

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT
PROCEDURES FOR SERVING SUBDIVISIONS

1. Submit Preliminary Application for Subdivision Service including the following: Appendix 1A
 - 1a. Off-Site Improvement Deposits: A \$500.00 deposit for each lot/connection for off-site improvement cost must be deposited, payable to the District, before the feasibility study begins. This \$500.00 deposit per lot/connection may not cover the total cost of off-site improvements that will have been completed or may be required to provide service to a development or individual customer. If the results of the feasibility study are not acceptable to the Applicant or Customer, the deposit will be returned.
 - 1b. Feasibility Study Charge: Engineering fee is \$500.00 for two lots/connections. All over two lots/connections add \$10.00 per lot/connection.
 - 1c. Administrative fees are \$50.00 for two lots or connections and \$10.00 for each lot/connection thereafter.
 - 1d. Three copies of an engineered preliminary plan or final plat map, as approved by the Medina County Commissioners Court.
 - 1e. Any amount due by the Applicant to the District.
2. Return of study with recommendations, if any, to the District. (Approximate four week period).
3. Applicant shall submit construction methods and material specifications on the interior water system in sufficient detail to be reviewed by the District's Engineer. (Cost of reviewing interior system by the District Engineer is payable by Applicant.)
4. Return of critique of material on interior system from the District's Engineer to the District and the Applicant.
5. A Non-Standard Service Agreement will be presented to the Applicant by the District.
6. Presentation of Applicant's accepted Non-Standard Service Agreement for District's Board approval.
7. Financial assurance in a form required by the District.
8. District Board approval to begin construction with scheduled periodic inspections to be determined by the district and its Engineer.
9. Upon completion of subdivision, a set of completed, "As Built" plans, by a professional Engineer licensed by the State of Texas, to be furnished to the District.
10. Pressure testing and flushing of lines to be accomplished under the supervision of the District.
11. New mains will be disinfected and samples taken in accordance with TCEQ Rules and Regulations for Public Water Systems.

12. Letter of Warranty from the Applicant, for a one-year period, submitted to the District after the subdivision service has been approved for service.

13. Title of Deed to the utility infrastructure conveyed to the District.

14. Service for the subdivision made available.

THESE PROCEDURES WILL BE FOLLOWED WITH NO DEVIATION

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT
STATEMENT OF POLICY SECTION F
DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS

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 by covenants of current indebtedness. The District is not required to extend retail utility 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. Chapter 13.2502 of the Texas Water Code requires that notice be given herein or by publication or by alternative means to the Developer/Applicant.

2. *Purpose:*

This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purpose of this Statement of Policy, Applications subject to this Section shall be defined as Non-Standard.

3. *Definition:*

Subdivision:

The term subdivision as used in this policy expressly includes, as an example, offering to sell or transfer or selling or transferring, by contract, deed, devise or any other method of sale or transfer, a tract or parcel of land which is adjacent to another tract or parcel owned or held in the name of the same person who is offering to sell or transfer the tract or parcel, even if approval of a subdivision plat is not required by the county commissioners court or the governing body of any city prior to such intended or actual sale or transfer.

4. *Application of Rules:*

The Board of Directors of the District 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.

5. *Non-Standard Service Applications:*

The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the District:

A. The Applicant shall provide the District a completed Service Application and Agreement giving special attention to the item on Special Service Needs of the Applicant.

B. A final plat approved by the Medina County Commissioners Court must accompany the Applications showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicants for single taps involving extensions or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

a). Any subdivision with twenty (20) or more connections will be required to provide permanent uncontested permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection.

b). Any subdivisions with nineteen (19) or less connections will have the option of providing permanent uncontested permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection or pay the District's current charge of permanent permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection.

C. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal, and engineering fees shall be paid to the District. Any additional expenses incurred as a result of efforts by the District to study service requirements of the Applicant shall be paid by the Applicant.

D. If after the service investigation has been completed, the District determines that the Applicant's service request is for property outside the area dedicated in the District's Certificate of Convenience of Necessity, service may be extended provided that:

a). The service location is contiguous to or within one-fourth (1/4) mile of the District's Certificated Service Area;

b). The service location is not in an area receiving similar service from another utility;

c). The service location is not within another utility's Certificate of Convenience and Necessity;
and

d). The Developer conveys title to permanent permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection.

6. *Design:*

The District shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:

A. The District's Consulting Engineer shall design all service facilities for the Applicant's requested service within the District's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications that lies within a five (5) mile margin around the boundaries of municipalities with a population greater than five thousand (5,000).

B. The District's Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.

C. The District's Consulting Engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.

D. If no local authority imposes other design criteria on the Applicant's service request, the District's

Consulting Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The District reserves the right to upgrade design of service facilities to meet future demands, provided however, that the District pays the expense of such upgrading above the Applicant's facility requirements.

7. Non-Standard Service Contract:

All applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the District's Attorney, in addition to submitting the District's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are 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. Monthly Reserved Service Charges as applicable to the service request.

D. Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the District's system capability to meet other service requests.

E. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates.

F. Terms, by which the District shall administer the Applicant's project with respect to:

- a). Design of the Applicant's service facilities;
- b). Securing and qualifying bids;
- c). Execution of the Service Agreement;
- d). Selection of a qualified bidder for construction;
- e). Dispensing advanced funds for construction of facilities required for the Applicant's service;
- f). Inspecting construction of facilities; and
- g). Testing facilities and closing the project.
- h). Terms by which the Applicant shall indemnify the District from all third party claims or lawsuits in connection with the project contemplated.
- i). Terms by which the Applicant shall deed all construction facilities to the District and by

which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.

- j). Terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing for required right-of-ways and sites.
- k). Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

8. *Property and Right-of-way Acquisition:*

With regard to construction of facilities, the District requires private right-of-way easements on private property as per the following conditions:

A. If the District determines that right-of-way easements or facility sites outside the Applicant's property are required, the District shall require the Applicant make good faith efforts to secure easements or title to facility sites on behalf of the District. All right-of-way easements and property titles shall be researched, validated, and filed by the District at the expense of the Applicant.

B. All facilities required to be installed in public right-of-way on behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-way or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.

C. The District 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 District) and title to property required for the onsite facilities.

D. Easements and facilities sites shall be prepared for the construction of the District's pipeline and facility installations in accordance with the District's requirements and at the expense of the Applicant.

9. *Bids for Construction:*

The District'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, 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 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 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; and
- F. The contractor shall provide adequate certificates of insurance as required by the District.

10. *Pre-Payment for Construction and Service.*

After the Applicant has executed the Service Agreement and paid the connect cost, the Applicant shall pay to the District all additional costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.

11. *Construction.*

A. All roadwork pursuant to county and/or municipal standards (if 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 during construction of Applicant's facilities.

B. The District shall, at the expense of the Applicant, inspect the facilities to ensure that District standards are achieved.

C. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

12. *Service Within Subdivision:*

The District's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchaser of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the District but may have recourse to the Applicant/Developer.

13. *Exception:*

Any Division of land of one (1) acre or larger, arising from the transfer or partition of the land between the Owner and members of the owner's family within the first (1st) degree of consanguinity, will be exempt so long as:

1. Each lot has frontage and direct physical access onto an existing street or road or EMCSUD is provided with an easement from the existing street or road to the tract of land requesting service and,
2. The division is not part of a larger planned development or a sham, or a contrivance to avoid these regulations.