

STONEWALL WATER CONTROL IMPROVEMENT DISTRICT

**RULES AND REGULATIONS
REGARDING WATER SERVICE**

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ARTICLE I
DEFINITION OF TERMS

1. "Apartment Connections" shall mean all multiplex residential connections, which are served by a master meter.
2. "Apartment Unit" shall mean the individual dwelling unit served through the Apartment Connection's master meter and shall include condominiums and all individual dwelling units served by a master meter.
3. "Applicant" shall mean person or persons that submits or proposes to submit written an application requesting action by the District.
4. "Board of Directors" shall mean the governing body of the District.
5. "Commercial Connection" shall mean and include any office, building, hotel, motel, retail store, industrial complex, school or other establishments which are not residential or apartment.
6. "Commercial Water Tap" shall mean the connection of a 3/4" or larger Water Meter to a District Water Line to serve one (1) or more structures other than a single-family residence. All "Commercial Water Taps" shall be installed by the District.
7. "Commission" shall mean the Texas Commission on Environmental Quality (TCEQ) or its successor agency.
8. "Consumer" shall mean the occupant of a residential, commercial or industrial structure or other property within or outside the area of the District, whether the owner, renter or lessee thereof who is receiving or proposes to receive water service from the District.
9. "County Healthy Official" shall mean Gillespie County Environmental Health Department and its authorized representatives.
10. "Delinquent Bill" shall mean a bill for water service which has not been paid within fifteen (15) days after the date of the bill for the preceding month's service.
11. "District" shall mean Stonewall Water Control Improvement District, the District's Board of Directors, Attorney, Engineer, or any person authorized by the District's Board of Directors to act for the District in carrying out the provisions of the Order, or their duly authorized deputies, agents or representatives.

12. "District Engineer" shall mean the Professional Engineer or firm designated and retained by the District to provide professional engineering services on behalf of the District.
13. "District General Counsel" shall mean the Attorney or law firm designated and retained by the District to provide legal services on behalf of the District.
14. "District Office" shall mean the principal business office of Stonewall Water Control Improvement District, as designated by the Board of Directors.
15. "Living Unit Equivalency (LUE)" shall mean the equivalent number of residential connection assigned to a commercial or apartment connection such that the commercial or apartment connection bears an equitable burden of the District's fixed operation costs. One LUE equals one residential connection.
16. "Natural Outlet" shall mean any outlet naturally discharging into a watercourse.
17. "Operator", or "District Operator" shall mean the person or private corporation designated and retained by the District for the operation and maintenance of the plants and lines of the District's system.
18. "Person", "Establishment", or "Owner", shall mean any and all persons, natural or artificial, including any individual, firm, company, industry, municipality, or private corporation, association, governmental agency, or their agents, servants or employees.
19. "Rate Order" shall mean that order adopted by the District's Board of Directors setting out the District's rates, fees, and charges for utility service. Any reference to the District's Rate Order contained in these rules and regulations shall be to the latest version of such Order adopted by the Board of Directors and shall include any amendments made thereto.
20. "Residential Connection" shall mean and include any single family residence, townhouse or multiplex when such is separately metered. One Residential Connection is equivalent to one LUE.
21. "Residential Water Tap" is defined herein as a 5/8" Water Meter to serve one (1) single family residence (LUE). All "Residential Water Taps" shall be installed by the District.
22. "Residential Water Service Line" shall mean the water line from the water meter for the property to be served with water to the District's waterworks system. The size of the "Residential Water Service Line" shall be as follows:
 - (a) 1" Water Service Line to serve two (2) single-family residences,

- (b) ¾" Water Service Line to serve one (1) single-family residence.
 - (c) One meter will serve one single-family residence.
23. "Security Deposit" shall mean a monetary amount paid to the District to ensure services by the District.
 24. "Separate Connection" shall mean each residential unit occupied by a separate family or person, including separate apartments within a single building and each business unit occupied by a separate business, including separate establishments within a single building.
 25. "Service Commitment" shall mean a formal written commitment, either permanent or temporary, given by the District, stating that water capacity of a specified volume is available for a defined tract of land.
 26. AStandard Service@ shall mean a residential service provided by a standard ¾" x 5/8" residential water meter.
 27. "System" as used herein shall mean the water facilities of the District and all extensions and additions thereto, whether now in place or hereafter constructed.
 28. "Transient Consumer" shall mean any consumer, which is served by the District for a temporary period of time through a temporary or permanent connection.
 29. "Water Mains" shall mean water distribution or transmission lines located in public right-of-ways or easements and maintained by the District.
 30. "Water Service Charge" shall mean the monthly charge made on all users of the public water system.

**ARTICLE II
COMMITMENTS AND CONNECTIONS**

A. REGULATIONS FOR THE ISSUANCE OF WATER SERVICE COMMITMENTS.

These regulations for issuance of water service commitments shall not apply to any property within the District which has been platted and which currently has water service approved by the District available to it. For example, no owner of a lot in a platted subdivision to which service is currently available by the District shall be required to comply with this policy. Rather, such owner may apply directly for a utility connection under Article II, Section D.

The Board of Directors has adopted the following procedure for the purpose of providing water service for the growth and development within the District in a uniform and non-

discriminatory manner. These procedures shall apply uniformly throughout the District for any new or additional development.

1. **Application and deposit.** A written application for a water commitment, attached hereto as **Exhibit "A,"** along with a deposit check made payable to the District in the amount as reflected in the District's Rate Order, shall be completed and submitted to the Board of Directors at the District office. The District shall determine the information required by the application.
2. **Processing and approval of application.** Upon receipt of the fully completed application and deposit, the Board of Directors shall authorize the evaluation of the request. The deposit will be used to cover the expenses incurred by the District for the preliminary evaluation as to whether the District's facilities can accommodate the proposed project. The evaluation and review of the application shall be completed and approval or disapproval given by the Board of Directors within 90 days of receipt and acceptance of the fully completed application.
3. **Additional deposit.** The District reserves the right to request additional deposit monies from the applicant in the event the initial deposit not is sufficient to cover anticipated costs during the review. If additional monies are not produced when requested, all review work will be stopped and the application will become null and void upon fifteen days written notice to the applicant. Upon completion of the review by the District, the remaining portion of any unused deposit amounts will be returned to the applicant.
4. **Miscellaneous Conditions.**
 - a. **Term of commitment.** Commitments shall not be valid for more than one year from the date of issuance.
 - b. **Transfer.** Commitments are non-transferable. However, prospective buyers may jointly apply for service with the owner of the property.
 - c. **Taxes.** Applications shall not be considered for property with delinquent taxes.
 - d. **Construction.** No construction may begin on any water improvements until all fees required by the District have been paid and the construction plans and specifications for the improvements have been approved by the District's Engineer and other regulatory agencies.
 - e. **Construction deadline.** Construction must commence prior to the expiration date contained in the commitment and diligently pursued thereafter. In the

event construction has not commenced on any tract for which a commitment has been issued prior to the expiration of the commitment, the commitment shall lapse without notice and the application procedures must be re-instituted as described herein. The Board of Directors is authorized to make 30-day extensions upon applicant's request.

- f. **Progress reports.** At the District's discretion, the applicant may be required to provide the District with periodic written progress reports at 30 day intervals advising the District of the status of construction progress through commencement and completion of construction.
- g. **Plats and approvals.** All tracts of land receiving service must be platted as required by law and construction plans and a Registered Professional Engineer must prepare specifications in the State of Texas with the Engineer's seal affixed.
- h. **Extension of facilities.** The applicant shall be responsible for all costs and expenses necessary to extend water to serve its property in areas where such facilities do not exist, in accordance with the provisions of Article II, Section B.
- i. **Easements.** At the applicant's sole costs, the applicant must convey all necessary easements and rights-of-way to the District with all lien holder subordination's prior to final acceptance of the improvements for operation and maintenance by the District.
- j. **Maintenance responsibility.** All utilities constructed which the District by has not formally accepted written conveyance and that are not in public right of ways or permanent acceptable easements, or which lie within private developments shall remain the responsibility of the applicant.
- k. **Change in use.** Any change of use from the previously approved use of property covered by the application must be approved by the District. Any request for change in use must be submitted in writing, describing in detail any change in any information submitted in connection with the original application, together with fees as described in paragraph 1-3 hereof.
- l. **No single service.** No commitment will be issued by the District for water service without an approved plan for wastewater disposal systems.
- m. **Connection of service.** A commitment issued under this Section is for a reservation of capacity in the Districts system. Actual service shall not be extended or connected to a tract unless the owner has also complied with the

District's current Rules and Regulations governing (1) Extension of Service to New Areas under Article II, Section B as applicable, (2) Water Rates and charges under Article III, and (3) Water Service under Article IV.

- n. **Facility acceptance and maintenance.** Final acceptance is required of any utility improvement construction by the District's Engineer before the District provides utility service to the applicant. The applicant shall be responsible for operations and maintenance of the facilities prior to final acceptance by the District.

B. REGULATIONS FOR EXTENSION OF SERVICE TO NEW AREAS.

It is the policy of the District that no service connection shall be permitted outside of the boundaries of the District unless and until the applicant for service outside the District boundaries shall apply for their real property where service is requested is annexed into the District boundaries. The policy for annexation of real property into the District is set forth below in Article II, C. below. Further, it is the policy of the District that the annexation of real property shall be paid by the applicant who seeks to have the real property annexed into the District. In addition to obtaining a water service commitment in accordance with the procedures set forth above, any owner or developer of property requiring an extension of facilities must apply for and obtain approval from the Board of Directors for any extension of service to new areas within the District. The Board of Directors has adopted the following procedures for the purpose of governing extensions to the District's system in a uniform and non-discriminatory manner. These procedures shall apply uniformly throughout the District for any new or additional development regardless of whether or not property to which service is requested to be extended has been previously platted.

1. **Application and deposit.** The Application for Extension of Service, attached hereto as **Exhibit "B"**, along with a deposit check made payable to the District in the amount as reflected in the District's Rate Order, shall be completed and submitted to the Board of Directors or designated representative at the District Office.
2. **Processing application.** The District Engineer shall review the application for extension of service to new areas and make recommendations to Board of Directors. Upon approval by the Board of Directors, the District shall issue a written service commitment to the Applicant detailing the conditions under which service may be extended, provided the requirements of Article II, Section A, and this Article II, Section B, of the Rules and Regulations have been satisfied. The application for extension of service shall be reviewed by the District Engineer within 45 days and responded to by the Board of Directors within 60 days from the receipt date. The application shall not be reviewed until a complete application has been submitted. The Applicant must provide any additional information requested by the District within 5 days of the request or the incomplete application will be returned to the

Applicant.

3. **Extension charges:**

a. **Generally.** The Applicant shall pay costs of extension of service to new areas and shall be the total costs as determined by the District. Such cost includes final construction of utility improvements accepted by the District, costs of additional system capacity as may be required, and all related expenses such as engineering review, legal review, advertising, inspection, paving repair, and administrative expenditures directly attributable to the specific project.

b. **Retainer.** The Applicant will be required to post with the District a retainer as specified in the District's Rate Order to cover the District's costs for review of construction plans, inspection of the installation of the improvements, and the preparation of any agreements or other legal documents required for the extension of service to new areas.

The retainer will be posted with the Board of Directors at the time of submittal of construction plans and specifications for the improvements. The costs to the District for the reviews, inspections, etc., will be deducted from the retainer. The retainer will be replenished with a like amount upon notice by the Board of Directors.

Any funds remaining in the retainer account will be refunded without interest to the Applicant/Developer upon completion of the water and drainage improvements and acceptance by the District for perpetual operation and maintenance.

c. **Additional costs.** Plans, bid documents, record drawings, and reports will be reviewed and approved by the District Engineer. Administrative expenses and engineering fees, including field staking and inspection charges, shall be included in the final total project costs and shall be paid by the Applicant.

4. **Approval of Construction Plans.** Upon approval of the application for service extension, the applicant shall prepare and submit to the District construction plans and specifications for the proposed improvements for review and approval by the District. No construction shall commence on any water and drainage improvements to serve new areas until after all construction plans and specifications have been reviewed and approved by the District Engineer and all other governmental authorities having jurisdiction.

5. **Water Systems.** All water distribution, storage and treatment systems shall be

designed and constructed as described in the most recent version of 30 TAC, Chapter 290, Water Hygiene. All equipment and materials shall be installed in accordance with manufacturer's recommendations. In addition, water distribution lines installed beneath any roadway or that crosses any roadway shall be constructed of ductile iron and shall be pre-tapped.

6. **Construction by Applicant's Contractor.** The Applicant will install water improvements using a contractor of his choice, based on plans and specifications approved by the District's Engineer. At the Developer's expense, the District's construction inspector will be present during construction and testing.
7. **Septic tanks.** Temporary water service may be provided for construction and to allow final inspection and approval of septic systems by the County Health Official. A copy of the permit/license issued for the septic tank shall be provided to the District within 30 days of its issuance. Failure to comply with this requirement will result in immediate termination of water service. The application for permanent and temporary water service is attached hereto as **Exhibit "C"**.
 - a. Under no circumstances will water service be provided to persons occupying a dwelling without an approved septic system. The Board of Directors is authorized to make up to two (2), 30-day extensions upon applicant's request.
 - b. No additional connections, other than those specified in the original license, as issued by the County Health Official will be made to any septic system. No more than one connection or building unit will be made on any lot unless specifically approved by the County Health Official.

C. REGULATIONS FOR ANNEXATION INTO THE DISTRICT.

The Board of Directors may consider annexation of real property into the District subject to the following terms and conditions and procedures:

1. All costs of annexation, including attorney's fees, engineering fees, election fees and any other fees incurred by the District shall be paid by the Applicant. Also, the Applicant will pay directly all other costs related to the annexation of the real property into the District. The following procedures shall be followed and shall apply to the annexation application:
 - a. A feasibility study shall be prepared by the District.
 - b. The Applicant shall provide to the District a copy of the deed showing current ownership of the property referenced in the Application.

- c. The Applicant shall submit to the District a current title commitment.
 - d. The Applicant shall submit to the District a petition in the form and containing the information as required by the Texas Water Code for the real property to be annexed into the District.
 - e. The Applicant shall provide to the District a copy of the current survey of the property, including a metes and bounds description.
2. All costs of constructing water and drainage facilities to serve the property to be annexed shall be paid by the Applicant.
3. Applicant shall be required to pay all costs relating to an expansion to the District's water facilities that may be necessary to serve the annexed property. Such costs shall be secured by an irrevocable letter of credit, in a form satisfactory to the District, drawn on a bank located in Texas. Such letter of credit shall be deposited with the District prior to the time Applicant begins construction on any utilities to serve the property.
4. The construction plans and specifications for all utility facilities located within the area proposed for annexation and that are proposed to be owned and operated by the District shall be reviewed and approved by the District Engineer. Any expansion to existing District facilities necessitated by the annexation of land to the District shall be designed and construction supervised by the District.
5. All construction of utilities shall be supervised by the District at applicant's expense. All payments for construction shall be the sole responsibility of the applicant. All contracts shall include a provision stating that there will be no liability to the District for a failure of the applicant to pay any contractor.
6. In the event the District determines that certain utility lines should be oversized in order to accommodate anticipated development within the District, the District shall be given the option of funding the over sizing of such lines.
7. The terms and conditions of the annexation agreement shall be recorded in the Gillespie County deed records at the time of annexation and shall be binding on any future assigns or successors and any lender.
8. The proposed use for the annexed tract may impact the Board's decision to annex the tract or not.

D. REGULATIONS FOR UTILITY CONNECTION.

Any person desiring connection to the District's system, after following the requirements in Sections A, B, and C above as applicable, shall follow the following steps:

1. Any person should initiate the request for service connection at the District office.
2. The applicant must fill out the form "APPLICATION FOR WATER SERVICE", a copy of which is attached hereto as **Exhibit "C"**.

E. REGULATIONS FOR SERVICE CONNECTION AND DISCONNECTION.

1. **Connection to District's System.**
 - a. **In-District Consumers:** Upon approval of an applicant for service by the District and payment of all applicable fees, each property within the District may be connected to the District's system.
 - b. **Out-of District Consumers:** . Upon approval of an applicant for service by the District and payment of all applicable fees, each property outside the District=s corporate boundaries to which a service commitment has been issued may be connected to the District's system.
2. **Verification of Payment of Taxes Prior to Rendering Service.** Prior to providing water service to a consumer, whether for new service or for a re-connection, the District shall verify that all District taxes have been paid on the property for which service has been requested. In the event taxes are due and owing on the property for which service has been requested, services shall not be provided until such time as the taxes, penalty and interest are paid.
3. **Deposit to Secure Payment and Service Charge.** A security deposit shall be required on all new connections and on all re-connections after termination for delinquency, in the amounts reflected in the District's Rate Order. The District shall retain deposits for the period services continue to be provided. No interest will be paid by the District on any deposits.
4. **Penalty for Failure to Pay Bill Before Delinquent.** A bill for water service shall be due and payable upon receipt, and shall be delinquent on the 20th day of each month. A late fee as specified in the district's Rate Order shall be assessed against each delinquent bill. No connection or re-connection of water service shall be made until all water bills for the subject property have been paid in full.

5. **Discontinuing and/or Connecting Service.**

a. **At request of Consumer**

1. **New Service:** At any time a consumer wishes to establish an account with the District, which shall be done anytime responsibility for payment is changed, such consumer shall pay a non-refundable account transfer fee and service deposit as specified in the District's Rate Order, provided the account transfer fee shall not apply to a new account being established as a result of payment of a tap fee or a connection fee.
2. **Existing Service:** The consumer shall notify the District at least 10 days prior to the time he desires service to be discontinued. A charge for restoring service shall be required as specified in the District's rate order, provided the consumer is not delinquent in payment of any bills.

b. **Discontinuing Service and Locking or Removing Meter for Failure to Pay Bills or Taxes When Due.**

1. The District shall retain the right to discontinue service to a consumer at any time a bill becomes delinquent. Service shall not be restored until receipt of the following charges:
 - a. payment of the delinquent bill to include penalties,
 - b. deposit fee as may be required,
 - c. re-connection charge.
2. In the event a delinquent bill is not paid within seven (7) days after discontinuance of service pursuant to 5(b)(1), the District shall retain the right to remove the water meter. Service shall not be restored until receipt of the following charges:
 - a. all amounts required by subparagraph (4)(b)(1),
 - b. new connection fee.
- 3a. In the event a delinquent tax is not paid within six months of its due date, the District shall discontinue service until receipt of proof that all District taxes, penalties and interest are brought current.
- 3b. On or about August 1st of each year, the Board of Directors shall review all active accounts of the District. Those accounts found to

have delinquent taxes owing the District shall be sent notice that taxes are delinquent and that the Board of Directors shall hold a public hearing to determine whether or not service to the property shall be terminated. Such hearing may be held at a District meeting called for that purpose at a location determined by the Board of Directors.

- 3c. The hearing will be held no less than ten days after notice has been provided. Upon holding the hearing, the Board of Directors may direct to terminate service to the property if the Board finds that taxes of the District have been delinquent for more than six months for the property receiving service. Re-connection of service shall be in accordance with the District's Rules.

F. REGULATIONS FOR PLUMBING INSPECTIONS.

1. Inspections shall be performed in accordance with 30 TAC ' 290.46(j). An inspection form, **Exhibit "D-1"**, shall be completed for each inspection and filed at the District's office. In the event a back flow prevention assembly is required as described in 30 TAC ' 290.44(h), **Exhibit "D-2"** shall also be completed and filed at District's office.
2. Inspections shall be performed by the District. The applicant is responsible for payment of the costs of inspection in accordance with the District's Rate Order.

G. MISCELLANEOUS REGULATIONS.

1. **No Reduced Rates or Free Service.** All consumers receiving water service from the District shall be subject to the provisions of the Rules and Regulations, and shall be charged fees as established in the District's Rate Order. No reduced rate or free service shall be furnished.
2. **Sale of Unmetered Water.** Transient customers may purchase water from the District for volume used.
3. **No Sale for Purposes of Resale.** No consumer shall re-sell water to any other person or entity.
4. **No Guarantee of Quantity or Pressure of Water.** Water consumers are not guaranteed a specific quantity or level of pressure of water delivered. The District will endeavor to meet minimum pressure standards as promulgated by the Commission for supply of water to consumers. However, it is understood there may be times of shortage of supply, failure of system equipment, planned repairs or

unforeseen circumstances to prevent the District from maintaining such pressure.

5. **Water Connections Generally.** No person shall be permitted to tap or make any connection with the water mains of the District's water system, or to make repairs, additions, or alterations in any tap, pipe, or other fixture connected to the District's water system unless previously authorized by the Board of Directors.
6. **Meters.** Title to all water meters and appurtenances, including meter boxes, shall vest in the District and shall be set or installed only by the District. After a meter has been set, the consumer shall at all times keep the space occupied by the meter and the box free from rubbish or obstructions of any kind. No person other than a duly authorized agent of the District shall open the meter box, tamper with it, or in any way interfere with the meter or the box.
7. **Working in District Easements.** Any person working in the District's easements shall be required to contact the District at least 48 hours prior to the time needed to work and shall be prohibited from working in or around the District's facilities unless approved by the District.

ARTICLE III WATER RATES AND CHARGES

All rates, fees and charges of the District are set by the governing Board of Directors and may be changed from time to time as deemed necessary or appropriate. Rates, fees and charges are based on the costs of services provided and are set forth in a separate Rate Order. A copy of the District's Rate Order is available upon request at the District office.

A. MONTHLY RATES FOR WATER SERVICE

1. **Standard Rates.** The rates for the sale of water set forth by separate Rate Order adopted by the District shall be in effect for standard usage inside or outside the District. Rate shall be based on costs of providing services and applied to each class of customer in a non-discriminatory manner.
2. **Non-Standard Rates.** The rate set forth as may be agreed mutually by the District and the service requestor for any non-standard service.

B. TRANSIENT CONSUMERS

1. Any person desiring to receive water service from the District for construction purposes and not become a permanent customer of the District shall:
 - (a) Complete the APPLICATION FOR TEMPORARY WATER SERVICE

attached hereto **Exhibit "C"**, and providing the District the following:

- (i) the proposed location of service,
 - (ii) estimated date or dates of usage,
 - (iii) estimated quantity of water needed, and
 - (iv) an agreement to pay the District's costs and expenses of monitoring such use, as determined by the District.
- (b) deposit with the District the amounts set forth by the District's Rate Order;
 - (c) pay for water at the rate specified in the District's Rate Order;
 - (d) pay any additional costs incurred to the District, if any.
2. All temporary service shall be monitored by the District.

ARTICLE IV RULES AND REGULATIONS GOVERNING WATER SERVICE

This Article shall govern the installation of connections or taps to the District's Waterworks, the protection of all facilities, which are part of the District's Waterworks, and set performance standards for water fixtures in new construction.

A. WATER SERVICE LINES AND WATER TAPS

1. All connections to the District's Water Mains shall be made by the District or its designated representative. The connection shall include the furnishing and installing of the service saddle, water service line, curb stop, water meter, and water meter vault.
2. Materials and installations of water service taps and service lines shall be in accordance with the latest edition of the Uniform Plumbing Code.
3. Backfilling of the service line trench must be accomplished within twenty-four (24) hours of inspection and approval. No debris will be permitted in the trench.

B. PROTECTION OF DISTRICT'S WATERWORKS SYSTEM

1. Unless authorized in writing by the District, it shall be unlawful for any person to

tamper or interfere with, obstruct access to, or as a result of willful action injure, deface, or destroy any facilities that are a part of the District's waterworks system, including but not limited to treatment facilities, wells, booster pump stations, infiltration galleries, storage and pressure tanks, fire hydrants, flushing valves, valve boxes, and water lines, including meters and meter boxes.

2. It shall be unlawful for any person to connect any building to the waterworks system without a meter or to have a straight-line connection to a building without being metered.
3. It shall also be unlawful to draw water from the waterworks system without being metered, including the unauthorized use of a flushing valve or unmetered water taps. Meter installations shall include pressure-reducing valves and back flow prevention devices as may be required.
4. Any residential, commercial, apartment or other connection which shall have interior fire control or prevention systems, which depend on water from the District shall submit plans and calculations to the District for approval prior to connection of such systems or at any other time as required by the District. Any such private fire protection system shall be metered.
5. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection, which provides water for human use. No solder or flux which contains more than 0.2% lead may be used for the installation or repair of plumbing at any connection, which provides water for human use. This requirement may only be waived for lead joints that are necessary for repairs to cast iron pipe.
6. No direct connection between the District's water supply and a potential source of contamination shall be permitted to exist. Potential sources of contamination shall be isolated from the District's water system by an air gap or an appropriate back flow prevention assembly in accordance with state plumbing regulations.
7. All pressure relief valves and thermal expansion devices shall be in compliance with the State Plumbing Code.
8. No cross-connection between the District's water supply and a private water system shall be permitted to exist. Where an actual air gap is not maintained between the District's water supply and a private water supply, an approved back flow prevention device shall be properly installed and a service agreement shall exist for annual inspection and testing by a certified back flow prevention device tester.
9. No connection to the District's water supply shall be permitted which would allow

the return of water used for condensing, cooling or industrial processes back to the District's water supply.

10. No plumbing fixture shall be installed within the District, which is not in compliance with a State approved plumbing code.

ARTICLE V ENFORCEMENT OF RULES AND REGULATIONS

A. POWERS AND AUTHORITY OF ENFORCING AGENTS.

The District shall be permitted to gain access to commercial and industrial properties during normal working hours. Any person found to be violating any provisions of the District's Rules and Regulations shall be served written notice stating the nature of the violation and providing a reasonable time limit to correct the violation. Any person who shall continue any violation beyond the time limit set by the District shall be guilty of violation and shall be subject to disconnection from the water system. Any disconnection and reconnection shall be at the expense of the consumer.

B. ENFORCEMENT GENERALLY.

Pursuant to Section 49.004, Texas Water Code, enforcement of the Rules and Regulations shall be by complaints filed in the appropriate court of jurisdiction in the county in which the District office is located.

C. NOTICE OF VIOLATION.

1. **Delinquent Accounts.** In the event a consumer fails to pay any water rate, charge, fee, or surcharge prior to delinquency, the District shall provide written notice of such delinquency by regular mail at the address on the District's billing records, or by door hanger on the premises where service is received. The notice shall contain the following:
 - a. Fact, date, and amount of delinquency,
 - b. The telephone number and address to contact in the event questions arise,
 - c. A statement that the District or the Districts designated representative has authority to correct clerical mistakes in a water bill, and that failure to pay delinquent amount shall result in termination of service,

- e. Date of the proposed termination.

The notice shall be deposited in the mail or delivered at least 10 days before the date of termination. If the delinquency is not paid before the date of termination, the District shall terminate service to the consumer without any action required by the Board of Directors.

- 2. **Other Violations.** In the event any person violates any provision of the District's Rules and Regulations other than those relating to the payment of rates, charges, fees or surcharges, the District shall notify such person of the violation in writing at the address on the District's billing records, if any, by certified mail, return receipt requested, or by regular mail, and the notice shall contain the following;

- a. The nature of the violation,
- b. The potential penalty for the violation, and,
- c. Date, time, and location of the District's next Board meeting, at which such person shall be entitled to a hearing to present evidence with respect to the violation. The notice shall be mailed not later than 10 days prior to the next Board meeting.

D. PENALTIES.

- 1. After notice and hearing, the District shall have the authority to assess such penalties for breach or violation of the District rules and/or regulations as authorized under Section 49.004, Texas Water Code. Section 27.031 of the Government Code sets the jurisdiction of the Justice Courts fine allowing the District to assess penalties of up to \$10,000.00.
- 2. Any person violating any of the District's Rules and Regulations or causing damage to District facilities shall become liable to the District for any expense, loss, or damage caused by reason of the violation.
- 3. The District shall retain the right to terminate water service for failure to pay penalties as may be assessed.

ARTICLE VI MISCELLANEOUS PROVISIONS

A. NON-WAIVER.

The failure on the part of the District to enforce any section, clause, sentence or provision of the District's Rules and Regulations shall not constitute a waiver of the right of the District to enforce any section, clause, sentence or provision.

B. VALIDITY.

All provisions of the District's orders or regulations found in conflict herein are hereby repealed to the extent of the conflict. The adoption of the Rules and Regulations herein shall take precedence over any policies, rules or regulations that may be existing of the date of the adoption of the Rules and Regulations herein.

C. SEVERABILITY.

Should any sentence, clause or provision of the Rules and Regulations herein be determined to be invalid, such determination shall not affect the validity of any other sentence, clause or provision of the Rules and Regulations which can be given effect without the invalidated part or parts.

D. AMENDMENTS.

Any amendment to the Rules and Regulations herein shall be made only upon formal consideration and affirmative vote by the governing Board of Directors. Any such amendments shall be in writing and shall designate the date of adoption by Board of Directors. Amendments shall be made a permanent attachment of the Rules and Regulations on the date the amendment is given effect.

E. ATTACHMENTS.

Attachments referenced in the Rules and Regulations are for all purposes considered an integral part of the Rules and Regulations. The Exhibits include:

1. EXHIBIT "A", Application for Service Commitment
2. EXHIBIT "B", Application for Service Extension Request
3. EXHIBIT "C", Application for Water Service
4. EXHIBIT "D1", Service Inspection Certification
5. EXHIBIT "D2" Back flow Prevention Assembly Test & Maintenance Report

**HAVING RESOLVED TO ADOPT THE RULES AND REGULATIONS
HEREIN BY AFFIRMATIVE VOTE OF THE GOVERNING BOARD OF
DIRECTORS AT ITS PUBLIC MEETING HELD ON June 20, 2006; AND,
PUBLISHED NOTICE OF SAID ADOPTION, THE RULES AND**

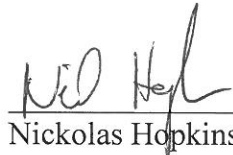
REGULATIONS HEREIN ARE HEREBY GIVEN FULL FORCE AND EFFECT.



Herb Nebgen, President
Board of Directors

Stonewall Water Control Improvement District

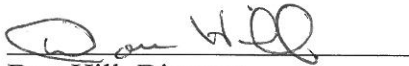
Bradley Sweeney, Vice President
Board of Directors
Stonewall Water Control Improvement District



Nickolas Hopkins, Secretary
Board of Directors
Stonewall Water Control Improvement District



Bob Welch, Treasurer
Board of Directors
Stonewall Water Control Improvement District



Don Hill, Director
Board of Directors
Stonewall Water Control Improvement District