) The service location is not in an area receiving similar service from another retail Corporation;
- 2) The service location is not within another retail Corporation's Certificate of Convenience and Necessity; and
- 3) The Corporation's Certificate of Convenience and Necessity shall be amended to include the entirety of Applicant's property for which service is requested.

Applicant shall pay all costs incurred by Corporation in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth (1/4) mile of Corporation's Certificate of Convenience and Necessity, Corporation may extend service prior to completing the amendment to its CCN, but will do so only upon Applicant's legally enforceable agreement to fully support such amendment (including but not limited to payment of all professional fees, including legal, surveying and engineering fees incurred by Corporation in securing the amendment).

5. **Design.** The Corporation shall approve the design requirements of the Applicant's required facilities prior to initiation of a Non-Standard Service Contract in accordance with the following schedule:
 - a. The Corporation's Consulting Engineer shall design, or review and approve plans for, all on-site and off-site service facilities for the Applicant's requested service within the Corporation's specifications, incorporating any applicable municipal or other governmental codes and specifications.
 - b. The Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee under Tariff Section F.4.
 - c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
 - d. The Corporation's Engineer shall ensure that all facilities for any Applicant meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands provided however, that the Corporation shall pay the expense of such upgrading in excess of that which is reasonable allocable to the level and matter of service requested by the Applicant.

6. **Non-Standard Service Contract.** Applicants requesting or requiring Non-Standard Service may be requested to execute a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. The service contract may include, but is not limited to:
 - a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area 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.
 - c. Capital Expansion Fees (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
 - d. Monthly Reserved Service Charges as applicable to the service request.
 - e. Terms by which service capacity shall be reserved for the Applicant and duration of reserved service with respect to the demand which the level and manner of the service will have upon the Corporation's system facilities.
 - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Capital Expansion Fees.

- g. Terms by which the Corporation shall administer the Applicant's project with respect to:
 - 1) Design of the Applicant's service facilities;
 - 2) Securing and qualifying bids;
 - 3) Execution of the Service Contract;
 - 4) Selection of a qualified bidder for construction;
 - 5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - 6) Inspecting construction of facilities; and
 - 7) Testing facilities and closing the project.
- h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuits in connection with the project.
- i. Terms by which the Applicant shall dedicate, assign and convey to the Corporation all constructed facilities and related rights (including contracts, easements, right-of-way, deeds, warranties, and so forth) by which the Corporation shall assume operation and maintenance responsibility for the Applicant's project. The Applicant shall also provide reproducible as-built drawings of all constructed facilities. The as-built drawings must verify that all facilities have been properly located within the easements conveyed to the Corporation.
- j. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

7. Construction of Facilities by Applicant Prior to Execution of Service Contract.

The Corporation and the Applicant must execute a Non-Standard Service Contract prior to the purchase of supplies and materials or initiation of construction of facilities by the Applicant. In the event that the Applicant commences construction of any such facilities prior to execution of a Contract with the Corporation, then the Corporation may refuse to provide service to the Applicant or, in a subdivision, to any person purchasing a lot or home from the Applicant. Alternatively the Corporation may require full costs of replacing/repairing any facilities constructed without prior execution of a contract from any person buying a lot or home from Applicant. At a minimum, the Corporation will require that all facilities be uncovered by the Applicant for inspection by the Corporation, require that any facilities not approved by the Corporation be replaced, and take any other lawful action determined appropriate by the Board of Directors of the Corporation.

8. Property and Right-of-Way Acquisition. With regard to construction of facilities, the Corporation shall require private right-of-way easements or purchase of private property as per the following conditions:

- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Applicant shall secure easements or else title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.
- b. All additional costs associated with facilities that must be installed in public right-of-way on behalf of the Applicant, due to the inability of the Applicant to secure

private right-of-way easements, such as including road bores and TxDOT approvals shall be paid by the Applicant. Alternatively, Applicant shall pay all costs, including legal and other professional fees and the condemnation award in the event Corporation secures such private easements or facility sites through eminent domain proceedings.

- c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site and off-site facilities.
- d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipelines and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

9. Bids For Construction. The Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge (as per Engineer's determination), to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest qualified bidder in accordance with the following criteria:

- a. The Applicant shall sign the Service Contract noting 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 Corporation;
- c. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the Corporation;
- d. The Contractor shall supply favorable references acceptable to the Corporation;
- e. The Contractor shall qualify with the Corporation as competent to complete the work (including but not limited to current water license, OSHA competent person training, and other licenses/certificates as required to complete the project); and
- f. The Contractor shall provide adequate certificates of insurance as required by the Corporation.

10. Pre-Payment For Construction and Service. After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of Non-Standard Service Contract.

11. Construction.

- a. All roadwork 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, approved road sleeves/casings may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

- b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure compliance with the Corporation standards.
- c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to issue change-orders of any specifications, due to unforeseen circumstances during the design phase, to better facilitate construction or operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

PART II. Request for Service to Subdivided Property

In addition to PART 1 requirements, this section contains additional requirements for developers of subdivisions.

1. All developers or subdividers of property shall provide the corporation 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 1. 4. Non-Standard Service Application** above.
- b. Applicant shall provide the Corporation with details concerning access to the property during evaluation of application.
- c. Applicant shall be notified in writing by the Corporation or designated representative if service can be extended in accordance with the details described on the Applicant's request for service.

2. **Service within the Subdivision**-The Corporation'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 nonstandard service specified by the Applicant. The Applicant is responsible for paying for all costs necessary for non-standard service to a subdivision as determined by the Corporation under the provision of this Tariff and specifically the provision of this Section; if the Applicant fails to pay these costs, the Corporation has the right to require payment of these costs by any one or more of the persons purchasing lots or homes within such subdivision before the Corporation is obligated to provide water service. In addition, Corporation may elect to pursue any remedies provided by the Non-Standard Service Contract if one has been executed. Applicant is advised that purchasers of lots also may have legal recourse to the Applicant under Texas law, including but not limited to Section 13.257, Texas Water Code and the Texas Deceptive Trade Practices-Consumer Protection Act, Chapter 17, Subchapter E, Business and Commerce Code.

3. For Service to subdivisions involving tracts of 50 acres or greater, the Applicant/ Developer must provide the following in addition to all other information otherwise required by this Section:

- a. Map and description of the area to be served using map criteria in Section 291.105(a)(2)(A-G of the TCEQ's Rules).

- b. Time frame for:
 - 1. Initiation of service
 - 2. Service to each additional phase following the initial service
- c. Level of service (quantity and quality) for:
 - 1. Initial needs
 - 2. Phased and final needs and the projected land uses that support the requested level of service for each phase.
- d. Manner of service for:
 - 1. Initial needs
 - 2. Phased and final needs and the projected land uses that support the requested level of service for each phase.
- e. Any additional information requested by the Corporation necessary to determine the capacity and the costs for providing the requested service.
- f. Copies of all required approvals, reports and studies done by or for the Applicant/Developer to support the viability of the proposed development.

Applicant/Developer must provide reasonably sufficient information, in writing, to allow the Corporation to determine whether the level and manner of service specified by the Applicant/Developer can be provided within the time frame specified by the Applicant/Developer and to generally determine what capital improvements, including expansion of capacity of the Corporation's production, treatment and/or facilities and/or general transmission facilities properly allocable directly to the service request are needed. If the Applicant/Developer proposes development in phases, the Applicant/Developer should specify the level and manner of service and the estimated time frame within which that service must be provided for each phase, and the Applicant/Developer must depict the currently estimated location of each phase on the maps required under 30 TAC Section 291.105 (a)(2)(A-G). It is important that the Applicant/Developer's written request be complete. A complete application by the Applicant/Developer should include: (a) the proposed improvements to be constructed by the Applicant/Developer; (b) a map or plat signed and sealed by a licensed surveyor or registered professional engineer; (c) the intended land use of 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 demand for each type of land use, and a projected schedule of 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.

Up Front-Development Expansion Fee- Any developer starting a development, in the Golden Water Supply CCN, will be required to pay the Capital Expansion fee for a total of 25% of lots available to be sold, along with the cost of water service to accommodate their development according to the developer's policy. Once water is made available to the development, a minimum fee will be charged monthly to the

Capital Expansion fee. Once lots are sold and new owners pay to have the meter set, the remainder of the Capital Expansion fee will be refunded to the developer. When the original 25% of lots are sold and new meters are installed, the developer must pay Capital Expansion fees for the next 25% of the development. This policy will continue until 100% of the Capital Expansion fees are paid for the development. As of April 1, 2006, Capital Expansion fees are \$1100.00

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 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 of 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. In any case, 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** written application and payment of all required fees. By Mutual written agreement, the Corporation and 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.