

EAST MEDINA COUNTY
SPECIAL UTILITY DISTRICT

STATEMENT OF
POLICY

AMENDED

NOVEMBER 18, 2014

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

Table of Contents

SECTION A. RESOLUTION AND AUTHORITY

1. Effective Date
2. Pre-existing Contracts
3. Enforcement of Policy
4. To Obtain an Official Copy
5. Federal, State, and Local Jurisdiction

SECTION B. STATEMENTS

1. Organization
2. Non-Discrimination Policy
3. Policy and Rule Application
4. District Bylaws
5. Fire Protection Responsibility
6. Damage Liability
7. Information Disclosure
8. Customer Notice Provisions
9. Grievance Procedures
10. No Smoking Policy

SECTION C. DEFINITIONS

Active Service
Additional Service Facilities
Applicant
Board of Directors
Bylaws
Certificate of Convenience and Necessity (CCN)
Commercial/Industrial/Agricultural
Consanguinity
Consumer
Customer of Record (Customer)
Customer Service Inspection
Deposit
Developers Deposit
Disconnection of Service
District
Dwellings
Easement
Final Plat

Hazardous Condition
Hydraulic Investigation
Indication of Interest Fee
Individual Land Owner
Installation Fee
Liquidated Deposit
Master Meter
Oversized Meters
Proof of Ownership
Reserved Service Charge
Service Availability Charge
Service Application and Agreement
Service Unit
Statement of Policy
Subdivision
System Development Charge
Temporary Service
Texas Commission on Environmental Quality (TCEQ)
Transfer of Service and Deposit
Transferee
Transferor
Water Acquisition Fee

SECTION D. GEOGRAPHIC AREA SERVED

Certificate of Convenience and Necessity
Map of Service Area

SECTION E. SERVICE RULES AND REGULATIONS

1. Service Entitlement
2. Application Procedures and Requirements
3. Requirements for Standard and Non-Standard Service
4. Activation of Standard Service
5. Master Meter
6. Commercial/Industrial/Agricultural Accounts
7. Activation of Nonstandard Service
8. Changes in Service Classification
9. Transfer of Service
10. Deposits
11. Owners and Renters
12. Denial of Service
13. Applicant's Recourse
14. Insufficient Grounds for Refusal of Service
15. Deferred Payment Agreement
16. Charge Distribution and Payment Application
17. Due Dates, Delinquent Bills, and Service Disconnection Dates
18. Rules for Disconnection of Service
19. Billing Cycle Changes
20. Back Billing
21. Disputed Bill
22. Inoperative Meters

23. Bill Adjustments Due to Meter Error
24. Meter Tampering and Diversion
25. Meter Relocation
26. Prohibition of Multiple Connections to a Single Tap
27. Customer Responsibility

SECTION F.

DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS

1. District's Limitations
2. Purpose
3. Definition
4. Application of Rules
5. Non-Standard Service Applications
6. Design
7. Non-Standard Service Contract
8. Property and Right-of-Way Acquisition
9. Bids for Construction
10. Pre-Payment for Construction and Service
11. Construction
12. Service Within Subdivision
13. Exception

SECTION G.

RATES AND SERVICE FEES

1. Credit/Debit Cards Fee
2. Service Investigation Fee
3. Deposit Fee
4. Easement Fee
5. Installation Fee
6. System Development Charge
7. Customer Service Inspection Fee
8. Monthly Charges
9. Late Payment Fee
10. Returned Check Fee
11. Lock-Off Fee
12. Disconnection of Service Fee
13. Re-Service Installation Fee
14. Service Trip Fee
15. Meter Reading Fee
16. Coupon Book
17. Customer Billing
18. Customer Service Lock
19. Equipment Damage Fee
20. Non-Disclosure Fee
21. Information Disclosure Fee
22. Meter Test Fee
23. Meter Re-location Fee
24. Transfer Fee
25. Non-Compliance of District Policy Fee
26. Other Fees

SECTION H.

DEMAND MANAGEMENT AND CRITICAL PERIOD MANAGEMENT

Resolution

Definitions

1. Introduction
2. Purpose
3. Disclosures
4. Strategy
5. Coordination with other Authorities
6. Critical Period Stages
7. Table of Reduction Levels
8. Declaration of Critical Period Management
9. Public Issuance of Critical Period Management Stage
10. Restriction of the Use of Water
11. Discontinuance of Critical Period Management Stage
12. Variance
13. Public Input
14. Public Education and Involvement

SECTION I

IDENTITY THEFT PREVENTION PROGRAM

1. Program Adoption
2. Program Purpose and Definitions
3. Identification of Red Flags
4. Detecting Red Flags
5. Preventing and Mitigating Identity Theft
6. Program Updates
7. Program Administration

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION A
RESOLUTION AND AUTHORITY

SECTION A.
RESOLUTION

THE BOARD OF DIRECTORS OF THE EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT ESTABLISHES THAT:

1. This Statement of Policy of the East Medina County Special Utility District, serving in the Southeast Section of Medina County, consisting of Sections A through I is adopted and enacted as the current regulations and policies effective as of January 1, 2015.
2. Only those pre-existing written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the Statement of Policy from time to time.
3. The adoption of this Statement of Policy does not prohibit or limit the District from enforcing previous penalties or assessments from before the current effective date.
4. An official copy of this and all policies or records shall be available during regular office hours of the District. The Secretary of the District shall maintain the original copy as the approved and all previous copies for exhibit.
5. Rules and regulations of state and federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.

PASSED AND APPROVED this 18th day of November 2014.

(Original Signature on File)
President, Board of Directors

ATTEST:

(Original Signature on File)
Secretary, Board of Directors

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

**SECTION B
STATEMENTS**

SECTION B

STATEMENTS

1. **Organization:** The East Medina County Special Utility District is a Political Subdivision of the State of Texas organized under Chapters 49 and 65 of the Texas Water Code, for the purpose of furnishing potable water service to the Southeast area of Medina County. District operation is conducted under Chapters 290, 291, and 293 of the Rules and Regulations for Public Water Systems. The Board of Directors, elected by the Registered Voters of the District's Bounded Service Area, adopts district operating policies, rates, and regulations.
2. **Non-Discrimination Policy:** Service by the District is provided to all Applicants who comply with the provisions of this Statement of Policy 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 East Medina County Special Utility District, also referred to as the District, EMCSUD, East Medina, or East Medina County SUD. Failure on the part of the Customer, Applicant, or Consumer to observe these policies, rules, and regulations gives the District the authority to deny or discontinue service according to the terms of this Statement of Policy as amended from time to time by the Board of Directors.
4. **District Bylaws:** The District Directors have adopted bylaws, which establish the make-up of the Board of Directors and other important regulations of the District. The bylaws are on file at the District Office.
5. **Fire Protection Responsibility:** The District does not provide nor imply that fire protection is available on any of the distribution system. 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. Blow-off type fire hydrants are located at four of the District's plant sites for the purpose of refill for the area fire departments. The District reserves the right to remove any hydrant, due to the improper use, or detriment to the system as determined by the District, at any time without notice, refund, or compensation to the contributors.
6. **Damage Liability:** The East Medina County Special Utility District is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the East Medina County Special Utility District are the extent of the cost of service provided. By acceptance of service, Applicant/Customer consents to waiver of such liability.
7. **Information Disclosure:** The records of the District shall be kept in the District Office located at 16313 FM 471 South, five miles North of Natalia, Texas. All information collected, assembled, or maintained by or for the District shall be disclosed to the public in accordance with the Texas Open Records Act. An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the State, of a Political Subdivision, of the State acting in an official capacity, or any Employee of the District acting in connection with the employee's duties. Further, such confidentiality does not prohibit the District from disclosing the name and address of each Customer on a list to be made available to the Registered Voters in the District's Bounded Service Area. The District shall give its Applicants and Customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.

8. **Customer Notice Provisions:** The District shall give written notice of monthly rate changes by mail or hand delivery to all consumers 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 rate, date of Board authorization, and the name and telephone number of the District's contact person designated to address inquiries about the rate change.

9. **Grievance Procedures:** Any Customer of the District or individual demonstrating an interest under the policies of this District in becoming a Customer shall have an opportunity to voice concerns or grievances to the District by the following means and procedures:

- a. By presentation of concerns to the District's Superintendent or authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
- b. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result, or
- c. By presenting a written request to be placed on the Board of Directors regular monthly meeting agenda for the purpose of addressing the Board concerning the grievance.
- d. The Board of Directors shall respond to the complaint by communicating the Board's decision in person or in writing.
- e. Any charges or fees contested as a part of the complaint in review by the District under this policy shall be suspended until a satisfactory review and final decision is made by the Board of Directors.

10. **No Smoking Policy:** The Surgeon General of the United States has reported that inhalation of tobacco smoke involuntarily can cause disease, including lung cancer, in healthy non-smokers. The District shares this position and believes that its employees and customers should have the right to choose for themselves on an individual basis whether to smoke either actively or passively. It is therefore the policy of the District to prohibit smoking and/or the use of tobacco products in any manner within a building owned and operated by the District. Buildings include but are not limited to all portions of the main office building including the area where customer payments are received, the office auxiliary building, the vehicle/equipment maintenance facility and all pump house facilities. In addition, smoking and/or the use of tobacco products is prohibited within a minimum of 10 feet of a door, window, or vent opening to any building owned and operated by the District.

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION C
DEFINITIONS

SECTION C DEFINITIONS

Active Service: Status of any Customer receiving authorized service under the provisions of this Statement of Policy.

Additional Service Facilities: Road crossings, line extensions, and/or appurtenances required to provide service to a particular location.

Applicant: Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the East Medina County Special Utility District.

Board of Directors: The governing body elected by the Registered Voters within the District's Bounded Service Area.

Bylaws: The rules pertaining to the governing of the East Medina County Special Utility District adopted by the District's Directors.

Certificate of Convenience and Necessity (CCN): The authorization granted by the Texas Commission on Environmental Quality to the District to provide water service within a defined territory. East Medina County Special Utility District has been issued Certificate 10217. Territory defined in the CCN shall be the Certificated Service Area. (See Section D. Certificated Service Area Map.)

Commercial/Industrial/Agricultural: 51% of water usage is for non-residential purposes or property and/or building(s) are intended for commercial/industrial/agricultural purposes.

Consanguinity 1st Degree: Kinship in the 1st degree of consanguinity means Father, Mother, Sister, or Brother.

Consumer: A person(s) who uses, rents or leases property from a Customer of Record or who may otherwise be termed a tenant.

Customer of Record (Customer): Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service in accordance with the District's Policies.

Customer Service Inspection: A Customer Service Inspection is required prior to providing continuous water service for new services and re-services to determine that no potential hazards are found that could affect the quality of the public water supply. If a potential hazard to the public water supply is discovered during the Customer Service Inspection, the District shall, based on the degree of hazard, terminate and/or prohibit service until such time that appropriate measures are taken by the customer to protect the public water supply from the potential hazard(s). Customer Service Inspections are a TCEQ requirement.

Deposit: A non-interest bearing deposit fee as set by the Board of Directors which is attached to the property to which the service is assigned and is automatically transferred with said real estate.

Developers Deposit: A developer's contribution to system improvements.

Disconnection of Service: The discontinuance of water service by the District to a Customer/Consumer.

District: The East Medina County Special Utility District.

Dwelling: “Dwelling”, “dwelling unit”, or “residence” means a home, house, mobile home, manufactured home, apartment unit, or any unit in a multi unit residential structure maintaining a restroom facility and an area for the preparation and/or storage of food. A Recreational Vehicle that is not located in a recreational vehicle park shall be considered a dwelling if it is connected to a District water meter/service and is used for human habitation.

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

Final Plat: A complete plan for the subdivision of a tract of land. The East Medina County Special Utility District shall determine if a plat submitted for the purpose of this Statement of Policy shall qualify as a final plat.

Hazardous Condition: A condition, which jeopardizes the health and welfare of the Customer/Consumer of the District as determined by the District or regulatory authority.

Hydraulic Investigation: A study conducted by the District’ Engineer to determine the feasibility of service request.

Indication of Interest Fee: A fee paid by a potential Customer for the purpose of determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to a Deposit Fee upon determination that service to the Applicant is feasible and available.

Individual Land Owner: An Individual Land Owner of a tract of land situated in Medina County which has frontage or direct physical access onto an existing public street or road, suitable for a single-family residence and is not part of a larger development or an attempt to avoid the District or Medina County’s Subdivision Regulations.

Installation Fee: A fee as set by the District’s Directors to offset the cost of the installation of the connection.

Liquidated Deposit: A deposit, which has been liquidated due to delinquent charges exceeding the deposit amount. Liquidation of deposit will result in the discontinuance of water utility service. In the event of liquidation of deposit, all service stops and new application rules will apply.

Master Meter: A meter that serves two or more residential units confined to one building.

Oversized Meters: Any meter over a 5/8 X 3/4 inch size.

Proof of Ownership: The East Medina County Special Utility District requires ownership of real estate designated to receive service as a condition for service. Applicants for service shall provide proof of ownership by deed of trust, warranty deed or other recordable document of fee simple title that is acceptable to the District.

Reserved Service Charge: A monthly charge assessed for each property where service is being reserved.

Service Availability Charge: (Also known as “minimum monthly charge”, “minimum”, or the “base rate”.) The monthly charge assessed each Customer/Consumer for the opportunity of receiving service. The Service Availability Charge is a fixed rate as set by the District Directors.

Service Application and Agreement: A written agreement between the Customer/Applicant and the District defining the specific type of service requirements requested for on the current service application and agreement, and the responsibilities of each party required before service is furnished.

Service Unit: The base unit of service (meter) used in facilities design and ratemaking.

Statement of Policy: The operating policies, service rules, service extension policy, service rates, rationing policies, and sample application packet adopted by the Board of Directors. A copy of this board approved Statement of Policy is on file at the District Office and as a courtesy, to the Texas Commission on Environmental Quality.

Subdivision: The division of a tract of land situated within Medina County into two (2) or more parts, or calling for, or related to the layout of infrastructure including public utility easement according to the Revised Subdivision Rules for Medina County Texas or any Applicant who does not qualify as an Individual Land Owner.

System Development Charge: A charge assessed to an applicant not to exceed three times the actual and reasonable cost for construction, installation, inspection, and connection to district water.

Temporary Service: The classification assigned an applicant for purposes other than the permanent service. (Basically for County and State road construction) The length of time associated with this classification will be set by the Superintendent. Applicants will be required to pay a deposit fee.

Texas Commission on Environmental Quality (TCEQ): State regulatory agency having jurisdiction of water service utilities and appellate jurisdiction over the rates and fees charged by Water Utilities.

TCEQ Regulatory Assessment Fee: A fee assessed by the Texas Commission on Environmental Quality on all retail water customers.

Transfer of Service and Deposit: The transferring of the service availability and deposit from the seller of the real estate to which the connection was assigned to the buyer of the property. At the time of transfer the deposit must be brought up to the current deposit fee.

Transferee: An Applicant receiving service availability and deposit from the prior owner of the real estate to which the connection was assigned.

Transferor: The Customer of Record who transfers the service availability and deposit to the purchaser of the property to which the connection was assigned.

Water Acquisition Fee: A water acquisition fee will be assessed as part of the total connection fee to fund the purchase of Edward Aquifer Water Permits.

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION D
GEOGRAPHIC AREA SERVED



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

East Medina County Special Utility District

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10217

to provide continuous and adequate water utility service to that service area or those service areas in Medina County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 34233-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of East Medina County Special Utility District to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this OCT 05 2004


For the Commission

S.B. No. 1851

AN ACT

relating to the expansion of the East Medina County Special Utility District and the composition of the district's board of directors.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 6, Special District Local Laws

Code, is amended by adding Chapter 7203 to read as follows:

CHAPTER 7203. EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7203.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the East Medina County Special Utility District.
- (4)

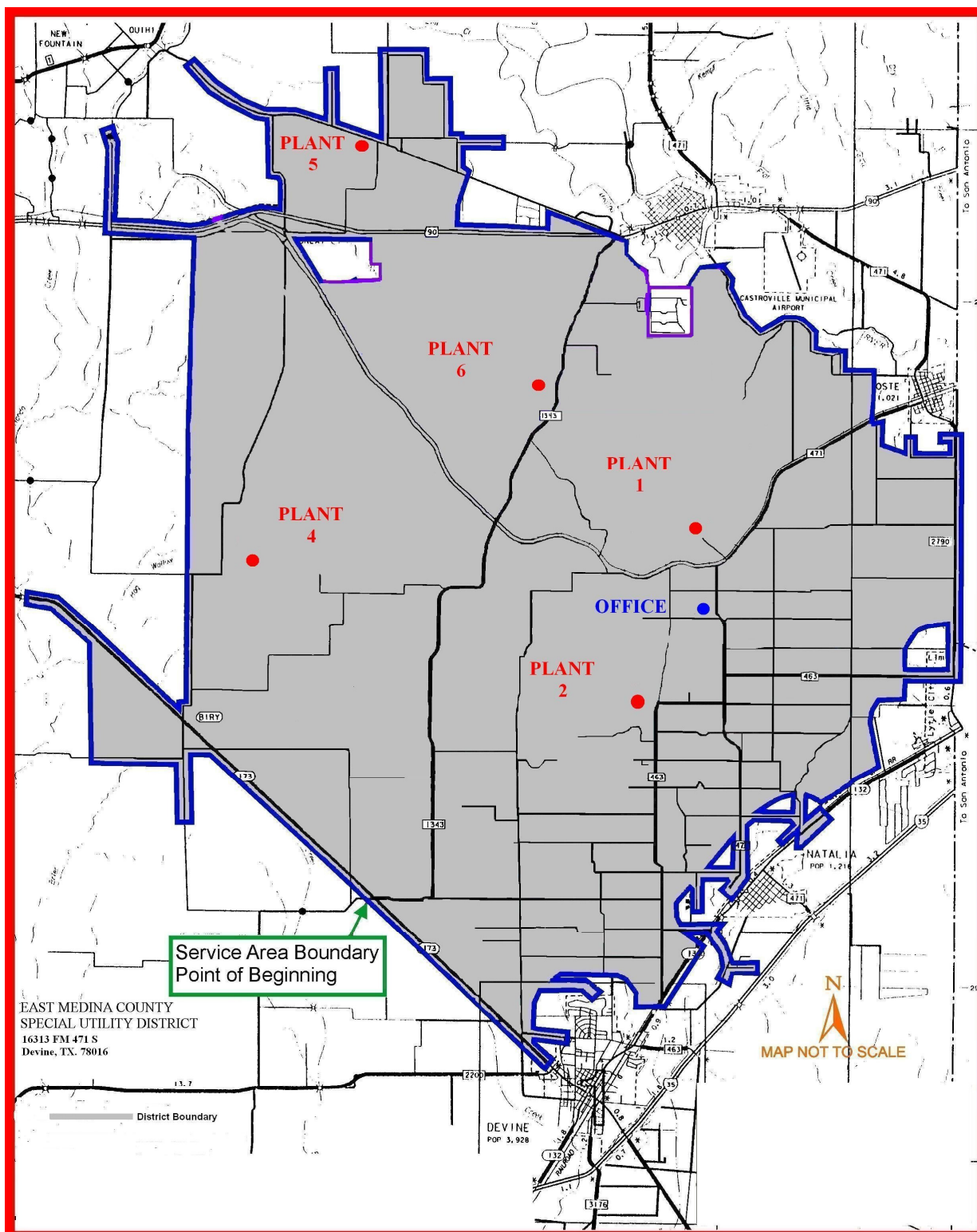
Sec. 7203.002. DISTRICT TERRITORY. The district's boundaries are coextensive with the boundaries of the territory that is described by certificate of convenience and necessity number 10217.

[Sections 7203.003-7203.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7203.051. BOARD OF DIRECTORS. The board consists of seven directors.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.



EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION E
SERVICE RULES AND REGULATIONS

SECTION E SERVICE RULES & REGULATIONS

1. *Service Entitlement:*
An Applicant shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of service have been met and continue to be met, and all fees have been paid as prescribed.
2. *Application Procedures and Requirements:*
For the purpose of this Statement of Policy, service requested by an Applicant shall be for real estate designated to receive the service provided by the District and shall be divided into the following two classes:
 - A. *Standard Service*
 - a). Short Service is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering consideration are not necessary. Typically, this would include 5/8" X 3/4" sized water meter services set on existing pipeline.
 - b). Long Service is defined as service that requires an addition to the distribution system such as a line extension and/or road crossing.
 - B. *Non-Standard Service* is defined as any service request, which requires a larger meter service or an addition to the supply, storage, and/or distribution system. The service requirements as prescribed by Section F of this Statement of Policy shall be required of the Non-Standard Service Application prior to providing service.
3. *Requirements for Standard and Non-Standard Service:*
 - A. All applicants shall submit a request and pay applicable fees for a Hydraulic Investigation which will be conducted by the District's Engineer.
 - B. The District's Service Application and Agreement Form shall be completed and signed by the Applicant.
 - C. A Right-of-way Easement Form, Sanitary Control Easement, or other such easement forms, required by the District, must be completed by the Applicant (property owner(s)) for the purpose of providing the District with legal access to the property where service is requested and/or allowing for future facility additions. This requirement may be delayed for Non-Standard service requests.
 - D. The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the District. Proof of ownership shall consist of a recorded warranty deed, deed of trust or other recordable document of fee simple title to the real estate designed to receive service that is acceptable to the District.
 - E. Notice of application approval and costs of service determined by the District shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service.

- F. If the 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 easement to the District for the purpose of installing the water main and appurtenances, and the District has documentation of such refusal recorded in public records file, the Applicant, prior to receiving the requested service, shall grant easement to the District. In addition to the normally required fees for service, the Applicant shall pay such sums as are necessary for the removal of the water main from the public right-of-way and for relocation onto the Applicant's property pursuant to such easement.

4. *Activation of Standard Service.*

A. *New Installation:*

- a). The District shall charge a non-refundable deposit as required under Section G of this Statement of Policy.
- b). The District shall charge a non-refundable installation fee as required under Section G of this Statement of Policy. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid in advance of installation.
- c). The District shall charge a non-refundable water acquisition fee as required under Section G of this Statement of Policy.
- d). The District shall charge a non-refundable dual check valve/customer cut off fee as required under Section G of this Statement of Policy.
- e). The District shall charge a non-refundable system development charge as required under Section G of this Statement of Policy.
- f). The District shall charge a non-refundable Customer Service Inspection fee as required under Section G of this Statement of Policy.

B. *Performance of Work:*

After approval is granted by proper authorities, installation specified by the District shall be completed by the District Staff or designated representative. The installation shall be completed within five (5) working days after approval and receipt of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service Request.

C. *Inspection of Customer Service Facilities:*

The property of the Applicant shall be inspected 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.

D. *Re-Service:*

On property where service previously existed, the District shall re-service the property and charge the installation fee, the customer valve fee, the Customer Service Inspection fee, deposit, and applicable water acquisition fee. (See Section G). When re-service is requested by a property owner owing any delinquent charges on a previous account for service to the property being re-serviced or any other account with the District, all

delinquent charges must be paid before re-servicing procedures can begin. Applicants shall submit a request and pay applicable fees for a Hydraulic Investigation, which will be conducted by the District's Engineer.

Reservice in a District Engineer-designed subdivision will not require a Hydraulic Investigation.

5. *Master Meter:*

Any connection serving two or more residential units confined to one building. Tenants receiving water under a Master Metered Account are not considered customers of EMCSUD. Any interruption or impairment of water service to the tenants on the customer side of the meter is the responsibility of the Master Metered Account Customer.

6. *Commercial/Industrial/Agricultural Accounts:*

An account will be classified as a commercial/industrial/agricultural account if 51% of water usage is for non-residential purposes or property and/or building(s) are intended for commercial/industrial/agricultural purposes.

7. *Activation of Non-Standard Service:*

Activation of non-standard service shall be conducted as prescribed by terms of Section F & G of this Statement of Policy.

8. *Changes in Service Classification:*

If at any time the District determines that the Customer's service needs changed from those originally applied for to a different service classification and the District determines that additional or different facilities are necessary to provide adequate service, the District shall require the Applicant/Customer to re-apply for service under the terms and conditions of this Policy. Applicant/Customer failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Statement of Policy.

9. *Transfer of Service:*

At any time the property to which service is assigned changes ownership, such as transfer of property by sale or inheritance, death or divorce, the account must be brought up to date. Transfer fees will be applicable and the deposit will need to be brought up to the current deposit rate. In the event of the death of a spouse, the deceased spouse's name shall be removed at no charge and the existing deposit will not be increased if the account has not been delinquent in the previous 12 months. There will be no transfer fee to change the name on an account if the ownership does not change and the existing deposit will not be increased if the customer has not been delinquent in the previous 12 months. (Revised July 2011).

10. *Deposit:*

A. *Liquidation Due to Delinquency:*

When the amount of the delinquent charges owed by the Customer equals the Deposit Fee, the Deposit shall be liquidated and the service canceled. In the event the Customer leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Customer has more than one deposit, the District may liquidate as many of the Customer's Deposit Fees as necessary to satisfy the balance due the District provided proper notice has been given. The District shall collect any remaining account balances by initiation of legal action. Any future service needs will be subject to new service rules.

B. *Transfer of Deposit:*

The deposit fee shall be transferred with the transfer of property to which the connection was assigned by completion of the Transfer of Service Availability and Deposit Form provided by the District. At the time of transfer, the deposit must be brought up to the current deposit rate. If Transferor does not complete a transfer form as required by the District or does not give the District acceptable reasons for keeping the Service Availability and Deposit in his or her name, the District reserves the right to transfer the Service Availability and Deposit to the Transferee after due notice to the Transferor.

11. *Owners and Renters:*

Any Customer, renting, leasing, or allowing the use of real estate property designed to receive service according to the terms of this Policy to other parties, is responsible for all charges due the District. The District may carry the consumer on the books as a third party, but the Customer is fully responsible for any and all unpaid bills incurred by the renter/lessee/user. The Customer of Record shall take responsibility for any necessary deposits from the renter/lessee/user to ensure payment of a past due bill. The District will notify the Customer of Record of the renter's past due payment status only after the meter has been locked for non-payment. The District recommends owners manage monthly payments on rental property.

12. *Denial of Service:*

The District may deny service for the following reasons.

- A. Failure of the Applicant to complete all required forms and pay all required fees and charges;
- B. Failure of the Applicant to comply with rules, regulations, policies, and bylaws of the District;
- C. Existence of a hazardous condition at the Applicant's property, which would jeopardize the welfare of the Customer/Consumer of the District upon connection;
- D. Failure of Applicant to provide representatives or employees of the District reasonable access to property for which service has been requested;
- E. Failure of Applicant to comply with all government rules and regulations of the District's Statement of Policy, on file as a courtesy with the TCEQ, governing the service applied for by the Applicant;
- F. Failure of Applicant to provide proof of ownership, to the satisfaction of the District, of property for which service has been requested; and/or
- G. Applicant's service facilities are known to be inadequate or of such character, that satisfactory service cannot be provided.

13. *Applicant's Recourse:*

In the event the District refuses to serve an Applicant under the provisions of these rules, the District must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the District.

14. *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 Customer of Record of the premises to be served;
 - B. Failure to pay a bill to correct previous under billing due to misapplication of rates more than six (6) months prior to the date of application;
 - C. Violation of the District's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
 - D. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the District as condition precedent to service;
 - 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;
 - F. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.
15. *Deferred Payment Agreement:*
The District may offer a deferred payment plan to a Customer/Consumer 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 penalty fees as determined per agreement.
16. *Charge Distribution and Payment Application:*
- A. *Service Availability Charges or Reserved Service Charge:*
The Service Availability Charge or the Reserved Service Charge is from the first day of the month to the last day of the month. Charges shall be prorated for meter installation and service termination's falling during the monthly charges. All service shall be subject to this charge whether or not the service is in use by the Customer.
 - B. *Gallonage Charge:*
The Gallonage Charge shall be charged at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments.
 - C. *Posting of Payments:*
All payments shall be posted against previous balances prior to posting against current charges.
 - D. *Meter Readings and Monthly Payments:*
The District does not send bills for monthly charges. The Customer is responsible for reading the meter, figuring the usage and charges, and making payments promptly. A coupon book and rate sheet is provided for this purpose.

17. *Due Date, Delinquent Bills, and Service Disconnection Date:*

All monthly-incurred charges are due on the first day of the month following the month of usage. Charges are payable through the 15th day of the month without penalty. All payments received after the 15th day of the month will incur a late charge. Additional late fees will be assessed on all payments made or postmarked after the 20th. Payments made by mail will be considered late if postmarked after the 15th and 20th of the month. No grace period will be allowed when the 15th and 20th falls on a holiday or weekend. The mail slot at the office can be used at these times. Returned checks will be considered non-payment and may result in late fees depending on the date the non-payment was received and the date the returned check is cleared by cash, money order or certified check. When payments are not received by the first day of the following month, a notice of delinquency will be posted at the property of service. Location of posting of notice on the property being served shall be at the Superintendent's discretion unless otherwise directed by the Customer of Record. Meter will be locked for non-payment five calendar days after the date the notice is posted. Lock off fees will then be incurred (See Sections F & G).

- A. Upon written request, any residential customer sixty (60) years of age or older who occupies the entire premises of a dwelling receiving water utility service from the District shall receive extension of the past due date, without penalty. The extension shall not exceed ten (10) days beyond the usual fifteen (15) day payment period for a total of no more than twenty five (25) days from the date the charges are due. The request may specify extension of the late payment periods for current and subsequent billing cycles (HB 670 Effective 8-30-93).
- B. In accordance with the Government Code Title 10 General Government Subtitle F State and Local Contracts and Fund Management Chapter 2251, the District provides that payments for service due from a governmental agency, such as a School District, Municipality or County shall be considered overdue and subject to late fee penalties on balances due to the District beginning on the 46th day after the due date. Any late fee penalties for these accounts shall be in accordance with the referenced legislation.

18. *Rules for Disconnection of Service:*

A. *Disconnection with notice:*

Water utility service may be disconnected for any of the following reasons after proper notification has been given.

- a). **Returned Check.** The District shall mail, via the U. S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the District office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. Any such instruments returned as insufficient or non-negotiable for any reason for any three billing periods within a twelve (12) month period shall be considered evidence of bad credit risk by the District. The Customer/Consumer in violation shall be placed on a "cash-only" basis for a period of twelve (12) months. ("Cash only" means cash, money order, or certified check). Returned checks used to pay for an account locked for non-payment will be relocked without additional notice when the District is advised from the financial institution that the check is being returned. Additional lock off fees will be applied to the account in addition the

Returned Check fees. Payments made by returned checks are considered non-payment.

- b). Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement.
- c). Violation of the District's rules pertaining to the use of service in a manner which interferes with the service of others or 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.
- d). Failure of the Customer to comply with the terms of the District's Service Agreement, Policies, By-laws, or Special Contracts provided that the District has given notice of said failure to comply, and the Customer has failed to comply within a specified amount of time after notification.
- e). Failure to provide access to the meter under the terms of this Policy or to property at which water service is received when there is reason to believe that a hazardous condition or Policy violation exists for which access is necessary for verification.
- f). Misrepresentation by any Applicant of any fact on any form, document, or other agreement required to be executed by the District.
- g). Failure of the Customers to re-apply for service upon notification by the District that Customer no longer meets the terms of the service classification originally applied for under the original service application.

B. *Disconnection Without Notice:*

Water utility service may be disconnected without notice for any of the following reasons.

- a). A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the conditions exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law, or there is 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.
- b). Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for non-payment.
- c). In instances of tampering with the District's meter or equipment, by-passing the meter or equipment, or other diversion of service.
- d). When payment for monthly charges have not been received by the last day of the month following the month of usage.
- e). Returned checks used to pay for an account locked off for non-payment will be relocked without additional notice when the District is advised from the financial institution that the check is being returned. Additional lock off

fees will be applied to the account in addition to Returned Check fees. Payments made by returned checks are considered non-payment.

NOTE: Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore, shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

C. *Disconnection Prohibited:*

Utility service may not be disconnected for any of the following reasons.

- a). Failure of the Customer to pay for merchandise or charges for non-utility service provided by the District, unless an agreement exists between the Applicant and the District whereby the Customer guarantees payment of non-utility service as a condition of service.
- b). Failure of the Customer to pay for a different type or class of utility service unless a fee for such service is included in monthly charges.
- c). Failure of the Customer to pay charges arising from an under billing occurring due to any misapplication of rates more than six (6) months prior to the current billing.
- d). Failure of the Customer to pay the account of another Customer as guarantor thereof, unless the District has in writing the guarantee as a condition precedent to service.
- e). Failure of the Customer to pay charges arising from an under billing due to any faulty metering, unless this meter has been tampered with or unless such under-billing charges are due under the Inoperative Meters Subsection E of this Policy.
- f). In response to a request for disconnection by an Owner/Customer of rental property where the renter/lessee/user account is not scheduled for disconnection under the Rules for Disconnection of Service in this Statement of Policy.

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 personnel of the District 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 approval from the Texas Commission on Environmental Quality.

F. *Disconnection for Ill and Disabled:*

The District may not discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when the Customer establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a

Customer seeks to avoid termination of service under this sub-section, the Customer must have the attending physician call or contact the District within sixteen (16) days of incurring charges. A written statement must be received by the District from the physician within twenty-six (26) days of the due date of the incurred charges. The prohibition dates from the incurrence of the water service charges or such lesser period as may be agreed upon by the District and Customer's physician. The Customer shall enter into a Deferred Payment Agreement

G. *Disconnection of Temporary Service:*

When an Applicant with a temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Statement of Policy service may be terminated with notice.

19. *Billing Cycle Changes:*

The District reserves the right to change its billing cycles if the workload or other pertinent factors requires such practice.

20. *Back Billing:*

The District may back-bill a Customer for up to four (4) years (forty-eight (48) months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Customer's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service.

21. *Disputed Bill:*

In the event of a dispute between the Customer and the District regarding any bill, the District shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Customer. All disputes under this subsection must be submitted to the District, in writing, no more than 60 days from the original due date of the disputed bill.

22. *Inoperative Meters:*

Water meters found inoperative will be replaced 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 (3) months, based on accounts usage under similar conditions during the period preceding or subsequent thereto or during corresponding periods in previous years.

23. *Bill Adjustments Due to Meter Error:*

The District shall test any Customer's meter upon written request of the Customer. In the event the meter tests within the accuracy standards of the American Water Works Association, a trip charge and test fee as prescribed in Section G of this Policy shall be imposed. In the event, the test results indicate the meter is faulty or inaccurate, the test fee shall be waived, however the trip charge is not refundable. The meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not to extend beyond the current Customer. The charges adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Customer shall complete a Meter Test Request Form prior to the test.

24. *Tampering/Diversion/Defacement of District Property*

A. *Violation.* Any and every instance of tampering, bypassing and/or diversion, as defined in subsection B below, constitutes a separate violation and breach of the District's rules and regulations as established by the District's Statement of Policy.

- B. *Definition.* For purposes of this section and all other sections of the District's Statement of Policy, the phrase "meter tampering, bypassing and/or diversion" and the phrase "tampering, bypassing, diversion, and/or defacement" shall each be defined as knowingly or intentionally performing any of the following acts or causing or allowing another person to perform any of the following acts:
- a.). Disconnecting a meter owned or operated by the District, or causing or allowing any meter owned or operated by the District to be disconnected;
 - b.). Removing or causing or allowing the removal of, a locking or shut-off device used by the District to discontinue service;
 - c.). Physically disorienting, or causing or allowing the physical disorienting of, the meter;
 - d.). Attaching, or causing or allowing the attachment of, objects to the meter to divert service or to bypass the District's service equipment;
 - e.). Inserting objects into the meter;
 - f.). Implementing any electrical and/or mechanical means resulting in the alteration or modification of the District's service equipment, the bypass of the District's service equipment, or the diversion of service in any manner;
 - g.). Tapping onto or connecting any pipe with any water main or line owned or operated by the District, or causing or allowing another person to tap onto or connect any pipe with any water main or line owned or operated by the District;
 - h.). Altering, changing, defacing, damaging, removing, interfering with, opening, or closing any water meter or other property or equipment owned or controlled by the District;
 - i.). Marring or defacing any building, equipment, or other property owned or operated by the District;
 - j.). Damaging, removing, destroying or interfering with any fence, gate, or other enclosure owned or controlled by the District, or damaging, removing, destroying, or interfering with any sign or emblem on any structure or equipment owned or operated by the District; or
 - k.). Defacing, writing or marking, cutting, printing, stamping, indenting or displaying any word, sentence, symbol or figure on property owned or operated by the District.
 - l.). Unauthorized re-metering, re-distribution, sale, storing, or resale of service.
- C. *Defense.* A person does not violate the District rules if:
- (1) the act of tampering, bypassing and/or diversion is conducted by a District employee authorized to perform the activity;

- (2) the District acting by and through its board of directors or its officers or employees grants permission to the person to conduct the activity,
- (3) the person conducts the activity to prevent the waste of water,

- D. *Disconnection, Fees and Charges.* Any and every instance of tampering, bypassing, diversion, and/or defacement may result in the disconnection of service and the subsequent denial of service. In the event that service is disconnected due to an incident of tampering, bypassing, diversion, or defacement all applicable fees, penalties and related expenses must be paid, in full, prior to reconnection of service. Such fees, penalties and expenses shall include, but not be limited to, unpaid water charges, lock-off fee, disconnection of service fee, service trip fee, equipment damage fee and all out-of-pocket expenses incurred by the District in connection with the incident.
- E. *Civil Penalty.* In addition, for each and every instance of tampering, bypassing, diversion, and/or defacement the District may impose a civil penalty in an amount not to exceed \$5,000.00, the imposition and enforcement of which is authorized by Texas Water Code §49. Any and every civil penalty imposed by the District may be enforced by a complaint filed in an appropriate court of jurisdiction. In the event that the District prevails in a suit to enforce one or more civil penalties, the District shall be entitled to recover reasonable fees for attorneys, expert witnesses, and any and all other costs incurred by the District in prosecution of the suit.
- F. *Evidence.* The District shall bear the burden of proof in support of any action taken by the District in connection with tampering, bypassing, diversion, or defacement. Photographic evidence or any other reliable and credible evidence may be used by the District to satisfy its burden of proof. In every instance in which action is taken by the District in connection with tampering, bypassing, diversion, or defacement, evidence used by the District to satisfy its burden of proof shall be accompanied by an affidavit sworn to by a member of the District's staff. A court finding of tampering, bypassing, diversion, and/or defacement may alone satisfy the District's burden of proof.
- G. *Prosecution.* Any and every instance of tampering, bypassing, diversion, and/or defacement shall be prosecuted to the fullest extent allowed by law under Texas Penal Code §28, and Texas Water Code §49, as those laws are currently in effect or as amended or superceded from time to time.
- H. *Presumption.* Whenever the evidence shows the commission of any tampering, bypassing, diversion, and/or defacement as defined by this section, the District will presume, and the same will constitute prima facie (true and authentic) evidence of the fact, that the person who subscribed to water service, as well as any person having the custody, control or management of the premises receiving water service from the District is subscribed, had knowledge that the act or acts were performed and that such customer and such other person having the custody, control or management of the premises committed such act or acts or caused or occasioned the commission of the act or acts.
- I. *Responsibility.* The term "person" as used in this section has the meaning provided by the general law and includes individuals and corporations of every sort. If a person commits a violation of this section as an agent of another person, both the agent and the principal are subject to the sanctions described in this section.

Note: If any court of competent jurisdiction rules that any portion of the new Tampering, Diversion, and Defacement of Property Policy as set forth is invalid or unconstitutional, any such portion shall be deemed a separate, distinct, and independent provision and any such ruling shall not affect the validity of the remaining portions thereof.

25. *Meter Relocation:*

Relocation of service shall be allowed by the District provided that:

- A. An easement for the proposed location has been granted to the District;
- B. The Customer pays the charges as per Section G of this Policy; and
- C. The desired meter location is on the same property as described on the deed to the property on which the meter is presently located.

26. *Prohibition of Multiple Connections To A Single Tap:*

The District's Policy, as per Texas Commission on Environmental Quality Rules and Regulations, specified in Chapters 290 and 291 of the Texas Administrative Code (30 TAC), states, "one meter is required for each residential, commercial, or industrial service connection." The connection of an additional residential, commercial, or industrial service to an existing connection that is currently in service is in violation of the District's Policy. Under no circumstances may customer or customer's agent or any other person re-distribute, or install meters for the purpose of re-metering, reselling, storing, or otherwise disposing of service supplied customer or customer's lessees, tenants, or others except as authorized by the District. Any unauthorized sub metering or diversion of service shall be considered a multiple connection and subject to disconnection of service and subject to penalties and fines identified above in paragraph 24 of this section. The \$500.00 fee for non-compliance with District Policy will be applied and the following steps must be taken.

- A. The Customer of Record found to be in violation of this policy will be notified in writing and will have ten (10) days from the date of the letter of notification of violation, to either permanently disconnect the second dwelling or complete steps one (1) and two (2) of the procedures described below, to secure additional needed connection(s).

The Steps Necessary to Secure a Connection are:

- 1. Complete and sign the Hydraulic Investigation Request form.
- 2. Pay the required Hydraulic Investigation Fee.
- 3. The property owner must complete and sign the Service Application and Agreement.
- 4. The property owner must complete, sign, and have notarized a general easement form.
- 5. All required connection costs must be paid.
- 6. Any additional costs to provide service to the property in question, such as line extensions and/or road crossings must be paid.
- 7. All paper work, as described in steps one through six above, must be completed and all fees, as described in steps one through six above, must be paid within ten (10) days of the date of the notification of the results of the hydraulic investigation.

- B. During the time period of notification of violation of double hookup policy and the time new service is completed, the violator (Customer of Record) will be required to pay the current minimum monthly payment for each additional dwelling plus pay for all water

registered on the existing meter and any applicable service fees. There will be no gallon allowance for the minimum on the additional hookup or hookups.

If a payment plan is needed to secure the additional connection(s) arrangements within the payment policy can be made, at the discretion of the Superintendent as set forth below.

Payment Policy:

- a). The total amount of the connection costs can be paid in no more than six monthly installments.
- b). The Customer of Record and the user or users of the double hookups must sign a contract for installments.
- c). The first installment will be due ten (10) days from the date of the notification of the hydraulic investigation results, as described above.
- d). The remaining balance will be divided into no more than five equal payments.
- e). Installments are due the first day of the month.
- f). If payment on the new/additional connection(s) is not received by the 15th day of the month, the existing meter, supplying the Customer of Record, will be locked and all charges on the violator's (Customer of Record) account plus the total amount due for the additional connection(s) must be paid before service will be reinstated.

27. Customer Responsibility:

- A. The Customer shall provide access to the meter as per the service agreement. If access to the meter is hindered or denied, preventing the reading, checking or repair of the meter, a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Customer, then service shall be discontinued and the meter removed with no further notice.
- B. The Customer shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - a). All connections shall be designed to ensure against back-flow or siphonage into the District's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough (30 TAC 290).
 - b). 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 and shall be a minimum of SDR-26 PVC pipe (30 TAC 290).

Service shall be discontinued 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. A Customer having more than one deposit 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. The District's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or the service equipment. 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 as determined by the District's Statement of Policy as amended from time to time by the Board of Directors.
- E. The District shall require each Customer to have a cut-off valve on the Customer's side of the meter for purpose of isolating the Customers service pipeline and plumbing facilities from the District's water pressure. The valve shall meet American Water Works Association standards (A ball valve is preferred). The Customer's use of the District's curb stop or other similar valve for such purpose is prohibited. Any damage to the District's equipment shall be subject to service charges. (This additional cut-off valve may be installed, at the Customer's expense, as part of the original meter installation by the District.)

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

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

SECTION F

DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS

1. *District's Limitations:*
All applicants shall recognize that the District must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness. The District is not required to extend retail utility service to an applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (Subdivision) has failed to comply with the terms of this policy. Chapter 13.2502 of the Texas Water Code requires that notice be given herein or by publication or by alternative means to the Developer/Applicant.
2. *Purpose:*
This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purpose of this Statement of Policy, Applications subject to this Section shall be defined as Non-Standard.
3. *Definition:*
Subdivision:
The term subdivision as used in this policy expressly includes, as an example, offering to sell or transfer or selling or transferring, by contract, deed, devise or any other method of sale or transfer, a tract or parcel of land which is adjacent to another tract or parcel owned or held in the name of the same person who is offering to sell or transfer the tract or parcel, even if approval of a subdivision plat is not required by the county commissioners court or the governing body of any city prior to such intended or actual sale or transfer.
4. *Application of Rules:*
The Board of Directors of the District shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
5. *Non-Standard Service Applications:*
The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the District:
 - A. The Applicant shall provide the District a completed Service Application and Agreement giving special attention to the item on Special Service Needs of the Applicant.
 - B. A final plat approved by the Medina County Commissioners Court must accompany the Applications showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicants for single taps involving extensions or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
 - a). Any subdivision with twenty (20) or more connections will be required to provide permanent uncontested permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection.

- b). Any subdivisions with nineteen (19) or less connections will have the option of providing permanent uncontested permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection or pay the District's current charge of permanent permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection.
- C. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal, and engineering fees shall be paid to the District. Any additional expenses incurred as a result of efforts by the District to study service requirements of the Applicant shall be paid by the Applicant.
- D. If after the service investigation has been completed, the District determines that the Applicant's service request is for property outside the area dedicated in the District's Certificate of Convenience of Necessity, service may be extended provided that:
 - a). The service location is contiguous to or within one-fourth (1/4) mile of the District's Certificated Service Area;
 - b). The service location is not in an area receiving similar service from another utility;
 - c). The service location is not within another utility's Certificate of Convenience and Necessity; and
 - d). The Developer conveys title to permanent permitted Edwards Aquifer water allotments at the rate of one-half acre-foot per lot/connection.

6. *Design:*

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

- A. The District's Consulting Engineer shall design all service facilities for the Applicant's requested service within the District's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications that lies within a five (5) mile margin around the boundaries of municipalities with a population greater than five thousand (5,000).
- B. The District's Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.
- C. The District's Consulting Engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
- D. If no local authority imposes other design criteria on the Applicant's service request, the District's Consulting Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The District reserves the right to upgrade design of service

facilities to meet future demands, provided however, that the District pays the expense of such upgrading above the Applicant's facility requirements.

7. Non-Standard Service Contract:

All applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the District's Attorney, in addition to submitting the District's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:

- A. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
- B. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
- C. Monthly Reserved Service Charges as applicable to the service request.
- D. Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the District's system capability to meet other service requests.
- E. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates.
- F. Terms, by which the District shall administer the Applicant's project with respect to:
 - a). Design of the Applicant's service facilities;
 - b). Securing and qualifying bids;
 - c). Execution of the Service Agreement;
 - d). Selection of a qualified bidder for construction;
 - e). Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - f). Inspecting construction of facilities; and
 - g). Testing facilities and closing the project.
 - h). Terms by which the Applicant shall indemnify the District from all third party claims or lawsuits in connection with the project contemplated.
 - i). Terms by which the Applicant shall deed all construction facilities to the District and by which the District shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.

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

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

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

- A. If the District determines that right-of-way easements or facility sites outside the Applicant's property are required, the District shall require the Applicant make good faith efforts to secure easements or title to facility sites on behalf of the District. All right-of-way easements and property titles shall be researched, validated, and filed by the District at the expense of the Applicant.
- B. All facilities required to be installed in public right-of-way on behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-way or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.
- C. The District shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the District) and title to property required for the 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.

9. *Bids for Construction:*

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

- A. The applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- B. The Contractor shall provide an adequate bid bond under terms acceptable to the District;
- C. The Contractor shall secure adequate performance and payment bonding for the project under terms acceptable to the District;
- D. The Contractor shall supply favorable references acceptable to the District;
- E. The Contractor shall qualify with the District as competent to complete the work; and
- F. The contractor shall provide adequate certificates of insurance as required by the District.

10. *Pre-Payment for Construction and Service.*
After the Applicant has executed the Service Agreement and paid the connect cost, the Applicant shall pay to the District all additional costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.
11. *Construction.*
 - A. All roadwork pursuant to county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
 - B. The District shall, at the expense of the Applicant, inspect the facilities to ensure that District standards are achieved.
 - C. Construction plans and specifications shall be strictly adhered to, but the District reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.
12. *Service Within Subdivision:*
The District's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchaser of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the District but may have recourse to the Applicant/Developer.
13. *Exception:*
Any Division of land of one (1) acre or larger, arising from the transfer or partition of the land between the Owner and members of the owner's family within the first (1st) degree of consanguinity, will be exempt so long as:
 1. Each lot has frontage and direct physical access onto an existing street or road or EMCSUD is provided with an easement from the existing street or road to the tract of land requesting service and,
 2. The division is not part of a larger planned development or a sham, or a contrivance to avoid these regulations.

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION G
RATES AND SERVICE FEE

SECTION G

RATES AND SERVICE FEES

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

1. The District accepts payment by Credit/Debit Card at the office ONLY. User fee are:
 - Up to \$100 - \$2.00 per transaction
 - Over \$100 – 2% of transaction
2. *Service Investigation Fee.*

The District shall conduct a service investigation for each service application submitted at the District office. An initial determination shall be made by the District, without charge, as to whether the service request is Standard or Non-Standard. A non-refundable Hydraulic Investigation shall then be conducted and the results reported under the following terms:

 - A. All Standard Service requests shall be investigated with charge and all applicable costs for providing service shall be quoted in writing to the Applicant within twenty-one (21) days of application.
 - B. All Non-Standard Service requests shall be subject to a fee, unique to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the District's ability to deliver service to the Applicant to:
 - a). provide cost estimates of the project,
 - b). to present detailed plans and specifications as per final plat,
 - c). to advertise and accept bids for the project,
 - d). to present a Non-Standard Service Contract to the Applicant, and
 - e). to provide other services as required by the District for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
3. *Deposit Fee.*

At the time the application for service is approved, a Deposit Fee of \$200.00 per connection must be paid before service shall be provided or reserved for the Applicant by the District. At the time of transfer the deposit must be brought up to the current deposit rate of \$200.00.
4. *Easement Fee.*

When the District determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements on behalf of the District and/or pay all costs incurred by the District in validating, clearing, and retaining such right-of-way in addition to installation fees otherwise required pursuant to the provisions of this Statement of Policy. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites on behalf of the Applicant. (See Section E and Section F.)

5. *Installation Fee.*

The District shall charge an installation fee for service as follows:

- A. A Standard Service Installation Fee shall include all current labor, materials, vehicle cost, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water service and shall be charged on a per meter basis. The installation fee shall be quoted to the Applicant subject to variances discovered in the service investigation.
 - a). The Installation Charge.
 - 1. A 5/8 X 3/4 inch meter service \$1,320.00.
 - 2. Any oversize meter costs are determined by cost of parts.
 - b). A Water Acquisition Fee of \$1,833.00.
 - c). A Customer Cutoff Valve and a Dual Check Valve \$55.00.
 - d). A System Development Fee of \$1,330.00.
 - e). A Customer Service Inspection Fee of \$ 100.00
- A.1 A Standard Service Installation Fee for the Subdivisions of Cattleman's Crossing and Alsatian Heights will consist of:
 - a). The Installation Charge.
 - 1. A 5/8 X 3/4 inch meter service \$1,048.00.
 - 2. Any oversize meter costs are determined by cost of parts.
 - b). A Water Acquisition Fee of \$1,100.00.
 - c). A Customer Cutoff Valve and a Dual Check Valve \$55.00.
 - d). A Customer Service Inspection Fee of \$ 100.00
- A.2 Due to Developers Contributions a Standard Service Installation Fee for the Subdivisions of Hunter's Lake will consist of:
 - a). The Installation Charge.
 - 1. A 5/8 X 3/4 inch meter service \$345.00.
 - 2. Any oversize meter costs are determined by cost of parts.
 - b). A Customer Service Inspection Fee of \$ 100.00
- A.3. Due to Developers Contributions, a Standard Service Installation Fee (5/8 X 3/4 inch meter service) for the Subdivision of Valley View will consist of:
 - a). A Customer Cutoff Valve and a Dual Check Valve fee of \$55.00.
 - b.) A System Development Fee of \$359.00.
 - c). A Customer Service Inspection Fee of \$ 100.00
- A.4. Due to Developers Contributions, a Standard Service Installation Fee (5/8 X 3/4 inch meter service) for the Chacon Creek Ranches, Dove Landing and Metropolis Investment Group Subdivisions is not required at this time.

- B. Non-Standard Service shall include any and all construction, labor and materials, inspection, administration, legal, engineering, and other charges as determined by the District under the rules of Section F of this Policy and to include:
- a). Off-Site Improvement Deposit of no less than \$500.00 per lot/connection.
 - b). Feasibility Study of no less than \$500.00 for two lots/connections, all over two lots/connections add \$10.00 per lot/connection.
 - c). Administrative Fee of no less than \$50.00 for two lots/connections. All over two lots/connections add \$10.00 per lot/connection.
 - d). All past due service charges and fees due the District by the applicant or partners, or officers of the applicant.
 - e). All unreimbursed expenses previously incurred by the District to retain all or part of the territory within the subdivision within the District's certificated service area.
 - f). All amounts due the District by the applicant or partners or officers of the applicant under non-standard service agreements.
 - g). Developers cost share for established system.
 - h). All fees detailed in section 4A above.

6. *A System Development Charge.*

In addition to the deposit, installation, customer valves, and water acquisition fees, the Applicant shall be required to contribute an amount not to exceed three times the actual and reasonable cost for construction, installation, inspection, and connection to district water. This fee shall be assessed prior to providing or reserving service on a per service unit basis for each lot/connection and shall be assigned and restricted to the lot/connection for which the service was originally requested. The System Development Charge with the adoption of this Policy is \$1,330.00.

Due to Developers Contributions, the System Development Charge does not apply to the Subdivisions of Cattleman's Crossing and Alsatian Heights.

Due to Developers Contributions, the System Development Charge does not apply to the Hunters Lake Subdivision.

Due to Developers Contributions the System Development Charge for the Subdivision of Valley View is \$359.00.

Due to Developers Contributions, the System Development Charge does not apply to the Chacon Creek Ranches Subdivision.

Due to Developers Contributions, the System Development Charge does not apply to the Dove Landing Subdivision.

Due to Developers Contributions, the System Development Charge does not apply to the Metropolis Investment Group Subdivision.

7. *Customer Service Inspection Fee.*

In addition to the system development charge, deposit, installation, customer valves, and water acquisition fees, the Applicant shall be required to complete a Customer Service Inspection prior to receiving continuous water service for any new service or re-service. If a potential hazard is discovered during the inspection, the District shall, based on the degree of hazard, terminate and/or prohibit service until such time that appropriate measures are taken by the customer to protect the public water supply from the potential hazard(s). District personnel are licensed by the Texas Commission on Environmental Quality to perform these inspections following payment of the required fee.

8. *Monthly Charges.*

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

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

Meter Size	5/8" X 3/4"	Allowable	Monthly
Size	Meter Equivalents	Gallonage	Rate
5/8" X 3/4"	Standard household 1.0	0	\$ 25.55
5/8" X 3/4"	Commercial 1.0	0	\$ 30.57
1"	2.5	0	\$ 63.88
1 1/2"	5.0	0	\$ 127.75
2"	8.0	0	\$ 204.40
3 DISP	9.0	0	\$ 229.95
3 CMPD	16.0	0	\$ 408.80

All customers will be assessed the Texas Commission on Environmental Quality 1/2 of 1% Customer Assessment Fee. This fee will be calculated on the water usage charge and will be included in the rate charts.

All Commercial/Industrial/Agricultural Accounts will be assessed the \$5.00 Commercial Fee.

The current/existing customers served by 1-inch meters will be grandfathered until change of ownership occurs.

B. *Master Meter Charge.*

For Master Meter Accounts, the minimum monthly charge shall be equal to the sum of the minimum monthly charges, which would apply to the various living units if they were metered separately.

Number of Units	Gallon Allowance	Monthly Minimum
1	0	\$ 25.55
2	0	\$ 51.10
3	0	\$ 76.65
4	0	\$ 102.20
5	0	\$ 127.75

All customers will be assessed the Texas Commission on Environmental Quality ½ of 1% Customer Assessment Fee. This fee will be calculated on the water usage charge and will be included in the rate charts.

All Commercial/Industrial/Agricultural Accounts will be assessed the \$5.00 Commercial Fee.

C. *Reserved Service Charges.*

The monthly charge for each active account at a specific location for which a meter has not been installed but for which the District and the Applicant have entered into agreement and/or contract for reserved service. This monthly charge shall be based on the District's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's real estate designated to receive service. This fee is the Minimum Monthly Charge for meter service on a per tap basis for each designated meter size.

D. *Gallonge Charges.*

In addition to the Service Availability Charge, a gallonge charge shall be added at the following rates for usage during any one (1) billing period.

Gallonge Allowance		Charge	
From	To		
0	0	\$25.55	Residential Service
0	0	\$30.57	Commercial/Industrial/Agricultural Service
100	2000	\$0.19	per 100 gallons
2,100	10,000	\$0.44	per 100 gallons
10,100	20,000	\$0.49	per 100 gallons
20,100	30,000	\$0.54	per 100 gallons
30,100	40,000	\$0.64	per 100 gallons
40,100	50,000	\$0.69	per 100 gallons
50,100	Plus	\$0.74	per 100 gallons

All customers will be assessed the Texas Commission on Environmental Quality ½ of 1% Customer Assessment Fee. This fee will be calculated on the water usage charge and will be included in the rate charts.

E. *Excessive Usage Charge.*

Accounts averaging 100,000 gallons of water usage monthly over a six months period will be required to purchase water, at the current rate, by ½ acre-feet increments until they have purchased enough water allotments to meet their calendar year usage and pay monthly usage at the commercial rate.

All new applicants who anticipate usage of 100,000 gallons per month will be required to purchase water, at the current rate, by ½ acre-feet increments, until they have purchased enough water allotments to meet their calendar year usage and pay monthly usage at the commercial rate.

9. *Late Payment Fee.*

All payments made or postmarked after the 15th day of the month will be considered late. Late fees as follows will be assessed:

- A. Payment made, or postmarked after the 15th \$15.00 per account.

B. Payments made or postmarked after the 20th \$30.00 per account.

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. No grace period will be allowed when the 15th or 20th falls on a weekend or holiday. The mail slot at the District Office can be used at these times. Returned checks will be considered non-payment and may result in late fees depending on the date the non-payment was received and that date the returned check is cleared by cash, money order or certified check.

10. *Returned Check Fee.*

In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the District for payment of services provided for in this Statement of Policy, 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 \$30.00.

11. *Lock-Off Fee.*

If meter reading and payment are not received by the last day of the month following the month charges are incurred, the meter will be subject to be locked for non-payment on the sixth day after the date on the lock off notice and a \$50.00 lock off fee and a trip charge fee per account will be assessed. Water service will not be re-established until all charges are paid or payment arrangements made.

12. *Disconnection of Service Fee.*

If payment is not received within thirty days of the date of the meter being locked for non-payment, the meter will be removed and a \$50.00 disconnection of service fee plus a service trip fee will be assessed. Service will not be re-instated until all charges are paid in full.

13. *Re-Service Installation Fee.*

A re-service fee shall be charged on service request on property where service previously existed. The fee shall consist of:

- A. Installation Fee of \$ 345.00
- B. Deposit of \$ 200.00
- C. Customer Valves \$ 55.00
- D. Water Acquisition Fee \$1,833.00 (A Water Acquisition fee does not apply at a location where the Water Acquisition fee was previously paid.)
- E. Customer Service Inspection Fee of \$100.00

13a In the Subdivisions of Cattleman's Crossing and Alsatian Heights a re-service fee shall be charged on service request on property where service previously existed. The fee shall consist of:

- A. Installation Fee of \$ 345.00
- B. Deposit of \$ 200.00
- C. Customer Valves \$ 55.00
- D. Water Acquisition Fee \$1,100.00 (A Water Acquisition fee does not apply at a location where the Water Acquisition fee was previously paid.)
- E. Customer Service Inspection Fee of \$100.00

13b. In the Subdivision of Hunters Lake a re-service fee shall be charged on service request on property where service previously existed shall consist of:

- A. Installation Fee of \$345.00
- B. Deposit of \$200.00
- C. Customer Service Inspection Fee of \$100.00

13c. In the Subdivision of Valley View a re-service fee shall be charged on service request on property where service previously existed shall consist of:

- A. Installation Fee of \$345.00
- B. Deposit of \$200.00
- C. Customer Service Inspection Fee of \$100.00

13d. In the Subdivision of Chacon Creek Ranches a re-service fee shall be charged on service request on property where service previously existed shall consist of:

- A. Installation Fee of \$345.00
- B. Deposit of \$200.00
- C. Customer Service Inspection Fee of \$100.00

13e. In the Subdivision of Dove Landing a re-service fee shall be charged on service request on property where service previously existed shall consist of:

- A. Installation Fee of \$345.00
- B. Deposit of \$200.00
- C. Customer Service Inspection Fee of \$100.00

13f. In the Subdivision of Metropolis Investment Group a re-service fee shall be charged on service request on property where service previously existed shall consist of:

- A. Installation Fee of \$345.00
- B. Deposit of \$200.00
- C. Customer Service Inspection Fee of \$100.00

14. *Service Trip Fee.*

The District shall charge a trip fee for any service call or trip to the Customer's tap as a result of a request by the Customer or Consumer (unless the service call is in response to malfunction of the District's or another Customer's facilities) or for the purpose of collecting past due payments. During working hours the trip charge shall be \$35.00 for the first one-half hour and \$45.00 for each hour or part of an hour thereafter. After normal business hours or on weekends and holidays the trip charge shall be \$45.00 for the first one-half hour and \$60.00 for each hour or part of an hour thereafter.

15. *Meter Reading Charge.*

Accurate meter readings must be submitted each month. Readings should be from the first day of the month to the last day of the month. Estimated readings will not be accepted. If accurate readings are not submitted, or readings have to be verified for calculation of charges, the Customer/Consumer will be charged \$10.00 per account for this service plus a minimum trip charge of \$35.00.

16. *Coupon Book.*
One coupon book, per account, per year, will be provided. Replacement books will be provided at a cost of \$2.00 per book.
17. *Customer Billing.*
If requested by the Customer, the meter will be read and monthly bills sent. There will be a \$10.00 read meter charge plus a \$35.00 trip charge per account, per month, for this service.
18. *Customer Service Lock.*
Meters will be locked by the District at the Customer's request thereby eliminating the need for monthly readings. The minimum monthly fee will be due and all penalties will apply. The minimum service trip fee of \$35.00 will be charged for the locking and unlocking of the meter.
19. *Equipment Damage Fee.*
If the District's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other District actions. This fee shall be charged and paid before service is re-established. If the District's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Customer. If the District's facilities or equipment have been damaged due to negligence or unauthorized use of the District's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the District incurs losses or damages, the Customer shall be liable for all labor and material charges incurred as a result of said acts or negligence. A \$100.00 District property damage fee shall be charged for a lock removed from a district meter by anyone other than District authorized personnel.
20. *Non-Disclosure Fee.*
Effective November 1, 2008 all account information, including name, address and telephone numbers shall remain private on all accounts at no charge to the customer in accordance with the District Identity Theft Prevention Program.
21. *Information Disclosure Fee.*
All public information shall be available to the public for a fee to be determined by the District based on the level of service and costs to provide such information, but not be inconsistent with the terms of the Texas Open Records Act, Chapter 552, Texas Government Code.
22. *Meter Test Fee.*
The District shall test a Customer's meter at the request of the Customer using the District's testing devices for a service fee of \$35.00. Upon written request from the Customer, the meter will be removed and factory tested. Charges will be a service trip fee of \$35.00 plus the cost of the factory test. Should the meter test inaccurate as per American Water Works Association Standards, the cost for the factory test will be refunded.
23. *Meter Re-location Fee.*
A request to move a meter from one location to another must be reviewed and approved by the District, subject to the term of Section E of the District Policy. The following charges shall apply:

- a. Minimum Charge of \$100
- b. Actual cost of materials used
- c. Labor rate of \$25 per hour
- d. Backhoe (includes operator) rate of \$75 per hour

24. *Transfer Fee.*

An Applicant for service through a transfer shall complete all required application forms and pay a transfer fee of \$35.00 plus filing fees.

25. *Non-Compliance of District Policy Fee.*

A fee of \$500.00 for non-compliance of District Policy may be assessed in any and all cases of policy violations as set forth in Section E.

26. *Other Fees.*

All services outside the normal scope of utility operations which 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.

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION H

DEMAND MANAGEMENT AND
CRITICAL PERIOD MANAGEMENT

**DROUGHT CONTINGENCY PLAN
CRITICAL PERIOD MANAGEMENT RULES**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT
REVISION OF THE DEMAND MANAGEMENT AND
CRITICAL PERIOD MANAGEMENT RULES.**

REVISED SEPTEMBER 16, 2014

WHEREAS, the Board recognizes the amount of water available to the East Medina County Special Utility District and its water utility customers is limited and subject to depletion during critical periods;

WHEREAS, the Board recognizes natural limitations due to critical conditions and cannot guarantee an uninterrupted water supply for all purposes;

WHEREAS, the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality and the Edwards Aquifer Authority require all public water supply systems in Texas to prepare a Demand Management and Critical Period Management Plan; and

WHEREAS, as authorized under law, and in the best interests of the customers of the East Medina County Special Utility District, the Board deems it expedient and necessary to establish certain rules and policies for the orderly and efficient management of limited water supplies during critical periods and other water supply emergencies;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT:

SECTION 1. That the Demand Management and Critical Period Management Rules attached hereto and made part hereof for all purposes be, and the same is hereby, adopted as the official policy of the East Medina County Special Utility District.

SECTION 2. That the East Medina County Special Utility District Board of Directors is hereby directed to implement, administer, and enforce the Demand Management and Critical Period Management Plan.

SECTION 3. That this resolution shall take effect immediately upon its passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF THE EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT ON THIS 16TH DAY OF SEPTEMBER 2014.

(Original Signature On File)
President, Board of Directors

ATTESTED TO:

Original Signature On File
Secretary, Board of Directors

DEFINITIONS

For the purposes of this Plan, the following definitions shall apply:

Abbreviations:

Aquifer	The Edwards Aquifer
CPM	Critical Period Management
CPMP	Critical Period Management Policy
CPMS	Critical Period Management Stage
DM	Demand Management
DMP	Demand Management Policy
DMS	Demand Management Stage
EAA	Edwards Aquifer Authority
The District	East Medina County Special Utility District

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use, which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by East Medina County Special Utility District.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number accounts: Four digit section of the account numbers ending in even numbers 0, 2, 4, 6, or 8.

Odd numbered accounts: Four digit section of the account numbers ending in odd numbers 1, 3, 5, 7, or 9.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

J 17 Well: Index Well located in Bexar County in Fort Sam Houston, San Antonio. Identified as AY-68-37-203. Trigger well for East Medina County Special Utility District.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- Irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;

- Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- Use of water to wash down buildings or structures for purposes other than immediate fire protection;
- Flushing gutters or permitting water to run or accumulate in any gutter or street;
- Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- Failure to repair a controllable leak(s) within a reasonable period after receiving notice directing the repair of such leak(s); and
- Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

San Antonio Pool: That part of the Aquifer underlying the boundaries of the Authority, other than Uvalde County.

c.f.s.: Cubic Feet Per Second.

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

DEMAND MANAGEMENT AND CRITICAL PERIOD MANAGEMENT RULES

SECTION 1: INTRODUCTION

East Medina County Special Utility District was established as a Water Supply Corporation in 1967 under chapter 1434a of the Water Code for the sole purpose of supplying potable water to the rural area of southeast Medina County. In September 1996 the Water Supply Corporation converted to a Special Utility District under Chapters 49 & 65 of the Texas Water Code. The District is generally bordered by the communities of LaCoste, Lytle, Natalia, Devine, Biry, Dunlay, Quihi, and Castroville. The people in the rural areas within the District boundaries are served through over 300 miles of water lines supplied by six Edwards Aquifer wells.

The District serves approximately 2700 connections with an estimated per capita population of 3.5 persons per connection. The District's service area is located west of the metropolitan area of San Antonio, Texas. Due to this location, the District is experiencing rapid growth in service requests and at the same time is subject to pumping reductions as stated in the EAA Critical Period Management rules based on the water level of the Edwards Aquifer. The District continues to purchase additional pumping rights and seek alternative water supplies as funds are available to meet current and future needs.

SECTION 2: PURPOSE

The goal of the Demand Management and Critical Period Management Rules is to cause a reduction in water use in response to drought conditions or emergency condition that place an undue demand on the District's water source.

SECTION 3: DISCLOSURES

East Medina County Special Utility District is organized under Chapters 49 and 65 of the Texas State Water Code having the power to levy fines for non-compliance of District policies, rules, and or regulations. Customers of East Medina County Special Utility District are required to follow the rules and regulations as set forth by District Policy, the Texas Commission on Environmental Quality and the Edwards Aquifer Authority.

SECTION 4: STRATEGY

Customers in the East Medina County Special Utility District service area generally have three potential sources of water supply including East Medina Co. SUD, private wells for domestic and livestock use and Bexar Medina Atascosa (BMA) irrigation water. Due to the diverse source of water and the rural nature of the District having more than 300 miles of water lines to maintain and operate, the District does not currently have a policy that relies on “drive-by” or “neighbor reporting” for water usage enforcement. The District feels that this type of enforcement is detrimental to community well-being and the trust that is prevalent in country living. The Board of Directors are confident that necessary water curtailments can be accomplished through the spirit of education and cooperation among the people we serve working together to conserve, preserve and protect our water resources.

SECTION 5: COORDINATION WITH OTHER AUTHORITIES

The District will expend every effort to coordinate with the Texas Commission on Environmental Quality and the Edwards Aquifer Authority in the management of our water resources.

SECTION 6: CRITICAL PERIOD STAGES. (TRIGGER CONDITIONS)

Reduction	J17 Well Level (MSL)	San Marcos Springs	Comal Springs
Stage *	10-day average Is Less Than	10-day average is less than	10-day average is less than
Stage 1 Demand Management	660 feet	96 CFS	225 CFS
Stage 2 Demand Management	650 feet	80 CFS	200 CFS
Stage 3 Critical Period	640 feet	N/A	150 CFS
Stage 4 Critical Period	630 feet	N/A	100 CFS
Stage 5 Critical Period	625 Feet	N/A	45/40*

*As declared by the Edwards Aquifer Authority for the San Antonio Pool (includes Medina County).

**San Antonio Pool only: In order to enter into Critical Period Stage V, the applicable springflow trigger is either less than 45 cfs based on a ten-day rolling average or less than 40 cfs based on a three-day rolling average. Expiration of Critical Period stage V is based on a ten-day rolling average of 45 cfs or greater.

**SECTION 7:
TABLE REDUCTION LEVELS**

In compliance with the Edwards Aquifer Authority regulations on Demand Management and Critical Period Management, the following EAA reduction percentages will apply.

Reduction	572,000 AF/Annual Cap
Stage	Interruption Coefficient
Stage 1 (Demand Management)	20%
Stage 2 (Demand Management)	30%
Stage 3 (Critical Period)	35%
Stage 4 (Critical Period)	40%
Stage 5 (Critical Period)	44%

**SECTION 8:
DECLARATION OF DEMAND MANAGEMENT AND
CRITICAL PERIOD MANAGEMENT**

The District will declare Critical Period Management and the appropriate Demand Management Stage when Critical Period is declared by the Edwards Aquifer Authority in the San Antonio Pool of the Edwards Aquifer.

**SECTION 9:
PUBLIC ISSUANCE OF CRITICAL PERIOD MANAGEMENT STAGE**

The declaration of a Demand Management (DM) or Critical Period Management (CPM) Stage will be announced by the Superintendent. The declaration will be published on the District's web page at www.emcsud.dst.tx.us , published in the Devine News, the Hondo Anvil Herald, and the Castroville News Bulletin a minimum of one time, announced on the Medina County Radio Stations daily during the DM or CPMS, and posted in the lobby of the District Office.

**SECTION 10:
RESTRICTION OF THE USE OF WATER**

YEAR ROUND

1. All users must practice water conservation and preservation.
2. All water leaks must be repaired as soon as possible to minimize water waste
3. No person may use District water for landscape watering using a sprinkler or sprinkler system between the hours of 10:00 AM and 8:00 PM.
4. Watering with a hand held or soaker hose is permitted as needed.

Upon the declaration of a Demand Management Stage (DMS) or Critical Period Management Stage (CPMS) by the District, compliance with the DM or CPM demand reduction measures shall be required.

STAGE 1

1. All users must practice water conservation and preservation.
2. No person may use District water for landscape watering between the hours of 10:00 AM and 8:00 PM.
3. No person may use District water for washing automobiles, sidewalks, driveways, carports, or any other type of artificial ground cover.
4. Restaurants and other eating establishments are prohibited from serving District water to customers except upon request from the customer.
5. Every customer who owns or has possession of a swimming pool must cover the pool with an effective evaporation cover, screen, or evaporation shields when the pool is not in active use. Active usage includes necessary maintenance that requires removal of the cover, screen, or shields.
6. Livestock watering will be permitted in water troughs only. (Filling earthen tanks will not be allowed.

STAGE 2

1. All users must practice water conservation and preservation.
2. No person may use District water for landscape watering between the hours of 10:00 AM and 8:00 PM.
3. No person may use District water for washing automobiles, sidewalks, driveways, carports, or any other type of artificial ground cover.
4. Restaurants and other eating establishments are prohibited from serving District water to customers except upon request from the customer.
5. Every customer who owns or has possession of a swimming pool must cover the pool with an effective evaporation cover, screen, or evaporation shields when the pool is not in active use. Active usage includes necessary maintenance that requires removal of the cover, screen, or shields.
6. Designated water days for landscape watering will be:

- a. For all customers whose four digit section of the account numbers end in an even number the watering days will be Monday and Thursday between the hours of 8:00 PM and 10:00 AM.
 - b. For all customers whose four digit section of the account numbers end in an odd number the watering days will be Tuesday and Friday between the hours of 8:00 PM and 10:00 AM.
 - c. Wednesday, Saturday, and Sunday will be non-watering days.
- 7. Persons may not use District water for an ornamental fountain or similar feature.
- 8. Livestock watering will be permitted in water troughs only. (Filling earthen tanks will not be allowed).

STAGE 3

- 1. All users must practice water conservation and preservation.
- 2. No person may use District water for landscape watering between the hours of 10:00 AM and 8:00 PM.
- 3. No person may use District water for washing automobiles, sidewalks, driveways, carports, or any other type of artificial ground cover.
- 4. Restaurants and other eating establishments are prohibited from serving District water to customers except upon request from the customer.
- 5. Every customer who owns or has possession of a swimming pool must cover the pool with an effective evaporation cover, screen, or evaporation shields when the pool is not in active use. Active usage includes necessary maintenance that requires removal of the cover, screen, or shields.
- 6. Designated watering days for landscape watering will be:
 - a. For all customers whose four-digit section of the account number ends in an even number the watering day will be Tuesday between the hours of 8:00 PM and 10:00 AM.
 - b. For all customers whose four-digit section of the account number ends in an odd number the watering day will be Thursday between the hours of 8:00 PM and 10:00 AM.
 - c. Monday, Wednesday, Friday, Saturday, and Sunday will be non-watering days.
- 7. Persons may not use District water for an ornamental fountain or similar feature.
- 8. Livestock watering will be permitted in water troughs only. (Filling earthen tanks will not be allowed).

STAGE 4

- 1. All users must practice water conservation and preservation.
- 2. No person may use District water for landscape watering between the hours of 7:00 AM and 8:00 PM and from 11:00 PM to 3:00 AM.
- 3. No person may use District water for washing automobiles, sidewalks, driveways, carports, or any other type of artificial ground cover.
- 4. Restaurants and other eating establishments are prohibited from serving District water to customers except upon request from the customer.
- 5. No person may use District water to fill a new swimming pool or refill an existing swimming pool.
- 6. No person can use District water for any outdoor fountains, ornamental ponds, or similar devices.
- 7. Designated watering days for landscape watering will be:
 - a. For customers whose four digit section of the account number ends in an even number the watering day will be Tuesday, between the hours of 3:00 AM to 7:00 AM and from 8:00 PM to 11:00 PM.

- b. For customers whose four digit section of the account number ends in an odd number the watering day will be Thursday from 3:00 AM to 7:00 AM and from 8:00 PM to 11:00 PM.
- 8. Monday, Wednesday, Friday, Saturday, and Sunday will be non-watering days.
- 9. Persons may not use District water for an ornamental fountain or similar feature.
- 10. Livestock watering will be permitted in water troughs only. (Fillings earthen tanks will not be allowed).

STAGE 5

- 1. All users must practice water conservation and preservation.
- 2. No person may use District water for landscape watering between the hours of 7:00 AM and 8:00 PM and from 11:00 PM to 3:00 AM.
- 3. No person may use District water for washing automobiles, sidewalks, driveways, carports, or any other type of artificial ground cover.
- 4. Restaurants and other eating establishments are prohibited from serving District water to customers except upon request from the customer.
- 5. No person may use District water to fill a new swimming pool or refill an existing swimming pool.
- 6. Designated watering days for landscape watering will be:
 - a. For customers whose four digit section of the account number ends in an even number the watering day will be the first and third Tuesday of each month between the hours of 3:00 AM and 7:00 AM and between the hours of 8:00 PM and 11:00 PM.
 - b. For customers whose four digit section of the account number ends in an odd number the watering day will be the first and third Thursday of each month between the hours of 3:00 AM and 7:00 AM and between the hours of 8:00 PM and 11:00 PM.
 - c. Monday, Wednesday, Friday, Saturday, and Sunday will be non-watering days.**
- 7. Persons may not use District water for an ornamental fountain or similar feature.
- 8. Livestock watering will be permitted in water troughs only. (Fillings earthen tanks will not be allowed).

SECTION 11: DISCONTINUANCE OF A DEMAND MANAGEMENT OR CRITICAL PERIOD MANAGEMENT STAGE

The District will publish the end to a Demand Management Stage (DMS) or Critical Period Management Stage (CPMS) by publishing on the District's Web page at www.emcsud.dst.tx.us , publication in the Devine News, the Hondo Anvil Herald, and the Castroville News Bulletin one time, by announcement on the Medina County Radio station and posting in District Office Lobby.

SECTION 12: VARIANCE

A customer may file a written request for a variance from these rules with the Board of Directors. A variance must be based on grounds of extreme hardship relating to personal health. The request must contain the following:

- a. The specific nature of the variance requested,
- b. A detailed explanation of why the variance is requested, and

- c. A sworn statement that the information contained in the request is true and accurate.

The Board of Directors may grant a variance for a term and with any conditions the Board deems appropriate.

The Board of Directors will determine each request for variance by its own merits. Any determination of the Board will apply to the variance being addressed and will not set a precedent or have any bearing on any other determination of variances.

The Board of Directors may rescind a variance at any time due to changes in circumstances, new information, or failure of the holder of the variance to abide by the terms of the variance, an order from the Edwards Aquifer Authority, or any order of the Board.

SECTION 13: PUBLIC INPUT

The Board of Directors of the East Medina County Special Utility District held a regular duly posted Board of Directors meeting on April 16, 2013 at 7:00 PM at the District Office. The purpose of this meeting, among other District business, was to review, discuss and have the Board take action on the revision of this Demand Management and Critical Period Management Policy. Notice of this meeting was published on the District's web page, and was posted at the Medina County Courthouse and the District Office. The meeting, at which this policy was revised, was duly posted and the public was welcome. Public comments and involvement is welcomed and encouraged at all board meetings.

SECTION 14: PUBLIC EDUCATION AND INVOLVEMENT

Continuing public education and involvement are accomplished through:

- a. Water Conservation information provided as follows:
 - 1. Included with the monthly payment book mailed to each account each year
 - 2. Quarterly Newsletters mailed to every account
 - 3. District Website: www.emcsud.dst.tx.us
- b. Xeriscape information is available at the District office.
- c. The District's Web Page's quick-link to the daily levels of the J17 and Medina County Wells and the flow rates of the Comal and San Marcos Springs.
- d. Water Audits to assist Customers in determining source of wasted water.
- e. Water Saving Presentations provided for small groups and classes.
- f. Public comments and involvement at Board meetings.

EAST MEDINA COUNTY SPECIAL UTILITY DISTRICT

STATEMENT OF POLICY

SECTION I

IDENTITY THEFT PREVENTION PROGRAM

Effective November 1, 2008

Re-Adopted October 16, 2016

SECTION I IDENTITY THEFT PREVENTION PROGRAM

I. PROGRAM ADOPTION

The East Medina County Special Utility District ("Utility") developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. 16 C. F. R. § 681.2. This Program was developed with oversight and approval of the Board of Directors. After consideration of the size and complexity of the Utility's operations and account systems, and the nature and scope of the Utility's activities, the Board of Directors determined that this Program was appropriate for the East Medina County Special Utility District and therefore approved this Program on November 1, 2008.

II. PROGRAM PURPOSE AND DEFINITIONS

A. Fulfilling requirements of the Red Flags Rule

Under the Red Flag Rule, every financial institution and creditor is required to establish an "Identity Theft Prevention Program" tailored to its size, complexity and the nature of its operation. Each program must contain reasonable policies and procedures to:

1. Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
2. Detect Red Flags that have been incorporated into the Program;
3. Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
4. Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.

B. Red Flags Rule definitions used in this Program

The Red Flags Rule defines "Identity Theft" as "fraud committed using the identifying information of another person" and a "Red Flag" as "a pattern, practice, or specific activity that indicates the possible existence of Identity Theft."

According to the Rule, a municipal utility is a creditor subject to the Rule requirements. The Rule defines creditors “to include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies. Where non-profit and government entities defer payment for goods or services, they, too, are to be considered creditors.”

All the Utility’s accounts that are individual utility service accounts held by customers of the utility whether residential, commercial or industrial are covered by the Rule. Under the Rule, a “covered account” is

1. Any account the Utility offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the Utility offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the Utility from Identity Theft.

“Identifying information” is defined under the Rule as “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol address, or routing code.

III. IDENTIFICATION OF RED FLAGS.

In order to identify relevant Red Flags, the Utility considers the types of accounts that it offers and maintains, the methods it provides to open its accounts, the methods it provides to access its accounts, and its previous experiences with Identity Theft. The Utility identifies the following red flags, in each of the listed categories:

A. Notifications and Warnings From Credit Reporting Agencies

Red Flags

- 1) Report of fraud accompanying a credit report;
- 2) Notice or report from a credit agency of a credit freeze on a customer or applicant;
- 3) Notice or report from a credit agency of an active duty alert for an applicant; and
- 4) Indication from a credit report of activity that is inconsistent with a customer’s usual pattern or activity.

B. Suspicious Documents

Red Flags

1. Identification document or card that appears to be forged, altered or inauthentic;
2. Identification document or card on which a person’s photograph or physical description is not consistent with the person presenting the document;

3. Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
4. Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information

Red Flags

1. Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates);
2. Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a credit report);
3. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
4. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
5. Social security number presented that is the same as one given by another customer;
6. An address or phone number presented that is the same as that of another person;
7. A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
8. A person's identifying information is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account

Red Flags

1. Change of address for an account followed by a request to change the account holder's name;
2. Payments stop on an otherwise consistently up-to-date account;
3. Account used in a way that is not consistent with prior use (example: very high activity);
4. Mail sent to the account holder is repeatedly returned as undeliverable;
5. Notice to the Utility that a customer is not receiving mail sent by the Utility;
6. Notice to the Utility that an account has unauthorized activity;
7. Breach in the Utility's computer system security; and
8. Unauthorized access to or use of customer account information.

E. Alerts from Others

Red Flag

1. Notice to the Utility from a customer, identity theft victim, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

IV. DETECTING RED FLAGS.

A. New Accounts

In order to detect any of the Red Flags identified above associated with the opening of a **new account**, Utility personnel will take the following steps to obtain and verify the identity of the person opening the account:

Detect

1. Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
2. Verify the customer's identity (for instance, review a driver's license or other identification card);
3. Review documentation showing the existence of a business entity; and
4. Independently contact the customer.

B. Existing Accounts

In order to detect any of the Red Flags identified above for an **existing account**, Utility personnel will take the following steps to monitor transactions with an account:

Detect

1. Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
2. Verify the validity of requests to change billing addresses; and
3. Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event Utility personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

Prevent and Mitigate

1. Continue to monitor an account for evidence of Identity Theft;
2. Contact the customer;
3. Change any passwords or other security devices that permit access to accounts;
4. Not open a new account;
5. Close an existing account;
6. Reopen an account with a new number;
7. Notify the Program Administrator for determination of the appropriate step(s) to take;
8. Notify law enforcement; or
9. Determine that no response is warranted under the particular circumstances.

Protect customer identifying information

In order to further prevent the likelihood of Identity Theft occurring with respect to Utility accounts, the Utility will take the following steps with respect to its internal operating procedures to protect customer identifying information:

1. Ensure that its website is secure or provide clear notice that the website is not secure;
2. Ensure complete and secure destruction of paper documents and computer files containing customer information;
3. Ensure that office computers are password protected and that computer screens lock after a set period of time;
4. Keep offices clear of papers containing customer information;
5. Request only the last 4 digits of social security numbers (if any);
6. Ensure computer virus protection is up to date; and
7. Require and keep only the kinds of customer information that are necessary for utility purposes.
8. **Ensure that all account information including name, address, telephone numbers be kept private on all accounts with no charge to the customer.**

VI. PROGRAM UPDATES

The Program Administrator will periodically review and update this Program to reflect changes in risks to customers and the soundness of the Utility from Identity Theft. At least once per year the Program Administrator will consider the Utility's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, and changes in the Utility's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will update the Program or present the Board of Directors with his or her recommended changes and the Board of Directors will make a determination of whether to accept, modify or reject those changes to the Program.

VII. PROGRAM ADMINISTRATION.

A. Oversight

Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee for the Utility. The Committee is headed by a Program Administrator who may be the head of the Utility or his or her appointee. Two or more other individuals appointed by the president of the Utility or the Program Administrator comprise the remainder of the committee membership. The Program Administrator will be responsible for the Program administration, for ensuring appropriate training of Utility staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff Training and Reports

Utility staff responsible for implementing the Program shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. The Program Administrator will train staff as needed. The staff will provide reports to the Program Administrator on incidents of Identity Theft.

C. Service Provider Arrangements

In the event the Utility engages a service provider to perform an activity in connection with one or more accounts, the Utility will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

1. Require that service providers have such policies and procedures in place; and
2. Require that service providers review the Utility's Program and date and sign a copy of the Program and report any Red Flags to the Program Administrator.

D. Non-disclosure of Specific Practices

(This provision is not required by the Rule, but municipal utilities may find it useful.)

For the effectiveness of this Identity Theft Prevention Program, knowledge about specific Red Flag identification, detection, mitigation and prevention practices must be limited to the Identity Theft Committee who developed this Program and to those employees with a need to know them. Any documents that may have been produced or are produced in order to develop or implement this program that list or describe such specific practices and the information those documents contain are considered "security information" and are unavailable to the public because disclosure of them would be likely to substantially jeopardized the security of information against improper use, that use being to circumvent the Utility's Identity Theft prevention efforts in order to facilitate the commission of Identity Theft.