

BEAR CREEK SPECIAL UTILITY DISTRICT

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RATE ORDER
CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 10066
COLLIN COUNTY, TEXAS

Adopted December 10, 2013

Amended May 10, 2016

Amended November 15, 2016

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TABLE OF CONTENTS

SECTION A.

ADOPTION & AUTHORITY	1
1. Effective Date.	1
2. Pre-Existing Penalties and Vested Rights.	1
3. Official Copy Available	1
4. Conflicts.	1

SECTION B.

STATEMENTS	1
1 Organization	1
2. Non-Discrimination Policy.	1
3. Policy and Rule Application.	1
4. Fire Protection Responsibility.	2
5. Damage Liability.	2
6. Public Information Disclosure	2
7. Notice of Change in Rates.	2
8. Customer Service Inspections.	2
9. National Standard Plumbing Code.	3
10. Submetering Responsibility.	3

SECTION C

DEFINITIONS	3
-------------------	---

SECTION D

GEOGRAPHIC AREA SERVED	6
------------------------------	---

SECTION E.

SERVICE RULES AND REGULATIONS	7
1. Service Entitlement.	7
2. Application Procedures and Requirements	7
3. Activation of Standard Service.	9
4. Activation of Non-Standard Service.	9
5. Changes in Service Classification.	9
6. Owners and Tenants	10
7. Refusal of Service	10
8. Applicant's Recourse	10
9. Insufficient Grounds for Refusal of Service.	10
10. Deferred Payment Agreement.	11
11. Charge Distribution and Payment Application.	11

12.	Due Dates, Delinquent Bills, and Service Disconnection Date.....	11
13.	Rules for Disconnection of Service	12
14.	Returned Check Policy.	14
15.	Billing Cycle Changes.	14
16.	Back-billing	14
17.	Inoperative Meters	14
18.	Bill Adjustment Due To Meter Error.	14
19.	Meter Tampering and Diversion of Service	15
20.	Damage to District Facilities.	15
21.	Meter Relocation.	15
22.	Prohibition of Multiple Connections To A Single Tap.	16
23.	Customer Responsibilities.	16
24.	Prohibited Plumbing Practices	17
25.	Water Service Connections.	18
26.	Standards for Water Service Lines.	18
27.	Standards for Service Facilities (Details).	19
28.	Penalties and Enforcement.....	19

SECTION F.

DEVELOPER, SUBDIVISION AND NON-STANDARD SERVICE REQUIREMENTS		
.....		20
1	District Limitations.	20
2.	Purpose	20
3.	Application of Rules.	20
4.	Development Review Process.....	20
5.	Non-Standard Service Application.	22
6.	Facilities Design and Approval.....	22
7.	Prepayment of Certain Fees Required	23
8.	High Density Developments	24
9.	Non-Standard Service Contract.	24
10.	Property and Right-of-Way Acquisition	25
11.	Contractor Selection & Qualification	26
12.	Construction	27
13.	Dedication and Acceptance of Service Facilities.	27
14.	Service within Subdivisions.	27

SECTION G

RATES AND SERVICE FEES.....		28
1.	Service Investigation Fee.	28
2.	Deposits	28
3.	Easement Fee.	29
4.	Connection Fee.	29
5.	Monthly Charges.....	30
7.	Late Payment Fee.	30
8.	Returned Check Fee.	30
9.	Reconnect Fee	30

10.	Equipment Damage Fee.	30
11.	Customer Inquiry Fee.	30
12.	Meter Test Fee.	30
13.	Transfer Fee.	31
14.	Temporary Service Charges.	31
15.	Easement Fee.	31
16.	Additional Assessments.	31
17.	Non-Standard Service Inspection Fee.	31
18.	Other Fees.	31

SECTION H.

DROUGHT CONTINGENCY PLAN	32
--------------------------------	----

SECTION I.

IDENTITY THEFT PREVENTION PROGRAM	72
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SECTION A.

ADOPTION & AUTHORITY

1. **Effective Date.** This rate order was adopted by the Board of Directors of the Bear Creek Special Utility District on September 10, 2013. This rate order supersedes all utility service policies, rates, rules and tariffs adopted or passed by the Board of Directors prior to the date of adoption of this rate order. This rate order shall take effect immediately upon its approval.

2. **Pre-Existing Penalties and Vested Rights.** The adoption of this rate order shall not affect any offense or act committed or done, or any penalty or forfeiture incurred, or any contract or vested right established or accrued prior to the effective date or adoption of this rate order.

3. **Official Copy Available.** An official copy of the rate order shall be available to the customers of the District during regular office hours of the District. Requests for copies shall be subject to reproduction charges. The Secretary of the District shall maintain the original copy as approved, and clearly exhibit all additions, deletions and amendments hereto.

4. **Conflicts.** Rules and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable state or federal law, shall supersede all terms of this rate order that directly conflict with such State and Federal rules or regulations. If any section, paragraph, sentence, clause phrase, word or words of this rate order are declared unconstitutional or in violation of law, the remainder of this rate order shall not be affected thereby and shall remain in full force and effect.

SECTION B.

STATEMENTS

1. **Organization.** The District was organized on May 19, 2011, by converting the Lavon Water Supply Corporation to the Lavon Special Utility District under the authority of Article XVI, Section 59, of the Texas Constitution, as amended, and Chapters 49 and 65 of the Texas Water Code, and operates pursuant to Texas law and the regulation and authority of the Texas Commission On Environmental Quality. On January 26, 2016, the Texas Commission on Environmental Quality approved a request to change the name of the District from Lavon Special Utility District to Bear Creek Special Utility District. The District exists for the purpose of furnishing potable water service. The management of the District is controlled by the Board of Directors, the customers of which are elected by qualified voters residing within the District's boundaries.

2. **Non-Discrimination Policy.** Service is provided to all applicants that comply with the provisions of this rate order regardless of race, creed, color, national origin, sex, disability or marital status.

3. **Policy and Rule Application.** These policies, rules and regulations apply to the water services provided by the District. Failure on the part of a customer or applicant to observe these policies, rules and regulations gives the District the authority to deny or discontinue service.

4. **Fire Protection Responsibility.** The District does not provide or imply that fire protection is generally available on the District's water system, unless the District specifically agrees to provide the fire flow through a non-standard service contract under Section F, Subsection 16 or other action by the Board of Directors of the District directly applicable to a specific area. Except in those areas where fire flow is provided under a non-standard service contract or other action of the Board, all hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The District reserves the right to remove any hydrant due to improper use or detriment to its water system, as determined by the District, at any time without notice, refund or compensation to the contributors unless such hydrants are installed pursuant to the terms of a non-standard service contract, in which event the terms and conditions of the agreement shall apply.

5. **Damage Liability.** The District is not liable for damages caused by service interruptions due to waterline breaks or equipment failure, tampering by third persons or customers of the District, normal system failures, system maintenance or repairs, or other events beyond the District's control, or for damages caused by negligent acts of the District, its employees, designated representatives and contractors. The limit of liability of the District is the extent of the cost of service provided.

6. **Public Information Disclosure.** The records of the District shall be kept at the District's office at 16881 C. R. 541, Lavon, Texas 75166. All information collected, assembled or maintained by or for the District shall be disclosed to the public in accordance with the Texas Public Information Act. An individual customer may request in writing that the District keep the customer's name, address, telephone number or social security number confidential. Such confidentiality does not prohibit the District from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the District acting in connection with the employee's duties. A reasonable charge as established pursuant to the Texas Public Information Act may be assessed to any person requesting copies of District records.

7. **Notice of Change in Rates.** The District will give written notice of a change to monthly rates by publication, mail or hand delivery to all affected customers at least thirty (30) days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rates, date of Board authorization, and the name and telephone number of the District representative designated to address inquiries about the rate change. Failure of the District to give the notice shall not invalidate the changed rate or any change based on the changed rate.

8. **Customer Service Inspections.** The District requires that a customer service inspection certificate be completed prior to providing continuous water service to new construction and for all new customers as part of the activation of standard and some nonstandard service. Customer service inspections are also required on any existing service when the District has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the customer's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contaminant hazards and illegal lead materials. [30 TAC §290.46(i-j)].

9. **National Standard Plumbing Code.** The District adopts applicable sections of the National Standard Plumbing Code (2006), as amended, promulgated by the Plumbing Heating Cooling Contractors National Association, as guidance in the design, installation and maintenance of line extensions and service facilities.

10. **Submetering Responsibility.** Submetering and non-submetering by Master Metered Accounts may be allowed in the District's water system provided the Master Metered Account customer registers with the Texas Commission on Environmental Quality and complies with its rules on submetering at Title 30, Chapter 291, Subchapter H of the Texas Administrative Code. The District has no jurisdiction over or responsibility to tenants receiving water under a Master Metered Account, and such tenants are not considered customers of the District. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality.

SECTION C.

DEFINITIONS

The following words and terms, when used in this rate order, shall have the following meanings unless the context clearly indicates otherwise:

Applicant - A person applying to the District for service.

Designated Representative (or) District Representative - The general manager of the District or a representative or employee of the District engaged in carrying out the terms of or performing services prescribed by this rate order pursuant to either general or specific authorization to do so from the general manager or the Board of Directors.

Board of Directors (or) Board - The governing body of the District elected by qualified voters residing within the District's boundaries in accordance with applicable election laws.

Certificate of Convenience and Necessity (or) CCN - The authorization granted under Chapter 13, Subchapter G, of the Texas Water Code for the District to provide water utility service within a defined territory. The District has been issued Certificate No. 10066 to provide water service.

Certificated Service Area (or) Service Area - The service territory defined in CCN No. 10066 [See Section D, Certificated Service Area Maps]

Customer - Any person receiving services from the District.

Developer - Any person that subdivides land or requests two (2) or more water service connections on a single contiguous tract of land. [See Water Code §13.2505(e)(1)].

Disconnection of Service - The discontinuance of water service to a customer of the District.

District - The Bear Creek Special Utility District.

Easement - A private perpetual dedicated right-of-way for the installation of water service lines and facilities that allows access to property for future operation, maintenance, replacement, facility upgrades, and/or installation of additional pipelines (if applicable), and may include restrictions on the adjacent area to limit installation of other pipelines or structures that would restrict the District's use of any area of the easement.

Final Plat - A complete and exact plan for the subdivision and/or development of a tract of land which has been approved by all local governments having jurisdiction pursuant to Chapters 212 or 232 of the Texas Local Government Code. The District shall determine if a plat submitted under this rate order qualifies as a final plat. [See 30 TAC §291.851.]

General Manager - The general manager of the District appointed by the Board of Directors.

Hazardous Condition - A condition that jeopardizes the health and welfare of District customers or employees as determined by the District or any other regulatory authority with jurisdiction.

Person - Any natural person, firm, corporation, cooperative, limited liability company, partnership, unincorporated association, public agency or governmental entity, or any other public or private organization or entity of any type or character.

Service - Any act performed, anything furnished or supplied, and any facilities used by the District in the performance of its duties under the Texas Water Code to its customers, employees, other retail public utilities, and the public, as well as the interchange of facilities between the District and one or more retail public utilities.

Service Application and Agreement (or) Service Agreement - A written agreement on the current service application and agreement form between an applicant and the District defining the specific type of service requirements requested, and the responsibilities of each party regarding the service to be provided.

Service Classification/Unit - The type of water service required by an applicant as may be determined by the District based on specific criteria such as usage, meter size, demand, type application, and other relevant factors related to the applicants request. The base service unit of residential water service used by the District in facilities design and rate making in this rate order is a 3/4" x 3/4" water meter.

Service Investigation Fee - A fee paid by a potential customer of the District for the purpose of determining the feasibility of providing service or of a construction, line extension and/or expansion project.

Subdivide - An area of land that has been subdivided into lots or tracts. [See Local Gov't Code §232.021(13)]

Subdivision - The classification for non-standard water service assigned to an applicant that is in the process of constructing a residential commercial structure. The District may also apply this classification to other nonpermanent service uses (e.g., agricultural, road construction, drilling, livestock, etc.). The District may provide temporary water service for up to six (6) months from the date of application for temporary service. Temporary service may be extended upon request and approval of the District's board of directors on a case-by-case basis. As a prerequisite to receiving temporary service, the applicant must pay the applicable Temporary Service Charges, pursuant to Section G.17 of this rate order.

Texas Commission on Environmental Quality (or) TCEQ - The state regulatory agency having jurisdiction of water service utilities and appellate jurisdiction over the rates and fees charged by the District.

Water System - The water production, treatment, supply, storage and distribution facilities operated by or constructed by or for the District, and any water system extensions, improvements or facilities that may be built within the District's boundaries or service area in the future.

SECTION D.
GEOGRAPHIC AREA SERVED

SECTION E.

SERVICE RULES AND REGULATIONS

1. Service Entitlement. (a) An applicant requesting service to real property located within the District's service area shall be considered qualified and entitled to water service when proper application has been made, the terms and conditions of service have been met and continue to be met; (b) all fees have been paid as prescribed; (c) on an undeveloped tract or lot, developer shall follow the District's Subdivision Regulations, before construction of any improvements on a tract or lot; and (d) an applicant requesting service to real property located outside the boundaries of the District's service area shall be considered for service in accordance with current District policies on providing service outside the District's service area.

2. Application Procedures and Requirements.

(a.) Service Classifications. Applications to the District for service shall be divided into the following two classes:

(1) *Standard Service.* Standard service is defined as service from an existing service line where line or service facility extensions are not required and special design and/or engineering considerations are not necessary. Standard water service is provided through a 3/4" x 3/4" meter set on an existing service line.

(2) *Non-Standard Service.* Non-standard service is defined as any service request that requires a 1" or larger meter for service, temporary water service, service to a Master Metered Account pursuant to Section E.2(c)(4) below, or an addition to or extension of the District's water system. Except for temporary service applicants, a non-standard service applicant must comply with the service requirements prescribed by Section F of this rate order before receiving service.

(b.) Requirements for Standard and Non-Standard Service.

(1) The applicant shall complete and sign a Service Application and Agreement or Non-Standard Service Application as applicable.

(2) As a condition for service, the applicant shall complete and execute an Easement and Right-of-Way, Sanitary Control Easement and/or such other easement form(s) required by the District to obtain a dedicated easement(s) to allow the District a right of access to construct, install, maintain, replace, upgrade, inspect or test any facility necessary to serve the applicant as well as the District's purposes in providing system-wide service. [see Tex. Water Code § 49.218]. This requirement may be delayed for nonstandard service applicants. New meters shall be located within a utility easement at or near the boundary line of the property designated for service.

(3) The applicant shall provide proof of ownership of the real property designated to receive service by warranty deed or other recordable documentation of fee simple title.

(4) At the request of a property owner or an owner's authorized agent, the District shall install individual meters owned by the District in an apartment house, manufactured home rental community, or multiple use facility unless the District determines that the installation of individual meters is not feasible. Individual meters must be installed for residential, or condominiums. If the District determines that installation of individual meters is not feasible, the property owner or manager shall install a plumbing system that is compatible with the installation of a master meter and, if desired by the property owner or manager, sub-meters or individual meters. The District shall be entitled to the payment of reasonable costs to install individual meters pursuant to 30 TAC § 291.122(d) and Section F of this rate order. The property owner shall prepay the cost of individual meter installations and the cost of any additional facilities or system improvements required to satisfy the total water service demand of the property at full occupancy, as determined under applicable provisions of Section F. The District shall consider master metering non-standard service to apartments, trailer/RV parks, or business centers and other similar type enterprises at an applicant's request provided that all units to be served are:

- (A) owned by the same person, partnership, cooperative, corporation, agency, or public or private organization of any type, but not including a family unit;
- (B) directly inaccessible to a public right-of-way; and
- (C) considered a commercial enterprise (i.e., for business, rental or lease purposes).

(5) The District will provide the Applicant with notice of application approval and costs of service or notice of disapproval as determined by the District in writing. Notice of approval and costs of service shall remain in effect for a period not to exceed 30 days. After that time the applicant must re-apply for service. [see 30 TAC § 291.81(a)(1)].

(6) If a water main has been located in the public right-of-way and is adjacent to applicant's property due to the current or previous landowner's refusal to grant an easement to the District for the purpose of installing the water main and appurtenances. The applicant shall grant an easement as required under this rate order and, in addition to the normally required fees for new customer service, pay such sums as are reasonably necessary to remove or cap the existing water main in the public right-of-way and to construct the appropriate line or lines within that easement for the District's system-wide service before receiving the requested service.

(7) If an applicant or transferee fails to provide all documentation or information required at the time of application, the District will issue written notice that the applicant must provide the documentation or information within ten days or service will be terminated or the application will be rejected. This provision applies to both standard and non-standard service requests.

3. Activation of Standard Service.

(a) New Service Connection. The District shall charge a non-refundable Connection Fee and other applicable fees as required under Section G of this rate order. The Connection Fee and other fees shall be quoted in writing to the applicant. An applicant must pay all fees or enter into a deferred payment agreement before installation of a new service connection or tap.

(b) Re-Service. On property where service previously existed, the District shall charge a deposit and all fees applicable to restoration of service. District will agree to reserve service for this property for a contiguous period of five (5) years. After this time the service equipment may be removed by the District and any future request for service to the property shall be treated as an application for new service.

(c) Performance of Work. The District shall install all taps and equipment necessary to provide service within 20 working days after approval and receipt of payment of all quoted fees and charges. This time may be extended for installation of facilities and equipment necessary to serve a request for non-standard service.

(d) Customer Service Inspections. The District shall perform a customer service inspection of an applicant's property and private water distribution facilities to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. [see Section B.8]. As a result of such an inspection, the District may require that a customer properly install a backflow prevention device, and thereafter, inspect, test and maintain the device, and provide all required documentation to the District, all at the customer's expense. [see 30 TAC § 290.46(Q)].

4. Activation of Non-Standard Service.

(a) Activation of Non-Standard Service. Activation of non-standard service shall be conducted pursuant to Section F of this rate order.

(b) Re-Service. The provisions applicable to standard re-serve requests under the previous subsection 3(b) shall also apply to non-standard re-service requests.

5. Changes in Service Classification. If at any time the District determines that the service classification of a customer has changed from that originally applied for and that additional or different facilities are necessary to provide adequate service, the District shall require the customer to re-apply for service under the terms and conditions of this rate order. Customers failing to comply with this provision shall be subject to Disconnection with Notice under subsection 14(a) below.

6. Owners and Tenants. The owner of property designated to receive service according to the terms of this rate order is responsible for all fees and charges due the District for service provided to such property. If an owner has signed an alternate billing agreement for rental accounts, the District may bill a tenant for service as a third party. The owner may serve as a guarantor for a tenant's water service.

7. Refusal of Service. The District may refuse to serve an applicant for the following reasons:

- (a) failure of an applicant to complete all required easement forms and pay all required fees and charges;
- (b) failure of an applicant to comply with the rules, regulations and policies of the District;
- (c) existence of a hazardous condition at the applicant's property which would jeopardize the welfare of other customers of the District upon connection;
- (d) failure of an applicant to provide representatives or employees of the District reasonable access to property for which service has been requested;
- (e) failure of an applicant to comply with all rules and regulations of the District that are in this rate order on file with the state regulatory agency governing the service applied for by the applicant;
- (f) failure of an applicant to provide proof of ownership of the property designated to receive service to the satisfaction of the District; or
- (g) District has determined that the applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

8. Applicant's Recourse. If the District refuses to serve an applicant under the provisions of this section, the District shall notify the applicant in writing of the basis of its refusal and that the applicant may file a written complaint with the Board of Directors within 15 days after the District sends the notice.

9. Insufficient Grounds for Refusal of Service. The following shall not constitute sufficient cause for the refusal of service to an applicant:

- (a) delinquency in payment for service by a previous owner or tenant of the property designated for service;
- (b) failure to pay a bill to correct previous under billing more than six months before the date of application;
- (c) violation of the District's rules pertaining to operation of non-standard equipment or unauthorized attachments that interferes with the service of others, unless the District has made a reasonable attempt to notify the customer and the customer been afforded reasonable opportunity to comply with the requirements;

(d) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the District as a condition precedent to service; or

(e) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

10. Deferred Payment Agreement. The District may enter into a deferred payment agreement, not to exceed a term of one year, with a customer who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the District, including any late payment penalties or interest on the monthly balance to be determined as per agreement.

11. Charge Distribution and Payment Application.

(a) Base Rate. The applicable Base Rate shall be charged for the billing period from the first day of the billing period to the last day of the billing period. Charges shall be prorated for meter installations and service terminations falling during the billing period. Billings for this amount shall be mailed on or about the twenty-fifth day of the month preceding the month for which this charge is due. All service connections shall be subject to this charge whether or not there is use of service.

(b) Gallonage Charge. A Gallonage Charge shall be billed at the rate specified in Section G and shall be calculated in 1,000 gallon increments. Charges for water usage are based on monthly meter readings and are calculated from reading date to reading date. The District shall take all meter readings used in calculating billing.

(c) Posting of Payments. All payments shall be posted against previous balances prior to posting against current billings.

12. Due Dates, Delinquent Bills, and Service Disconnection Date.

(a) The District shall mail all bills on or about the 25th day of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately 15 days to pay), after which time a penalty shall be applied pursuant to Section G. Payment for utility service is delinquent if the full payment, including late fees and regulatory assessments, is not received at the District by 5:00 p.m. on the due date. Payments made by mail will be considered late if postmarked after the past due date. A five day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing five additional days for payment prior to disconnection. The five additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for a regular or final bill falls on a weekend or holiday, the past due date for payment purposes shall be the next day the District office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

(b) Upon written request, any residential customer 65 years of age or older who

occupies the entire premises of a dwelling receiving water utility service from the District shall receive an extension of the past due date, without penalty. The extension shall not exceed ten days beyond the usual 15 day payment period, for a total of no more than 25 days from the date the bill is issued.

13. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service.

(a) Disconnection with Notice. Water service may be disconnected after proper notice for any of the following reasons:

- (1) failure to pay a delinquent account for utility service provided by the District, failure to timely provide a deposit, or failure to comply with the terms of a deferred payment agreement;
- (2) violation of the District's rules pertaining to the use of service in a manner which interferes with the service of others;
- (3) the operation of non-standard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
- (4) failure to comply with the terms of a service agreement, Non-Standard Service Contract or this rate order;
- (5) failure to provide District personnel or designated representatives access to a meter or to property at which water service is received for purposes of inspecting and verifying the existence of potential hazardous conditions or rate order violations;
- (6) any misrepresentation of fact by an applicant or customer on any form, document or agreement required by the District; or
- (7) failure to re-apply for service upon notification by the District that customer no longer meets the service classification originally applied for under the original service application

(b) Disconnection Without Notice. Water service may be disconnected without prior notice for the following reasons:

- (1) where a known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of Chapter 341 of the Health and Safety Code and regulations adopted pursuant thereto, or where the District has reason to believe a dangerous or hazardous condition exists and the customer refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition [see Sections E.3(d), E.22; 30 TAC § 290.46 0]1;
- (2) where service is connected without authority by a person who has not made application for service;

(3) where service has been reconnected without authority following termination of service for nonpayment; or

(4) in instances of tampering with the District's meter or equipment by-passing the meter or equipment, or other diversion of service.

(c) Disconnection Prohibited. Water service may not be disconnected for any of the following reasons:

(1) failure to pay for a different class of utility service unless a fee for such service is included in the same bill;

(2) failure to pay charges arising from an under billing due to any misapplication of rates more than six months before the current billing;

(3) failure to pay the account of another customer as guarantor thereof, unless the District has in writing the guarantee as condition precedent to service;

(4) failure of the customer to pay charges arising from an under billing due to any faulty metering, unless the meter has been tampered with or unless such under billing charges are due under subsection 20 below (Inoperative Meters);

(5) failure of the customer to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the District is unable to read the meter due to circumstances beyond its control; or

(6) in response to a request for disconnection by an owner of rental property where the tenant is billed directly by the District as authorized by the owner, and the renter's account is not scheduled for disconnection under the rules for disconnection of service in this rate order.

(d) Disconnection on Holidays and Weekends. Unless a dangerous condition exists or the customer requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when District personnel are not available to the public for the purpose of making collections and reconnecting service.

(e) Disconnection Due to Utility Abandonment. The District may not abandon a customer or a certificated service area without written notice to its customers and all similar neighboring utilities, and obtaining approval from the TCEQ.

(f) Disconnection Due to Illness or Disability. The District may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the District before the stated date of disconnection. Service may be disconnected in accordance with subsection 14(a) of this section if the next month's bill and the past due bill are not paid by the due date of the next month's bill, unless the customer enters into a deferred payment agreement with the District.

(g) Disconnection of Master-Metered Accounts. When a bill for service to a master-metered account customer is delinquent, the following shall apply:

(h) Disconnection of Temporary Service. When an applicant with temporary service fails to comply with the conditions stated in the service agreement or provisions of this rate order, the District may terminate temporary service with notice.

(i) Payment During Disconnection. The District is not obligated to accept payment of a bill when a District employee or designated representative is at the customer's property for the purpose of disconnecting service.

14. Returned Check Policy. Payment by check that has been rejected for insufficient funds, closed account, or for which a stop payment order has been issued is not deemed to be payment to the District. The District shall mail, via the U.S. Postal Service, notice that the returned instrument must be redeemed and an additional returned check fee paid at the District office within ten days of the date of the notice. Redemption of the returned instrument and payment of the returned check fee shall be made by cash, money order, or certified check. Failure to meet these terms shall result in disconnection of service. A customer shall be considered a bad credit risk for having an instrument returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period, and shall be placed on a "cash-only" basis for a 12-month period during which the District will only accept payment by means of a certified check, money order or cash.

15. Billing Cycle Changes. The District reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, bills shall be sent on the new change date unless otherwise determined by the District.

16. Back-billing. If a customer was undercharged, the District may back-bill the customer for the amount which was under billed. The back-billing shall not exceed six months unless such undercharge was the result of meter tampering, bypass, or diversion of service by the customer as defined in subsection 23 below. If the under billing is \$25 or more, the District shall offer to enter into a deferred payment agreement with such customer for the same length of time as that of the under billing. In cases of meter tampering, bypass, or diversion of service, the District may, but is not required to, offer a customer a deferred payment plan.

17. Inoperative Meters. Water meters found inoperative will be repaired or replaced by the District within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the District shall make a charge for units used, but not metered, for a period not to exceed three months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

18. Bill Adjustment Due To Meter Error. The District shall test any customer's meter upon written request of the customer. If the meter tests within the accuracy standards of The American Water Works Association, a meter test fee as prescribed in Section G.15 of this Order shall be imposed. If the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six months. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The customer must complete and sign a Meter Test Authorization and Test Report prior to the test.

19. Meter Tampering and Diversion of Service. All meters connected to the District's water system shall be provided, owned, installed and maintained by the District. Meter tampering, bypassing a meter or service equipment, and diversion of service are prohibited. Meter tampering, bypass, or diversion shall be defined as tampering with a meter or service equipment causing damage or unnecessary expense to the District, bypassing a meter or service equipment, or other instances of diversion of service, such as:

- (a) installing a meter or service equipment without authorization from the District;
- (b) removing or altering locks or shut-off devices installed by the District to discontinue service;
- (c) removing, altering or physically disorienting a meter or service equipment;
- (d) inserting or attaching objects to a meter or service equipment to bypass or divert service;
- (e) other electrical and/or mechanical means of tampering with, by-passing, or diverting service;
- (f) connecting or reconnecting service without District authorization; or
- (g) connecting to the service line of an adjacent customer of the District.

The burden of proof of meter-tampering, by-passing, or diversion is on the District. In addition to any other penalties or remedies provided for in this rate order or under Texas civil law, persons who tamper with meters or divert service and unauthorized users of District services may be prosecuted to the extent allowed by law under Texas Penal Code § 28.03 (Criminal Mischief) or § 31.04 (Theft of Service) as appropriate.

20. Damage to District Facilities.

(a) Damage to Meter and Appurtenances. No person other than a duly authorized employee or agent of the District shall be permitted to tap or make any connection to the water distribution lines of the District's water system, except for emergency fire-fighting purposes, or make any repairs or additions to or alterations in any meter, meter box, tap, pipe, cock or other fixture connected with the water system. The District reserves the right, immediately and without notice, to remove the meter or disconnect water service to any Customer whose meter has been tampered with and to assess an equipment damage fee to the Customer under Section G.13 of this rate order.

(b) Right to Repair. The District reserves the right to repair any damage to the water system without prior notice and to assess against any Customer causing the damage such penalties as are provided for by law and this rate order, in addition to those charges necessary to repair system damage.

21. Meter Relocation. The District shall permit the relocation of meters or services

provided that:

- (a) the relocation is limited to the requesting customer's existing property designated to receive service;
- (b) a current easement for the proposed location has been granted to the District;
- (c) service capacity is available at the proposed location; and
- (d) the customer pays a Meter Relocation Fee and any additional costs that may be incurred by the District to relocate the meter. [see Section G.17].

In order to improve the operations of the District, the District may relocate a meter at any time at no cost to the customer.

22. Prohibition of Multiple Connections To A Single Tap. No more than one residential, commercial or industrial service connection is allowed per meter. The District may require the owner of an apartment building, mobile home/RV park or other commercial account to apply for a single meter as a "Master Metered Account" pursuant to Section E.2(c)(4) of this rate order. Any unauthorized submetering or diversion of service shall be considered a "multiple connection" and subject to disconnection of service. If the District has sufficient reason to believe a multiple connection exists, the District shall discontinue service under the Disconnection with Notice provisions in subsection 14(a) above.

23. Customer Responsibilities.

(a) District Access to Meters. Customers shall allow District employees and designated representatives access to meters for the purpose of reading, testing, installing, maintaining and removing meters and using utility cutoff valves. If access to a meter is hindered so that the District is prevented from the reading of the meter, an estimated bill shall be rendered to the customer for the month and a notice of the hindrance shall be sent to the customer. If access is denied for three consecutive months after notice to the customer, then service shall be discontinued and the meter removed with no further notice. [see Section E.3(d)].

(b) Compliance with On-Site Service and Plumbing Requirements. Customers shall be responsible for complying with all District, local, state and federal codes, requirements and regulations concerning on-site service and plumbing facilities.

(1) All connections shall be designed to ensure against back-flow or siphonage into the District's water system. In particular, livestock water troughs shall be plumbed above the top of the trough with an air space between the discharge and the water level in the trough. [30 TAG § 290.46].

(2) The use of pipe and pipe fittings that contain more than .25% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the District's facilities. Customer service pipelines shall be installed by the applicant. [30 TAG § 290.46].

The District shall discontinue service without further notice when installations of new facilities

or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.

(c) Payment on Multiple Accounts. A customer owning more than one service connection shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the customer.

(d) Extent of District Ownership and Maintenance. The District's ownership and maintenance responsibility of water distribution and metering equipment shall end at a customer's meter. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the District shall be subject to charges pursuant to this rate order.

(e) Cut-off Valve Requirement. Each customer shall have a cut-off valve on **the** customer's side of the meter for purposes of isolating the customer's service pipeline and plumbing facilities from the District's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The customer's use of the District's curb stop or other similar valve for such purposes is prohibited. A customer shall be subject to charges for any damage to the District's meter or other service equipment.

24. Prohibited Plumbing Practices.

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

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

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

(d) No pipe or pipe fitting which contains more the one quarter of one percent (.25%) lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

(e) No solder which contains more than two-tenths of one percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

25. Water Service Connections.

- (a) Applications for water service connections shall be filed with the District on approved forms. Applicants shall meet all District requirements for service, including the grant of any necessary water easements (as determined by the District) and the installation and maintenance of a cut-off valve at the expense of the service applicant.
- (b) No person, other than District employees or designated representatives, shall be permitted to tap or make any connection with the mains or service lines of the District's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected to a water service line.
- (c) A customer must allow his or her property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections will be conducted by the District prior to initiating service and may be conducted periodically thereafter. All inspections will be conducted during the District's normal business hours.
- (d) The customer must, at the customer's expense, properly install a backflow prevention device as required by the District.
- (e) All costs to extend or oversize District water mains or service lines to serve any residential or commercial user or any undeveloped area within the District shall be the sole responsibility of the property owner and/or developer requesting service.

26. Standards for Water Service Lines. The following standards govern the installation of customer service lines for water service to residences or commercial buildings within the District:

- (a) All new residential or commercial connections to the District's water system shall be made in accordance with previous subsection 29 and the Rules and Regulations for Public Water Systems issued by the TCEQ as set forth in Subchapter D, Chapter 290, Title 30 of the Texas Administrative Code. In the event of a conflict between the provisions of subsection 290 and the TCEQ's Rules and Regulations for Public Water Systems, the more stringent shall apply.
- (b) Water service lines and fittings shall be of Type "K" copper or polyvinyl chloride PVC DR 14 as approved by the District.
- (c) Water service lines and wastewater service lines shall not be less than three feet apart horizontally and shall be separated by undisturbed or compacted earth.
- (d) Water service lines or any underground water pipe shall not be run or laid in the same trench with non-metallic sewer or drainage piping unless all three of the following conditions are met:
 - (1) The bottom of the water service line at all points shall be at least 12 inches above the top of the wastewater line.
 - (2) The water service line shall be placed on a solid shelf excavated at one side of the common trench and the two lines shall be separated by a minimum of 8 inches.

(3) The water service line shall be installed with watertight joints tested to a minimum of 150 PSI.

(e) A minimum of four feet of Type "K" soft copper pipe shall be installed at the end of the water service line at the connection to the water meter.

(f) Water service lines shall be bedded in well graded crushed stone to provide six inches of cushion below the line. The trench bottom and walls shall be cleared of all protruding rocks which could damage the pipe before the crushed stone bedding is placed.

(g) A District-owned water meter and a District-approved meter box shall be installed by the District or its designated representative.

(h) Potable water supply piping, water discharge outlets, backflow prevention devices, or similar equipment shall not be located so as to make possible the submergence of such equipment in any contaminated or polluted substance.

(i) The District's water system shall be protected from swimming pool makeup water by means of an approved backflow prevention device or an adequate air gap.

27. Standards for Service Facilities (Details). All water service facilities shall be constructed in accordance with the District's Water Standard Details. In the event of a conflict between these standard details and any other provision of this rate order, the standard details shall apply.

28. Penalties and Enforcement.

(a) Penalties. Any person violating any provision of this Section E, as amended, may be subject to a fine of not more than \$1,000.00 for each violation.

Each day that a violation of this Section E is permitted to exist shall constitute a separate violation. A penalty under this section is in addition to any other penalty or remedy provided by the laws of the State of Texas or this rate order.

(b) Liability for Costs. Any person violating any provision of this Section E, as amended, shall become liable to the District for any expense, loss or damage occasioned by the District by reason of such violation and the District's enforcement thereof. If the District prevails in any suit to enforce these rules and regulations, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court.

(c) No Waiver. The failure on the part of the District to enforce any section, clause, sentence, or provision of this rate order shall not constitute a waiver of the right of the District later to enforce any section, clause, sentence, or provision of this rate order.

SECTION F.

DEVELOPER, SUBDIVISION AND NON-STANDARD SERVICE REQUIREMENTS

1. District Limitations. All applicants shall recognize that the District must comply with state and federal laws and regulations as promulgated from time-to-time, and with covenants of current indebtedness. The District is not required to extend retail utility service to any applicant requesting standard service to a lot or tract in a subdivision where the developer responsible for the subdivision has failed to comply with the requirements of the District's subdivision service extension policies and non-standard service requirements set forth in this section.

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 District's respective costs.

For purposes of this section, the term "applicant" shall refer to a developer or person that desires to secure non-standard service from the District. The applicant must be the same person or entity that is authorized to enter into a contract with the District setting forth the terms and conditions pursuant to which non-standard service will be furnished to the property. In most cases, the applicant will be the owner of the property for which non-standard service is sought. An applicant other than the property owner must furnish evidence to the District that the applicant has authority to request non-standard service on behalf the owner, or that it otherwise has authority to request non-standard service for the property.

3. Application of Rules. This section is applicable to subdivisions, additions to subdivisions, commercial, industrial and governmental developments, and any situation where additional service facilities are required to serve a single tract of property. Examples of nonstandard service to a single tract of land include, without limitation, service requests that require road bores, extensions to the District's distribution system, service lines exceeding two inches internal diameter in size, service lines exceeding twenty feet (20) in length, or which require a meter larger than 1" for service. Most nonresidential service applications will be considered non-standard by the District at its sole discretion. For purposes of this rate order, applications subject to this section shall be defined as "non-standard." This section may be altered or suspended for facility expansions constructed by the District at its expense. The District's general manager shall interpret, on an individual basis, whether or not an applicant's service request shall be subject to all or part of the conditions of this section. For purposes of this section the term "project" includes subdivisions, additions to subdivisions, and commercial, industrial and governmental developments.

This section sets forth the general terms and conditions pursuant to which the District will process non-standard service requests. 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 contractual agreement to be entered between the District and applicant. The contract may not contain any terms or conditions that conflict with this section.

4. Development Review Process.

(a) Developer contacts the District to receive planning requirements for water and/or wastewater service and general information about the District's service capability. Developer will receive a copy of the District's rate order and a form contract for non-standard service.

(b) Developer submits three copies of the preliminary plat including individual water plan sheets to the District office for initial review. At this time, developer pays the Service Investigation Fee of \$2,500.00 for developments up to 250 connections and an additional \$10.00 for each additional connection platted in complete build-out. [NOTE: the District will transmit plat/plans to the District engineer for request to review.] In addition, a fee of \$1,500 shall be paid with all re-submittals of plans to correct deficiencies as identified by the District staff or engineers. All original plans and re-submittals shall only be turned in to the District offices where the developer will receive a stamped receipt. Under no circumstance shall the developer turn plans directly into the District engineer. The District reserves the right to increase the review payment for non-typical applications requiring excessive administrative, engineer or legal review time.

(c) The District staff and the District engineers will review and provide feedback to developer regarding service capability, development fees within rate order, and any necessary changes in plans. Developers should allow 30 days for this process.

(d) The District staff will meet with developer to determine whether planned development meets the requirements of the District rate order. If planned development meets the rate order requirements, then the developer will complete, sign, and submit to the District a non-standard service agreement for the District's consideration. If planned development varies from the District's rate order, additional fees may be assessed by the District for additional administrative processes, including, but not limited to administrative, legal, engineering, and field investigations. Individual District directors may participate in meetings that vary from the rate order and non-standard service contract in effect at the time of application. Such meetings may be subject to requirements of the Texas Open Meetings Act. If any planned development is outside of the current service area as defined by the District's CCN's and/or if the planned development does not conform to the current rate order or non-standard agreement, the developer will be given a detailed list of requirements to be met prior to the District's moving forward with the application, as well as additional fees that will be charged by the District in connection with the application, as well as additional fees that will be charged by the District in connection with the application. The District will take no further action or approval until all conditions and requirements are met. Under no circumstances will the District consider executing a contract to provide service outside its CCN until the developer has agreed to reimburse the District for all costs incurred by obtaining the CCN to service the area requested by the developer.

(e) Final Plat Approval. Following completion of the required meetings and upon final staff approval and recommendation, the District Board of Directors will review and vote on approval of the final plat during a public meeting of the District Board of Directors. Prior to final plat approval, the developer must have executed the non-standard service agreement and paid one-half of all connection fees due per the District rate order. Construction may not commence until the District Board of Directors approves the developer's final plot. The balance of all applicable fees will be paid upon the District's inspection and approval of construction and prior to the District's acceptance of the improvements constructed by the Developer.

The District reserves the right to include individual District directors and legal counsel in review of developments that vary from the normal non-standard requirements outlined in the District's

rate order.

5. Non-Standard Service Application.

(a) The applicant shall complete and submit a Non-Standard Service Application to the District, while giving special attention to that portion entitled "Special Service Needs of the Applicant."

(b) Simultaneous with submission of the Non-Standard Service Application the applicant must submit three copies of the proposed final plat for approval by the District showing the applicant's requested service area. The final 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 that require an extension or over sizing of District facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

(c) The applicant shall pay a Service Investigation Fee to the District in accordance with the requirements of Section G for purposes of paying the District's administrative, legal and engineering fees. In the event such a fee is not sufficient to pay all 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 the District shall have no obligation to complete processing of the request until all remaining expenses have been paid.

(d) If after completing its service investigation the District determines that the applicant's service request is for property located wholly or partially outside the District's certificated service area, the District may still extend service provided that:

(1) the requested service area is not in an area receiving similar service from another retail utility;

(2) the requested service area is not within another retail utility's certificated service area; and

(3) the District's Certificate of Convenience and Necessity shall be amended to include the entirety of the applicant's property for which service is requested and the applicant shall pay all costs incurred by the District in amending its CCN, including but not limited to engineering and professional fees. If the service location is contiguous to or within one-fourth mile of the District's certificated service area, the District 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 District in securing the amendment).

6. Facilities Design and Approval.

(a) Design Requirements. Upon receipt of a completed Non-Standard Service

Application and Service Investigation Fee, the District shall study the design requirements of the applicant's required facilities before preparing a Non-Standard Service Contract in accordance with the following:

- (1) The District's consulting engineer shall design, or review and approve, plats and plans for all on-site and off-site service facilities for the applicant's requested service in accordance with the District's specifications and any applicable municipal or other governmental codes and specifications. The consulting engineer shall notify the applicant in writing of any necessary changes to applicant's proposed plats and/or plans. Allow a minimum of 30 days for the review process.
 - (2) The consulting engineer shall ensure all facilities for any applicant meet the demands for service as platted and/or requested in the plans or plat submitted by the applicant. The District reserves the right to upgrade and/or oversize the planned service facilities to meet future customer demands on condition that the applicant shall be reimbursed the additional expense of such upgrading and/or oversizing in excess of the applicant's facility requirements.
 - (3) Water line size and location will be determined by the District's engineer, whose determination is final.
 - (4) All water line material fittings shall conform to North Central Texas Council of Government standards.
 - (5) Any water line extensions constructed by a developer shall be constructed completely across (property line to property line) the side of the subdivision or development which is contiguous and adjacent to the road or street on which the main entrance to the project is located.
 - (6) The water system shall be looped. The District may permit dead ends when necessary as a stage in the growth of the water system, but they shall be located and arranged to ultimately connect the ends to provide circulation. [see 30 TAC § 290.44(d)(6)].
- (b) Final Plat Approval. After the final meeting, the final plats and plans will be placed on the agenda of a meeting of the Board of Directors for final consideration and approval.

7. Prepayment of Certain Fees Required. An applicant for non-standard service shall pre-pay certain fees in accordance with the following:

- (a) The Connection Fee required by Section G.5 of this rate order and the estimated Non-Standard Service Inspection Fee required by Section G.27 of this rate order, each multiply by the total number of connections requested, shall be paid at the time service is requested.
- (b) Subsequent purchasers of individual lots shall pay the Deposits required under Section G.3 of this rate order, upon applying to the District for activation of service to individual lots.

8. High Density Developments. The District reserves the right to declare a subdivision or development a "High Density Development." The District may determine that a project is a High Density Development based on lot sizes, the total number of lots or living units in the project, or both. The determination of whether a project is a High Density Development is within the sole discretion of the District. In the event the District declares that a project is a High Density Development, then the following regulations will apply.

(a) Off-Site Construction Costs. "Off Site Construction Costs" are the costs to construct an adequate pipeline to serve the project of at least eight inch internal diameter in size from a point to be determined by the District to and across the frontage of the project. The Off Site Construction Costs shall be paid as follows:

(1) Upon the execution of a Non-Standard Service Contract by an applicant and the District, the applicant shall deposit with the District ten percent of the estimated off-site construction costs of water service lines and/or facilities related to the project and the applicant shall promptly make progress payments as provided in the Three Way Contract.

(2) In the event that all or a portion of any unallocated capacity in an existing pipeline previously constructed to a High Density Development is utilized to transmit water to a project, then the applicant shall pay the District the unrecouped construction costs of the line. Payment shall be made upon execution of a Non-Standard Service Agreement. The construction costs of any new pipeline, if any, will be paid in the manner stated in the previous paragraph.

(3) If water is transmitted to the project through a pipeline on which all construction costs have been recouped, then no Off-Site Construction Costs relating to the pipeline will be charged.

(b) Conflict. If any other provision in this rate order conflicts with a provision of this subsection, then the provisions of this subsection will control. The determination of a conflict will be in the sole discretion of the District.

9. Non-Standard Service Contract. Applicants requesting or requiring non-standard service shall be required to execute a written Non-Standard Service contract prepared by the District's attorney. The District shall prepare and deliver the Non-Standard Service contract to the applicant within a reasonable time period as determined by the complexity of the project. The Non-Standard Service contract shall define the terms of service prior to construction of required service facilities for the project and may include, without limitation, provisions for the following:

(a) payment of all costs associated with required administration, design, construction and inspection of facilities for water service to the project;

(b) procedures by which the applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project;

(c) amount and payment of capital contributions required by the District in addition to other costs required under this section;

(d) reservation of service capacity for the applicant and duration of reserved service with respect to the impact the applicant's service demand will have upon the District's

system capability to meet other service requests;

(e) terms by which the applicant shall indemnify the District from all third party claims or lawsuits arising from or related to the project;

(f) terms by which the applicant shall dedicate all constructed service facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties related to construction of the service facilities;

(g) terms by which the applicant shall grant title or easements to the District for right-of-ways, constructed service facilities, and service facility sites, and/or terms by which the applicant shall provide for the securing of required right-of-ways and sites;

(h) terms by which the Board of Directors shall review and approve any applicable Non-Standard Service contract or any other contract related to the project pursuant to current rules, regulations and policies of the District; and

(i) terms by which the District shall administer the applicant's project with respect to:

- (1) the design of the applicant's service facilities;
- (2) securing and qualifying bids;
- (3) execution of the contract;
- (4) selection of a qualified bidder for construction;
- (6) inspecting construction of facilities; and
- (7) testing facilities and closing the project.

The District and applicant must execute a Non-Standard Service contract before construction of service facilities for the project is commenced. If the applicant commences construction of any such facilities prior to execution of the contract, the District may refuse to provide service to the applicant (or require full costs of replacing/repairing any facilities constructed without prior execution of the contract from any person buying a lot or home from applicant), 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.

10. Property and Right-of-Way Acquisition. With regard to construction of facilities, the District shall require private right-of-way easements or 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 applicant shall use all due diligence to secure easements or title to the right-of-way or facility sites in behalf of the District. All right-of-way easements and property titles shall be researched, validated, and recorded by the District at the expense of the applicant.

(b) All costs associated with facilities that must be installed in public right-of ways

on behalf of the applicant, due to the inability of the applicant to secure private right-of-way easements, 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 District secures such private easements or facility sites through eminent domain proceedings. Any request of applicant to the District to commence eminent domain proceedings shall be made in writing. The District reserves the right to secure right-of-way easements or facility sites by eminent domain on its own initiative.

(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 other on-site 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.

11. Contractor Selection & Qualification.

(a) Selection. Applicants shall choose one of the following methods for selection of a contractor to construct line extensions and/or water distribution facilities required by the District to serve a development. The applicant may select a qualified contractor. The District reserves the right to reject any contractor selected by the applicant in accordance with the criteria set forth in the following subsection 11(b).

(1) The District's consulting engineer shall advertise for bids for the construction of the applicant's proposed facilities in accordance with generally accepted practices. The applicant shall provide the District with a sufficient number of plans and specifications, without charge, for prospective bidders. 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 criteria set forth in the following subsection 11(b). After the applicant has executed the Non-Standard Service contract, the applicant shall pay to the District all costs necessary for completion of the project's service facilities prior to construction and in accordance with the terms of the Non-Standard Service contract.

(b) Qualification Criteria.

(1) the applicant shall sign the Non-Standard Service contract noting applicant's willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;

(2) the contractor shall provide an adequate bid bond under terms acceptable to the District;

(3) the contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;

(4) the contractor shall supply favorable references acceptable to the District;

- (5) the contractor shall qualify with the District as competent to complete the work; and
- (6) the contractor shall provide adequate certificates of insurance as required by the District.

12. Construction.

- (a) All road work shall be completed in accordance with applicable state, county and/or municipal standards prior to construction of project service facilities to avoid future problems resulting from road right-of-way excavation and completion. 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 service facilities.
- (b) The District shall inspect the service facilities to ensure compliance with District standards during construction and prior to acceptance of the service facilities for operation and maintenance.
- (c) Construction plans and specifications shall be strictly adhered to, but the District reserves the right to revise any specifications by change-order due to unforeseen circumstances during the design phase or to better facilitate construction and/or operation of the project service facilities. All change order amounts shall be charged to the applicant.

13. Dedication and Acceptance of Service Facilities. Upon proper completion of construction of an applicant's on-site and off-site service facilities, final inspection and approval thereof by the District, and applicant's payment to the District of all required fees and charges in connection therewith, the applicant shall dedicate the service facilities to the District by an appropriate legal instrument approved by the District's attorney, and the District shall accept the dedication. The District shall thereafter own the service facilities subject to applicant's maintenance bond in an amount of not less than 100 percent of the total construction cost of the service facilities and for a term of not less than two years. The maintenance bond is subject to prior approval by the District's attorney.

14. Service within Subdivisions. The District's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the nonstandard service specified by an applicant. The applicant is responsible for paying for all costs necessary to provide non-standard service to a subdivision as determined by the District under the provisions of this rate order, and in particular, the provisions of this section. Should the applicant fail to pay these costs, the District has the right to require payment of these costs by any one or more of the persons purchasing lots within such subdivision before the District is obligated to provide water service to the subdivision. In addition, the District may elect to pursue any remedies provided by the Non-Standard Service Contract and the laws of Texas.

SECTION G.

RATES AND SERVICE FEES

UNLESS SPECIFICALLY DEFINED IN THIS RATE ORDER, ALL FEES, RATES, AND CHARGES AS STATED SHALL BE NON-REFUNDABLE.

1. Service Investigation Fee. The District shall conduct a service investigation for each service application submitted to the District. An initial determination shall be made by the District, without charge, as to whether the request is for standard or non-standard service. An investigation shall then be conducted by the District and the results reported under the following terms:

(a) Standard Service Requests. All standard service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the applicant within 20 working days of application.

(b) Non-standard Service Requests. All non-standard service requests shall be subject to a Service Investigation Fee in the amount \$2,500 plus \$10.00 for each service connection in excess of two hundred and fifty (250) service connections, unless the District determines otherwise, in which case the District shall charge a Service Investigation Fee appropriate to the project and of sufficient amount to cover all administrative, legal and engineering costs associated with an investigation of the District's ability to provide service to the applicant's project, which may include:

- (1) providing cost estimates of the project;
- (2) presenting detailed plans and specifications as per final plat;
- (3) advertising and accepting bids for the project;
- (4) preparing a Non-Standard Service contract between the District and applicant; and
- (5) providing other services as required by the District for such investigation.

2. Deposits.

(a) Initial Payment and Amount. At the time an application for service is approved, the applicant shall pay a Deposit to be held by the District, without interest, until settlement of the customer's final bill. The Deposit will be used to offset unpaid charges or bills.

(1) Owners. A property owner will pay a deposit of \$200.00 with a \$50.00 Account Transfer Fee.

(2) Tenants. A Tenant will pay a deposit of \$250.00 with a \$50.00 Account Transfer Fee.

(b) Reestablishment of Deposit. Every service applicant who has previously been a customer of the District and whose service has been discontinued for nonpayment of bills, meter tampering, bypassing of meter or failure to comply with applicable state regulations of the District shall be required, before service is resumed, to pay all amounts due the District

or execute a deferred payment agreement, if offered, and shall be required to pay a deposit and shall be required to pay the deposit established by Section G.3(a) if the District does not currently have a deposit from the customer.

(c) Refund of Deposit. If service is not connected, or after disconnection of service, the District shall refund the service applicant's or customer's deposit, if any, in excess of the unpaid bills for service furnished. In the event that a surplus of Five Dollars (\$5.00) or more exists after the final bill is paid, the balance of the Deposit will be paid to the customer within 45 days provided the customer has given the District written notice of a forwarding address. All requests for Deposit refunds shall be made in writing and must be delivered to the District within 90 days of termination of service. In the event that an outstanding balance exists after the Deposit is applied, the District shall attempt to collect the outstanding balance by all lawful means available. A customer who terminates service without notice and providing a forwarding address to the District shall not be entitled to a deposit refund.

(d) Transfer of Service. A transfer of service from one service location to another within the District's service area shall not be deemed a disconnection within the meaning of this subsection as long as the customer is in good standing, and no additional deposit may be required unless by this section

3. Easement Fee. When the District determines that private right-of-way easements and/or easements for facility sites are necessary to provide service to an applicant, the applicant shall be required to make a good faith effort to secure such easements on behalf of the District or pay all costs incurred by the District to validate, clear and obtain such easements, including but not limited to legal fees and court costs, in addition to tap fees otherwise required pursuant to the provisions of this rate order. [See Sections E.2(c)(2) and F.7(a)].

4. Connection Fee. The District shall charge a Connection Fee for water service as follows:

(a) Standard Service.

(1) The Connection Fee for standard water service shall include all labor, materials for construction, installation, and initial inspection of a tap or connection to the District's water system, including all necessary service lines and meters: \$4,250.00.

(2) In addition to the Connection Fee, the District may charge the applicant for any extraordinary expenses such as the cost of water meters larger than 1", road bores, street crossings, line extensions and system improvements and pipeline relocations under Section E.2(c)(6) of this rate order.

(b) Non-Standard Service.

(1) The Connection Fee for non-standard water service which, for the purpose of this section, is defined to be retail water service by the District to land that is being developed pursuant to the Texas Local Government Code that at the time of platting was not being provided with water service by the District, shall be \$4,250.00 for each service connection.

(2) Prior to the installation of any facilities to which Non Standard Connection Fees apply, the applicant shall execute a Non-Standard Service agreement with the District.

5. Monthly Charges.

(a) Water Service. The District shall assess the following monthly charges for water service:

Minimum monthly bill for ¾” meter (includes 0 gallons)	\$ 25.00
Minimum monthly bill for 1” meter (includes 0 gallons)	\$ 50.00
Minimum monthly bill for 2” meter (includes 0 gallons)	\$ 88.00
Minimum monthly bill for 3” meter (includes 0 gallons)	\$176.00
Minimum monthly bill for 6” meter (includes 0 gallons)	\$704.00

\$6.05/1000 GALS FOR 0 – 5,000 gallons
\$6.71/1000 GALS FOR 5,001 – 10,000 gallons
\$7.70/1000 GALS FOR 10,001 – 15,000 gallons
\$9.52/1000 GALS FOR 15,001 – 25,000 gallons
\$10.73/1000 GALS FOR Over 25,000 gallons

6. Late Payment Fee. A one-time penalty of \$20.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

7. Returned Check Fee. If a check, draft, or any other similar instrument is given by any person for payment of services provided for in this rate order, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$35.00.

8. Reconnect Fee. The District shall charge a Reconnect Fee of \$70.00 for restoration of service after disconnection for any reason stated in this rate order or to restore service after disconnection at a customer's request, except for re-service under Sections E.3(b) and E.4(b) of this rate order.

9. Equipment Damage Fee. The District shall charge for all labor, material, equipment, and all other actual costs necessary to repair or replace all equipment damaged due to negligence, meter tampering or bypassing, reconnecting service without authority or other service diversion. The utility may charge for all actual costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of such charges shall be provided to the customer. In cases of meter tampering or service diversion, the District may disconnect the service of a customer refusing to pay damage charges. [See 30 TAC § 291.87(n)].

10. Customer Inquiry Fee. A fee of \$5.00 shall be charged to provide a copy of the customer's record of past water purchases or reprint of a bill in response to a customer's request for such a record.

11. Meter Test Fee. The District shall perform a diagnostic test on a customer's meter upon written request of the customer and upon payment of a Meter Test Fee of \$35.00. If the customer requests that the meter be removed and submitted to the manufacturer for a certified test, a fee of \$125.00 plus the cost of the test shall apply.

12. Transfer Fee. A \$50.00 Administrative Fee must be paid by a Customer when

transferring an existing account in their name.

13. Temporary Service Charges. A tap fee of \$150.00 shall be charged plus actual installation charges for temporary water service. In addition to the tap fee, and prior to receiving temporary service, contractors shall pay a deposit of \$1,500.00. Applicants shall also pay any other applicable fees or charges set forth in this rate order. If temporary service at an existing connection is requested for inspection purposes, a flat fee of \$70.00 shall apply.

14. Easement Fee. The District shall charge an Easement Fee of \$25.00 when applicable to cover administrative costs and the cost of recording easements in the land records of the county.

15. Additional Assessments. In the event any federal, state or local government imposes on the District a "per meter" fee or an assessment based on a percent of water charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.

16. Non-Standard Service Inspection Fee. The District shall conduct an initial inspection of non-standard service facilities. All non-standard service requests shall be subject to a Non-Standard Service Inspection Fee in the amount of 5% of construction costs of total build out, payable in accordance with the terms set forth in Section F of this rate order. In the event any deficiency is identified requiring an additional inspection or inspections, the District shall charge a fee of \$150 for each additional inspection.

17. Other Fees. All services outside the normal scope of utility operations that the District may be compelled to provide at the request of a customer shall be charged to the recipient based on the cost of providing such service.

WATER RESOURCE AND EMERGENCY
MANAGEMENT PLAN
**BEAR CREEK SPECIAL UTILITY
DISTRICT**

MAY 2015

TABLE OF CONTENTS

1. INTRODUCTION AND OBJECTIVES 1-1

2. DEFINITIONS..... 2-1

3. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES..... 3-1

4. WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN 4-1

 4.1 Provisions to Inform the Public and Opportunity for Public Input..... 4-1

 4.2 Provisions for Continuing Public Education and Information 4-1

 4.3 Initiation and Termination of Water Resource and Emergency Management Stages .. 4-2

 4.4 Procedures for Granting Variances to the Plan 4-12

 4.5 Procedures for Enforcing Mandatory Water Use Restrictions..... 4-13

 4.6 Coordination with the Regional Water Planning Group and NTMWD..... 4-14

 4.7 Review and Update of Water Resource and Emergency Management Plan..... 4-14

APPENDICES

APPENDIX A

List of References

APPENDIX B

Texas Commission on Environmental Quality Rules on Drought Contingency Plans

- Texas Administrative Code Title 30, Part 1, Chapter 288, Subchapter B, Rule §288.20 – Drought Contingency Plans for Municipal Uses by Public Water Suppliers

APPENDIX C

Letters to Region C and Region D Water Planning Groups

APPENDIX D

Adoption of Water Resource and Emergency Management Plan

- Special Utility District Order Adopting Water Resource and Emergency Management Plan

1. INTRODUCTION AND OBJECTIVES

The purpose of this model Water Resource and Emergency Management plan is as follows:

- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions.

In the absence of drought response measures, water demands tend to increase during a drought due to increased outdoor irrigation. The severity of a drought depends on the degree of depletion of supplies and on the relationship of demand to available supplies. The NTMWD considers a drought to end when all of its supply reservoirs refill to the conservation storage pool.

¹ Superscripted numbers match references listed in Appendix A.

2. DEFINITIONS

1. AQUATIC LIFE means a vertebrate organism dependent upon an aquatic environment to sustain its lifeⁱ.
2. ATHLETIC FIELD means a public sports competition field, the essential feature of which is turf grass, used primarily for organized sports practice, competition or exhibition events for schools, professional sports, or sanctioned league playⁱⁱ.
3. COMMERCIAL FACILITY business or industrial buildings and the associated landscaping, but does not include the fairways, greens, or tees of a golf courseⁱ.
4. COMMERCIAL VEHICLE WASH FACILITY means a permanently-located business that washes vehicles or other mobile equipment with water or water-based products, including but not limited to self-service car washes, full service car washes, roll-over/in-bay style car washes, and facilities managing vehicle fleets or vehicle inventoryⁱ.
5. COOL SEASON GRASSES are varieties of turf grass that grow best in cool climates primarily in northern and central regions of the U.S. Cool season grasses include perennial and annual rye grass, Kentucky blue grass and fescuesⁱⁱⁱ.
6. CUSTOMERS include those entities to whom NTMWD provides water on a customer basis that are not members of NTMWD.
7. DESIGNATED OUTDOOR WATER USE DAY means a day prescribed by rule on which a person is permitted to irrigate outdoorsⁱ.

ⁱ Definitions from City of Austin Water Conservation and Drought Contingency Ordinance adopted August 16, 2012.
http://www.austintexas.gov/sites/default/files/files/Water/Conservation/Planning_and_Policy/ProposedCodeRevision_DRAFT_with_watering_schedule-8-15-2012.pdf

ⁱⁱ Definition from City of San Antonio Water Conservation Ordinance adopted 2005.
http://saws.org/conservation/ordinance/docs/Ch34_Ordinance_2009.pdf

ⁱⁱⁱ Definition developed by Freese and Nichols, Inc.

8. DRIP IRRIGATION is a type of micro-irrigation system that operates at low pressure and delivers water in slow, small drips to individual plants or groups of plants through a network of plastic conduits and emitters; also called trickle irrigation.^{iv}.
9. DROUGHT, for the purposes of this report, means an extended period of time when an area receives insufficient amounts of rainfall to replenish the water supply, causing water supply sources (in this case reservoirs) to be depleted^v.
10. EVAPOTRANSPIRATION abbreviated as ET represents the amount of water lost from plant material to evaporation and transpiration. The amount of ET can be estimated based on the temperature, wind, and relative humidityⁱⁱⁱ.
11. ET/SMART CONTROLLERS are irrigation controllers that adjust their schedule and run times based on weather (ET) data. These controllers are designed to replace the amount of water lost to evapotranspirationⁱⁱⁱ.
12. EXECUTIVE DIRECTOR means the Executive Director of the North Texas Municipal Water District and includes a person the Director has designated to administer or perform any task, duty, function, role, or action related to this plan or on behalf of the Executive Directorⁱⁱⁱ.
13. FOUNDATION WATERING means an application of water to the soils directly abutting the foundation of a building structureⁱ.
14. MEMBER CITIES include the cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie, Texas.
15. NEW LANDSCAPE means vegetation: installed at the time of the construction of a residential or commercial facility; installed as part of a governmental entity's capital improvement project; installed to stabilize an area disturbed by constructionⁱ.

^{iv} Amy Vickers: Handbook of Water Use and Conservation, Amherst Massachusetts, June 2002

^v Freese and Nichols, Inc.: Water Conservation and Drought Contingency and Water Emergency Response Plan, prepared for North Texas Municipal Water District, Fort Worth, March 2008.

16. ORNAMENTAL FOUNTAIN means an artificially created structure (up to six feet in diameter) from which a jet, stream, valves and emission devices or flow of water emanates and is not typically utilized for the preservation of aquatic lifeⁱ.
17. PERMANANTLY INSTALLED IRRIGATION SYSTEM means a custom-made, site-specific system of delivering water generally for landscape irrigation via a system of pipes or other conduits installed below groundⁱ.
18. RAIN/FREEZE SENSOR means a device designed to stop the flow of water to an automatic irrigation system when rainfall or freeze event has been detectedⁱⁱ.
19. RECLAIMED WATER means reclaimed municipal wastewater that has been treated to a quality that meets or exceeds the minimum standards of the 30 Texas Administrative Code, Chapter 210 and is used for lawn irrigation, industry, or other non-potable purposesⁱ.
20. SOAKER HOSE means a perforated or permeable garden-type hose or pipe that is laid above ground that provides irrigation at a slow and constant rateⁱ.
21. SPRINKLER means an above-ground water distribution device that may be attached to a garden hoseⁱ.
22. SWIMMING POOL means any structure, basin, chamber, or tank including hot tubs, containing an artificial body of water for swimming, diving, or recreational bathing, and having a depth of two (2) feet or more at any pointⁱⁱ.
23. WATER RESOURCE MANAGEMENT PLAN means a strategy or combination of strategies for temporary supply management and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies required by Texas Administrative Code Title 30, Chapter 288, Subchapter B. This is sometimes called a drought contingency planⁱ

3. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES

The TCEQ rules governing development of drought contingency plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code, a current copy of which is included in Appendix B. For the purpose of these rules, a drought contingency plan is defined as “a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.”¹

Minimum Requirements

TCEQ’s minimum requirements for drought contingency plans are addressed in the following subsections of this report:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input – Section 4.1
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information – Section 4.2
- 288.20(a)(1)(C) – Coordination with the Regional Water Planning Group – Section 4.6
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(E) – Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions – Section 4.3
- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage – Section 4.3
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(I) - Procedures for Granting Variances – Section 4.4
- 288.20(a)(1)(J) - Procedures for Enforcement of Mandatory Restrictions – Section 4.5
- 288.20(a)(3) – Consultation with Wholesale Supplier – Sections 1, 4.2, and 4.3
- 288.20(b) – Notification of Implementation of Mandatory Measures – Section 4.3
- 288.20(c)
- Review and Update of Plan – Section 4.7

4. WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

4.1 PROVISIONS TO INFORM THE PUBLIC AND OPPORTUNITY FOR PUBLIC INPUT

Bear Creek SUD will provide opportunity for public input in the development of this Water Resource and Emergency Management Plan by the following means:

- Providing written notice of the proposed plan and the opportunity to comment on the plan by newspaper, posted notice, and notice on the Bear Creek SUD web site.
- Making the draft plan available on the Bear Creek SUD web site.
- Providing the draft plan to anyone requesting a copy.
- Holding a public meeting.

4.2 PROVISIONS FOR CONTINUING PUBLIC EDUCATION AND INFORMATION

Bear Creek SUD will inform and educate the public about the Water Resource and Emergency Management Plan by the following means:

- Preparing a bulletin describing the plan and making it available at Bear Creek SUD office.
- Making the plan available to the public through the Bear Creek SUD web site.
- Including information about the Water Resource and Emergency Management Plan on the Bear Creek SUD web site.
- Notifying local organizations, schools, and civic groups that staff are available to make presentations on the Water Resource and Emergency Management Plan (usually in conjunction with presentations on water conservation programs).
- At any time that the Water Resource and Emergency Management Plan is activated or the Water Resource and Emergency Management Plan changes, Bear Creek SUD will notify local media of the issues, the water resource management stage (if applicable), and the specific actions required of the public. The information will also be publicized on the Bear Creek SUD web site. Billing inserts will also be used as appropriate.

4.3 INITIATION AND TERMINATION OF WATER RESOURCE AND EMERGENCY MANAGEMENT STAGES

Initiation of a Water Resource Management Stage

The General Manager, or official designee may order the implementation of a water resource management stage when one or more of the trigger conditions for that stage is met. The following actions will be taken when a water resource management stage is initiated:

- The public will be notified through local media and the Bear Creek SUD web site as described in Section 4.2.
- Wholesale customers (if any) and the NTMWD will be notified by e-mail with a follow-up letter or fax that provides details of the reasons for initiation of the water resource management stage.
- If any mandatory provisions of the Water Resource and Emergency Management Plan are activated, Bear Creek SUD will notify the Executive Director of the TCEQ and the Executive Director of the NTMWD within 5 business days.
- Water Resource and Emergency Management Plan stages imposed by NTMWD action must be initiated by Bear Creek SUD.
- For other trigger conditions internal to the Bear Creek SUD, the General Manager, or official designee may decide not to order the implementation of a water resource management stage or water emergency even though one or more of the trigger criteria for the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, the anticipation of replenished water supplies, or the anticipation that additional facilities will become available to meet needs. The reason for this decision should be documented.

Termination of a Water Resource Management Stage

The General Manager, or official designee may order the termination of a water resource management stage when the conditions for termination are met or at

their discretion. The following actions will be taken when a water resource management stage is terminated:

- The public will be notified through local media and the Bear Creek SUD web site as described in Section 4.2.
- Wholesale customers (if any) and the NTMWD will be notified by e-mail with a follow-up letter or fax.
- If any mandatory provisions of the Water Resource and Emergency Management plan that have been activated are terminated, Bear Creek SUD will notify the Executive Director of the TCEQ and the Executive Director of the NTMWD within 5 business days.

The General Manager, or official designee may decide not to order the termination of a water resource management stage even though the conditions for termination of the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the water resource management stage. The reason for this decision should be documented.

Water Resource and Emergency Management Plan Stages and Measures

Stage 1

Initiation and Termination Conditions for Stage 1

- The NTMWD and Bear Creek SUD has initiated Stage 1, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 1.
 - Water demand is projected to approach the limit of the permitted supply.
 - The storage in Lavon Lake is less than 55 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 55 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Mild drought.
 - NTMWD has concern that Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source may be limited in availability in the next 6 months.
 - NTMWD water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
 - NTMWD water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
 - NTMWD's supply source becomes contaminated.
 - Supply source is interrupted or unavailable due to invasive species.
 - NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Bear Creek SUD water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
- Bear Creek SUD water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.

- Bear Creek SUD source becomes contaminated.
- Bear Creek SUD water supply system is unable to deliver water due to the failure or damage of major water system components.
- Bear Creek SUD individual plan may be implemented if other criteria dictate.

Stage 1 may terminate when NTMWD or the Bear Creek SUD terminates its Stage 1 condition or when the circumstances that caused the initiation of Stage 1 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 1

The goal for water use reduction under Stage 1 is a five percent (5%) reduction in the amount of water produced by NTMWD from the previous annual payment period prior to drought restrictions. **If circumstances warrant or if required by NTMWD, the General Manager, or official designee can set a goal for greater or lesser water use reduction.** The General Manager, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a five percent reduction. Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. The Bear Creek SUD must notify TCEQ and NTMWD within five business days if these measures are implemented:

- Continue actions in the water conservation plan.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Initiate engineering studies to evaluate alternatives should conditions worsen.
- Further accelerate public education efforts on ways to reduce water use.
- Halt non-essential city government water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.

- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to no more than two days per week, Tuesday and Thursday on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every week, Tuesday or Thursday on designated days between November 1 – March 31. Exceptions are as follows:
 - An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the installation of new landscape features.
 - An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use days limited to no more than two days per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
 - An exception for additional watering of landscape may be provided by hand held hose with shutoff nozzle, use of dedicated irrigation drip zones, and/or soaker hose provided no runoff occurs.
 - Foundations, new landscaping, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered by a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system provided no runoff occurs.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – Landscape watering of parks, golf courses and athletic fields using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 2Initiation and Termination Conditions for Stage 2

- The NTMWD and Bear Creek SUD has initiated Stage 2, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 2.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - The storage in Lavon Lake is less than 45 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 45 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Moderate drought. (Measures required by SRA under a Moderate drought designation are similar to those under NTMWD's Stage 2.)
 - The supply from Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source has become limited in availability within the next 3 months.
 - NTMWD water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
 - NTMWD water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
 - NTMWD's supply source becomes contaminated.
 - NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Bear Creek SUD water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
- Bear Creek SUD water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.

- Bear Creek SUD source becomes contaminated.
- Bear Creek SUD source is interrupted or unavailable due to invasive species.
- Bear Creek SUD water supply system is unable to deliver water due to the failure or damage of major water system components.
- Bear Creek SUD individual plan may be implemented if other criteria dictate.

Stage 2 may terminate when NTMWD and Bear Creek SUD terminates its Stage 2 condition or when the circumstances that caused the initiation of Stage 2 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 2

The goal for water use reduction under Stage 2 is a reduction of ten percent (10%) in the amount of water obtained from NTMWD from the previous annual payment period prior to drought restrictions. **If circumstances warrant or if required by NTMWD, the General Manager, or official designee can set a goal for greater or lesser water use reduction.** The General Manager, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a ten percent reduction. Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. The Bear Creek SUD must notify TCEQ and NTMWD within five business days if these measures are implemented:

- Continue or initiate any actions available under Stage 1.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to once per week, Tuesday or Thursday on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every other week, Tuesday or Thursday on designated days between November 1 – March 31. Exceptions are as follows:

- New construction may be watered as necessary for 30 days from the date of the installation of new landscape features. .
- Foundations, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered for up to two hours on any day by a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs.
- Public athletic fields used for competition may be watered twice per week.
- Locations using alternative sources of water supply only for irrigation may irrigate without day of the week restrictions provided proper signage is employed. However, irrigation using alternative sources of supply is subject all other restrictions applicable to this stage. If the alternative supply source is a well, proper proof of well registration with the North Texas Groundwater Conservation District or Red River Ground Water Conservation District is required. Other sources of water supply may not include imported treated water.
- An exemption is allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use day limited to no more than one day per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
- Hand watering with shutoff nozzle, drip lines, and soaker hoses is allowed before 10am and after 6 pm provided no runoff occurs.
- **Requires Notification to TCEQ** – Prohibit hydro seeding, hydro mulching, and sprigging.
- **Requires Notification to TCEQ** - Initiate a rate surcharge as requested by NTMWD.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – If NTMWD has imposed a reduction in water available to Member Cities and Customers, impose the same percent reduction on wholesale customers.
- **Requires Notification to TCEQ** – Landscape watering of parks and golf courses using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 3Initiation and Termination Conditions for Stage 3

- The NTMWD and Bear Creek SUD has initiated Stage 3, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 3.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - The storage in Lavon Lake is less than 35 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 35 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Severe drought or Emergency.
 - The supply from Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source has become severely limited in availability.
 - NTMWD water demand exceeds the amount that can be delivered to customers.
 - NTMWD water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
 - NTMWD's supply source becomes contaminated.
 - NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Bear Creek SUD water demand exceeds the amount that can be delivered to customers.
- Bear Creek SUD water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- Bear Creek SUD source becomes contaminated.
- Bear Creek SUD water supply system is unable to deliver water due to the failure or damage of major water system components.
- Bear Creek SUD individual plan may be implemented if other criteria dictate.

- Stage 3 may terminate when NTMWD terminates its Stage 3 condition or when the circumstances that caused the initiation of Stage 3 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 3

The goal for water use reduction under Stage 3 is a reduction of whatever amount is necessary in the amount of water obtained from NTMWD from the previous annual payment period prior to drought restrictions. **If circumstances warrant or if required by NTMWD, the General Manager, or official designee can set a goal for greater or lesser water use reduction.**

The General Manager, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary. Measures described as “requires notification to TCEQ” impose mandatory requirements on member cities and customers. The Bear Creek SUD must notify TCEQ and NTMWD within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, and 2.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:
 - Hosing and washing of paved areas, buildings, structures, windows or other surfaces is prohibited except by variance and performed by a professional service using high efficiency equipment.
 - Prohibit operation of ornamental fountains or ponds that use potable water except where supporting aquatic life or water quality.
- **Requires Notification to TCEQ** – Prohibit new sod, hydro seeding, hydro mulching, and sprigging.
- **Requires Notification to TCEQ** – Prohibit the use of potable water for the irrigation of new landscaping.
- **Requires Notification to TCEQ** – Prohibit all commercial and residential landscape watering, except that foundations and trees (within a ten foot radius of its trunk) may be watered for

two hours one day per week with a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs. ET/Smart irrigation systems and drip irrigation systems are not exempt from this requirement.

- **Requires Notification to TCEQ** – Prohibit washing of vehicles except at commercial vehicle wash facilities.
- **Requires Notification to TCEQ** – Landscape watering of parks, golf courses, and athletic fields with potable water is prohibited. Exception for golf course greens and tee boxes which may be hand watered as needed. Variances may be granted by the water provider under special circumstances.
- **Requires Notification to TCEQ** – Prohibit the filling, draining and refilling of existing swimming pools, wading pools, Jacuzzi and hot tubs except to maintain structural integrity, proper operation and maintenance or to alleviate a public safety risk. Existing pools may add water to replace losses from normal use and evaporation. Permitting of new swimming pools, wading pools, Jacuzzi and hot tubs is prohibited.
- **Requires Notification to TCEQ** – Prohibit the operation of interactive water features such as water sprays, dancing water jets, waterfalls, dumping buckets, shooting water cannons, or splash pads that are maintained for public recreation.
- **Requires Notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the General Manager, or official designee.
- **Requires Notification to TCEQ** – If NTMWD has imposed a reduction in water available to Member Cities and Customers, impose the same percent reduction on wholesale customers.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over normal rates for all water use.

4.4 PROCEDURES FOR GRANTING VARIANCES TO THE PLAN

The General Manager, or official designee may grant temporary variances for existing water uses otherwise prohibited under this Water Resource and Emergency Management Plan if one or more of the following conditions are met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person or entity requesting the variance.
- Compliance with this plan cannot be accomplished due to technical or other limitations.
- Alternative methods that achieve the same level of reduction in water use can be implemented.
- Variances shall be granted or denied at the discretion of the General Manager, or official designee. All petitions for variances should be in writing and should include the following information:
 - Name and address of the petitioners
 - Purpose of water use
 - Specific provisions from which relief is requested
 - Detailed statement of the adverse effect of the provision from which relief is requested
 - Description of the relief requested
 - Period of time for which the variance is sought
 - Alternative measures that will be taken to reduce water use
 - Other pertinent information.

4.5 PROCEDURES FOR ENFORCING MANDATORY WATER USE RESTRICTIONS

Mandatory water use restrictions may be imposed in Stage 1, Stage 2 and Stage 3 Water Resource and Emergency Management Plan stages. The penalties associated with the mandatory water use restrictions will be determined by each entity.

Appendix D contains potential ordinances, resolutions, and orders that may be adopted by the Board of Directors approving the Water Resource and Emergency Management plan and water response plan, including enforcement of same.

4.6 COORDINATION WITH THE REGIONAL WATER PLANNING GROUP AND NTMWD

Appendix C includes a copy of a letter sent to the Chairs of the Region C Water Planning Group and the North East Texas Water Planning Group with this model Water Resource and Emergency Management plan.

The Bear Creek SUD will send a copy of the Minutes of the Board Meeting implementing this plan to NTMWD for their review and comment. The Bear Creek SUD will also send the final Minutes to NTMWD.

4.7 REVIEW AND UPDATE OF WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

As required by TCEQ rules, Member Cities and Customers must review the Water Resource and Emergency Management plan every five years. The plan will be updated as appropriate based on new or updated information.

APPENDIX A LIST
OF REFERENCES

APPENDIX A

LIST OF REFERENCES

1. Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter B, Rules 288.20 and 288.22, downloaded from [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=30&pt=1&ch=288](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=30&pt=1&ch=288), June 2013
2. Freese and Nichols, Inc.: Model Water Resource Management Plan for NTMWD Members Cities and Customers, prepared for the North Texas Municipal Water District, Fort Worth, February 2014.
3. Definitions from City of Austin Water Conservation and Drought Contingency Ordinance adopted August 16, 2012. http://www.austintexas.gov/sites/default/files/files/Water/Conservation/Planning_and_Policy/ProposedCodeRevision_DRAFT_with_watering_schedule-8-15-2012.pdf
4. Definition from City of San Antonio Water Conservation Ordinance adopted 2005. http://saws.org/conservation/ordinance/docs/Ch34_Ordinance_2009.pdf
5. Amy Vickers: Handbook of Water Use and Conservation, Amherst Massachusetts, June 2002
6. Definition developed by Freese and Nichols, Inc.
7. Freese and Nichols, Inc.: Water Conservation and Drought Contingency and Water Emergency Response Plan, prepared for North Texas Municipal Water District, Fort Worth, March 2008.
8. Texas Water Development Board, Texas Commission on Environmental Quality, Water Conservation Advisory Council. "DRAFT Guidance and Methodology for Water Conservation Reporting."
9. Freese and Nichols, Inc., Alan Plummer and Associates, CP & Y Inc., and Cooksey Communications, "2011 Region C Water Plan".

APPENDIX B

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
RULES ON DROUGHT CONTINGENCY PLANS

APPENDIX B

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES ON DROUGHT CONTINGENCY PLANS

<u>TITLE 30</u>	ENVIRONMENTAL QUALITY
<u>PART 1</u>	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
<u>CHAPTER 288</u>	WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS, GUIDELINES AND REQUIREMENTS
<u>SUBCHAPTER B</u>	DROUGHT CONTINGENCY PLANS
RULE §288.20	Drought Contingency Plans for Municipal Uses by Public WaterSuppliers

(a) A drought contingency plan for a retail public water supplier, where applicable, must include the following minimum elements.

(1) Minimum requirements. Drought contingency plans must include the following minimum elements.

(A) Preparation of the plan shall include provisions to actively inform the public and affirmatively provide opportunity for public input. Such acts may include, but are not limited to, having a public meeting at a time and location convenient to the public and providing written notice to the public concerning the proposed plan and meeting.

(B) Provisions shall be made for a program of continuing public education and information regarding the drought contingency plan.

(C) The drought contingency plan must document coordination with the regional water planning groups for the service area of the retail public water supplier to ensure consistency with the appropriate approved regional water plans.

(D) The drought contingency plan must include a description of the information to be monitored by the water supplier, and specific criteria for the initiation and termination of drought response stages,

accompanied by an explanation of the rationale or basis for such triggering criteria.

(E) The drought contingency plan must include drought or emergency response stages providing for the implementation of measures in response to at least the following situations:

- (i) reduction in available water supply up to a repeat of the drought of record;
- (ii) water production or distribution system limitations;
- (iii) supply source contamination; or
- (iv) system outage due to the failure or damage of major water system components (e.g., pumps).

(F) The drought contingency plan must include specific, quantified targets for water use reductions to be achieved during periods of water shortage and drought. The entity preparing the plan shall establish the targets. The goals established by the entity under this subparagraph are not enforceable.

(G) The drought contingency plan must include the specific water supply or water demand management measures to be implemented during each stage of the plan including, but not limited to, the following:

- (i) curtailment of non-essential water uses; and
- (ii) utilization of alternative water sources and/or alternative delivery mechanisms with the prior approval of the executive director as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

(H) The drought contingency plan must include the procedures to be followed for the initiation or termination of each drought response stage, including procedures for notification of the public.

(I) The drought contingency plan must include procedures for granting variances to the plan.

(J) The drought contingency plan must include procedures for the enforcement of mandatory water use restrictions, including specification of penalties (e.g., fines, water rate surcharges, discontinuation of service) for violations of such restrictions.

(2) Privately-owned water utilities. Privately-owned water utilities shall prepare a drought contingency plan in accordance with this section and incorporate such plan into their tariff.

(3) Wholesale water customers. Any water supplier that receives all or a portion of its water supply from another water supplier shall consult with that supplier and shall include in the drought contingency plan appropriate provisions for responding to reductions in that water supply.

(b) A wholesale or retail water supplier shall notify the executive director within five business days of the implementation of any mandatory provisions of the drought contingency plan.

(c) The retail public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as the adoption or revision of the regional water plan.

Source Note: The provisions of this §288.20 adopted to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384

<u>TITLE 30</u>	ENVIRONMENTAL QUALITY
<u>PART 1</u>	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
<u>CHAPTER 288</u>	WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS, GUIDELINES AND REQUIREMENTS
<u>SUBCHAPTER B</u>	DROUGHT CONTINGENCY PLANS
RULE §288.22	Drought Contingency Plans for Wholesale Water Suppliers

(a) A drought contingency plan for a wholesale water supplier must include the following minimum elements.

(1) Preparation of the plan shall include provisions to actively inform the public and to affirmatively provide opportunity for user input in the preparation of the plan and for informing wholesale customers about the plan. Such acts may include, but are not limited to, having a public meeting at a time and location convenient to the public and providing written notice to the public concerning the proposed plan and meeting.

(2) The drought contingency plan must document coordination with the regional water planning groups for the service area of the wholesale public water supplier to ensure consistency with the appropriate approved regional water plans.

(3) The drought contingency plan must include a description of the information to be monitored by the water supplier and specific criteria for the initiation and termination of drought response stages, accompanied by an explanation of the rationale or basis for such triggering criteria.

(4) The drought contingency plan must include a minimum of three drought or emergency response stages providing for the implementation of measures in response to water supply conditions during a repeat of the drought-of-record.

(5) The drought contingency plan must include the procedures to be followed for the initiation or termination of drought response stages, including procedures for notification of wholesale customers regarding the initiation or termination of drought response stages.

(6) The drought contingency plan must include specific, quantified targets for water use

reductions to be achieved during periods of water shortage and drought. The entity preparing the plan shall establish the targets. The goals established by the entity under this paragraph are not enforceable.

(7) The drought contingency plan must include the specific water supply or water demand management measures to be implemented during each stage of the plan including, but not limited to, the following:

(A) pro rata curtailment of water deliveries to or diversions by wholesale water customers as provided in Texas Water Code, §11.039; and

(B) utilization of alternative water sources with the prior approval of the executive director as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

(8) The drought contingency plan must include a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code, §11.039.

(9) The drought contingency plan must include procedures for granting variances to the plan.

(10) The drought contingency plan must include procedures for the enforcement of any mandatory water use restrictions including specification of penalties (e.g., liquidated damages, water rate surcharges, discontinuation of service) for violations of such restrictions.

(b) The wholesale public water supplier shall notify the executive director within five business days of the implementation of any mandatory provisions of the drought contingency plan.

(c) The wholesale public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as adoption or revision of the regional water plan.

Source Note: The provisions of this §288.22 adopted to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384

APPENDIX C

**LETTERS TO REGION C AND REGION D
WATER PLANNING GROUPS**

Bear Creek Special Utility District

Telephone 972-843-2101 • P.O. Box 188
Lavon, Texas 75166

Region C Water Planning Group
North Texas Municipal Water District
P.O. Box 2408
Wylie, TX 75098

Dear Sir:

Enclosed please find a copy of the recently updated Drought Contingency and Water Emergency Response Plan for the Bear Creek Special Utility District. I am submitting a copy of this model plan to the Region C Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board of the Bear Creek Special Utility District adopted the updated model plan on May 12, 2015.

Sincerely,

Camille Reagan, General Manager
Bear Creek Special Utility District

Bear Creek Special Utility District

Telephone 972-843-2101 ● P.O. Box 188
Lavon, Texas 75166

Mr. Jim Thompson
Chair, Region D Water Planning Group
P.O. Box 1107
Atlanta, TX 75551

Dear Mr. Thompson:

Enclosed please find a copy of the recently updated Drought Contingency and Water Emergency Response Plan for the Bear Creek Special Utility District. I am submitting a copy of this model plan to the Region D Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board of the Bear Creek Special Utility District adopted the updated model plan on May 12, 2015.

Sincerely,

Camille Reagan, General Manager
Bear Creek Special Utility District

APPENDIX D

**BEAR CREEK SUD BOARD MINUTES SHOWING ADOPTION OF THE WATER
CONSERVATION AND WATER RESOURCE AND EMERGENCY MANGEMENT
PLAN**

SECTION I.
IDENTITY THEFT PREVENTION PROGRAM

Bear Creek Special Utility District

**Identity Theft
Prevention Program**

Identity Theft Prevention Program
For
Bear Creek Special Utility District
16881 C.R. 541
Lavon, Texas, 75166
June 9, 2015

BCSUD Identity Theft Prevention Program

This Program is intended to identify red flags that will alert our employees when new or existing accounts are opened using false information, protect against the establishment of false accounts, methods to ensure existing accounts were not opened using false information, and measures to respond to such events.

Contact Information:

The Senior Management Person responsible for this program is:

Name: Camille Reagan

Title: General Manager

Phone number: 972-843-2101

The Governing Body Members of the Utility are:

Board Members

1. Herman Stork - President
2. Bryan Block - Vice President
3. Jeff Bialecki - Treasurer
4. Leticia Harrison - Secretary
5. Chris Elder - Board Member
6. Robert Haynes - Board Member
7. Kevin Hutchinson - Board Member

Risk Assessment

The Bear Creek Special Utility District has conducted an internal risk assessment to evaluate how at risk the current procedures are at allowing customers to create a fraudulent account and evaluate if current (existing) accounts are being manipulated. This risk assessment evaluated how new accounts were opened and the methods used to access the account information. Using this information the utility was able to identify red flags that were appropriate to prevent identity theft.

- X New accounts must be opened In Person
 - X Account information accessed by authorized personnel only.
-

Detection (Red Flags):

The LSUD adopts the following red flags to detect potential fraud. These are not intended to be all-inclusive and other suspicious activity may be investigated as necessary.

- Fraud or active duty alerts included with consumer reports
 - Inconsistent activity patterns indicated by consumer report such as:
 - Recent and significant increase in volume of inquiries
 - Accounts closed for cause or abuse
 - Identification documents appear to be altered
 - Photo and physical description do not match appearance of applicant
 - Other information is inconsistent with information provided by applicant
 - Other information provided by applicant is inconsistent with information on file.
 - Application appears altered or destroyed and reassembled
 - Information provided is associated with known fraudulent activity (e.g. address or phone number provided is same as that of a fraudulent application)
 - Information commonly associated with fraudulent activity is provided by applicant (e.g. address that is a mail drop or prison, non-working phone number or associated with answering service/pager)
 - Customer fails to provide all information requested
 - Personal information provided is inconsistent with information on file for a customer
 - Applicant cannot provide information requested beyond what could commonly be found in a purse or wallet
 - Identity theft is reported or discovered
-

Response

Any employee that may suspect fraud or detect a red flag will implement the following response as applicable. All detections or suspicious red flags shall be reported to the senior management official.

- ❑ Ask applicant for additional documentation
 - ❑ Notify internal manager: Any utility employee who becomes aware of a suspected or actual fraudulent use of a customer or potential customers identity must notify General Manager.
 - ❑ Notify law enforcement: The utility will notify Collin County Sheriff's Office at 972-547-5100 or metro 972-424-4797 of any attempted or actual identity theft.
 - ❑ Do not open the account
 - ❑ Do not attempt to collect against the account but notify authorities
-

Personal Information Security Procedures:

The Bear Creek Special Utility District adopts the following security procedures (select appropriate procedures from Appendix A and add other procedures as appropriate).

1. Paper documents, files, and electronic media containing secure information will be stored in locked file cabinets.
2. Only specially identified employees with a legitimate need will have keys to the cabinets.
3. Files containing personally identifiable information are kept in locked file cabinets except when an employee is working on the file.
4. Employees will replace files when leaving their work areas.
5. Employees log off their computers when leaving their work areas.
6. Employees lock file cabinets when leaving their work areas.
7. No visitor will be given any entry codes or allowed unescorted access to the office.
8. Access to sensitive information will be controlled using passwords with a mix of letters and numbers.
9. All computers with internet connection will have firewall protection, anti-virus, anti-spyware protection.
10. Maintain log of any suspect security breach and follow-up information.
11. Check references or do back ground checks before hiring employees with access to sensitive information.
12. Access to customer's personal identify information is limited to employees with a "need to know."

13. Procedures exist for making sure employees that leave your employ no longer have access to sensitive information, “change passwords, collect keys and perform exit interview with employee”.

14. Employees are trained in what information can and cannot be given out.

15. Employees are required to inform the general manager when there is a actual or presumed breach of security.

16. Paper records will be shredded before being placed into the trash.

17. Employees who violate the security policy are subject to discipline, up to and including dismissal.

Identity Theft Prevention Program Review and Approval

This plan has been reviewed and adopted by the Bear Creek Special Utility District Board of Directors. Appropriate employees have been trained on the contents and procedures of this Identity Theft Prevention Program.

Signatures:

1. _____ Date _____
2. _____ Date _____
3. _____ Date _____
4. _____ Date _____
5. _____ Date _____
6. _____ Date _____
7. _____ Date _____

Name of Senior Management Staff Person: _____

Position: _____

Date: _____

Signature: _____

A report will be prepared annually and submitted to the above named senior management or governing body to include matter related to the program, the effectiveness of the policies and procedures, the oversight and effectiveness of any third party billing and account establishment entities, a summary of any identify theft incidents and the response to the incident, and recommendations for substantial changes to the program, if any.

Appendix A Other Security Procedures

1. Paper documents, files, and electronic media containing secure information will be stored in locked file cabinets. File cabinets will be stored in a locked room.
2. Only specially identified employees with a legitimate need will have keys to the room and cabinet.
3. Files containing personally identifiable information are kept in locked file cabinets except when an employee is working on the file.
4. Employees will not leave sensitive papers out on their desks when they are away from their workstations.
5. Employees store files when leaving their work areas
6. Employees log off their computers when leaving their work areas
7. Employees lock file cabinets when leaving their work areas
8. Employees lock file room doors when leaving their work areas
9. Access to offsite storage facilities is limited to employees with a legitimate business need.
10. Any sensitive information shipped using outside carriers or contractors will be encrypted
11. Any sensitive information shipped will be shipped using a shipping service that allows tracking of the delivery of this information.
12. Visitors who must enter areas where sensitive files are kept must be escorted by an employee of the utility.
13. No visitor will be given any entry codes or allowed unescorted access to the office.
14. Access to sensitive information will be controlled using “strong” passwords. Employees will choose passwords with a mix of letters, numbers, and characters. User names and passwords will be different. Passwords will be changed at least monthly.
15. Passwords will not be shared or posted near workstations.
16. Password-activated screen savers will be used to lock employee computers after a period of inactivity.
17. When installing new software, immediately change vendor-supplied default passwords to a more secure strong password.
18. Sensitive consumer data will not be stored on any computer with an Internet connection
19. Sensitive information that is sent to third parties over public networks will be encrypted

20. Sensitive information that is stored on computer network or portable storage devices used by your employees will be encrypted.
21. Email transmissions within your business will be encrypted if they contain personally identifying information.
22. Anti-virus and anti-spyware programs will be run on individual computers and on servers daily.
23. When sensitive data is received or transmitted, secure connections will be used
24. Computer passwords will be required.
25. User names and passwords will be different.
26. Passwords will be changed at least monthly.
27. Passwords will not be shared or posted near workstations.
28. Password-activated screen savers will be used to lock employee computers after a period of inactivity.
29. When installing new software, vendor-supplied default passwords are changed.
30. The use of laptops is restricted to those employees who need them to perform their jobs.
31. Laptops are stored in a secure place.
32. Laptop users will not store sensitive information on their laptops.
33. Laptops which contain sensitive data will be encrypted
34. Employees never leave a laptop visible in a car, at a hotel luggage stand, or packed in checked luggage.
35. If a laptop must be left in a vehicle, it is locked in a trunk.
36. The computer network will have a firewall where the network connects to the Internet.
37. Any wireless network in use is secured.
38. Maintain central log files of security-related information to monitor activity on your network.
39. Monitor incoming traffic for signs of a data breach.
40. Monitor outgoing traffic for signs of a data breach.
41. Check references or do background checks before hiring employees who will have access to sensitive data.
42. New employees sign an agreement to follow your company's confidentiality and security standards for handling sensitive data.

43. Access to customer's personal identify information is limited to employees with a "need to know."
44. Procedures exist for making sure that workers who leave your employ or transfer to another part of the company no longer have access to sensitive information.
45. Implement a regular schedule of employee training.
46. Employees will be alert to attempts at phone phishing.
47. Employees are required to notify the general manager immediately if there is a potential security breach, such as a lost or stolen laptop.
48. Employees who violate security policy are subjected to discipline, up to, and including, dismissal.
49. Service providers notify you of any security incidents they experience, even if the incidents may not have led to an actual compromise of our data.
50. Paper records will be shredded before being placed into the trash.
51. Paper shredders will be available in the office, next to the photocopier.
52. Any data storage media will be disposed of by shredding, punching holes in, or incineration.

Each type of record is listed with the length of time held. When the designated length of time is reached, paper documents are shredded onsite by a Contractor, who is certified by the National Association for Information Destruction (NAID) for mobile destruction.

Records Retention Schedule	
Type of Record	Retention (Years)
Accounts Payable	5
Bank Statements	5
Authorizations for Expenditures	5
Inventory and Cost Records	5
Payroll and related Records	5
Personnel Records	5
Purchasing Records	5
Contracts and Agreements	20
Legal Records	20
Audited Financial Statements (Audit Report, Annual Financial Report, and Financial Dormancy Affidavit)	Permanent
Specifications, Installation Instructions, etc. (Pertaining to permanent structures)	Permanent
Deeds and Easements	Permanent
Minutes of Board of Directors' Meetings and Resolutions	Permanent
Operator's Reports	Permanent
Orders and Resolution Files (except Rate Orders)	Permanent
Rate Order File	Permanent