

RESOLUTION NO. 2015-0217

**A RESOLUTION OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
ESTABLISHING RULES FOR NEW SERVICE CONNECTIONS AND EXTENSION OF
FACILITIES**

WHEREAS, Trophy Club Municipal Utility District No. 1 (the "District") is a conservation and reclamation district, a body corporate and politic and governmental agency of the State of Texas, created under Article XVI, Sec. 59 of the Texas Constitution, and the District operates under Chapters 49 and 54 of the Texas Water Code;

WHEREAS, Section 54.205 of the Texas Water Code authorizes a municipal utility district to adopt and enforce rules and regulations, *inter alia*, to provide and regulate a safe and adequate freshwater distribution system; to secure and maintain a safe, sanitary and adequate plumbing installations, connections, and appurtenances as subsidiary parts of its sanitary sewer system; to preserve the sanitary condition of all water controlled by the district; and to prevent waste or the unauthorized use of water controlled by the district; and

WHEREAS, pursuant to the foregoing authorization, the District desires to adopt reasonable rules and regulations relating to the establishment of new service connections, and the construction of improvements to the District's water and wastewater systems.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 THAT:

SECTION 1. The facts and recitations in the preamble of this Resolution are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim.

SECTION 2. The Board of Directors of the District hereby adopts those certain "Rules Governing New Service Connections and Extension of Facilities" in the form attached hereto as **Exhibit "A"**.

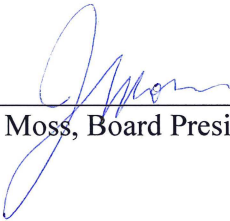
SECTION 3. The attached rules shall become effective immediately upon adoption of this Resolution, and the General Manager is hereby authorized and directed to take all actions necessary or convenient to the implementation of the new rules. Upon approval of this Resolution by the Board of Directors, the General Manager shall publish a substantive statement of the rules and the penalty for their violation in one or more newspapers with general circulation in the District in accordance with the requirements of Section 54.207 of the Texas Water Code.

SECTION 4. This Resolution and the attached rules shall supersede all other policies and rules previously adopted by the Board of Directors that conflict with the terms hereof.

RESOLVED this 17th day of February, 2015.

TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1

BY:

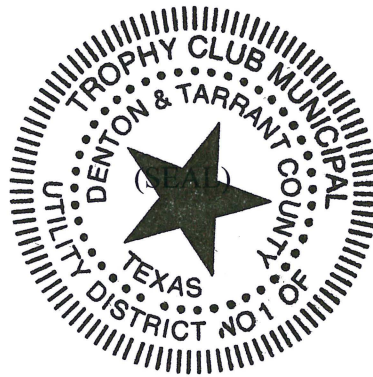


Jim Moss, Board President

ATTEST:



Kevin R. Carr, Board Secretary



**RULES OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 GOVERNING
NEW SERVICE CONNECTIONS AND EXTENSION OF FACILITIES**

1. Purpose; Findings; Application of Policy.

- a. The purpose of these Rules Governing New Service Connections and Extension of Facilities is to set forth the requirements of Trophy Club Municipal Utility District No. 1 (“District”) with respect to the installation, connection and provision of water or wastewater services to new connections within the District’s retail service territory, and regarding the construction of improvements to the District’s water and wastewater system for service to new connections.
- b. Unless expressly modified or waived by the Board of Directors for good cause determined by the Board of Directors, all of the terms and provisions of these Rules shall apply to new service connections and to the extension of, or construction of improvements to, the District’s water and wastewater system. These Rules shall be applied in a non-discriminatory manner. These Rules shall not apply to new service connections made by the District for the provision of service to District facilities or property.

2. Legal Construction of Rules; Amendments.

- a. Neither these Rules, nor their adoption by the Board of Directors (the “Board”), any amendment or supplement hereto, nor any statements made during meetings or consultations, shall be construed to obligate the District to approve any new service connection, to authorize any person or entity to construct improvements to the District’s water or wastewater systems, or to entitle any person to water or wastewater service. The District shall evaluate each proposed service connection and request for extension of the District’s water and wastewater systems, and may condition the provision of service on terms and conditions established by the Board, including the payment of all required fees and charges, and the installation of any improvements required for the provision of service or to prevent impairment of service to existing customers of the District.
- b. These Rules may be amended and supplemented from time to time by the Board of Directors regardless of the status of any new request for service.

3. Legal Authority.

These Rules have been adopted pursuant to the authority of Section 54.205 of the Texas Water Code.

4. Connection Without Approval Prohibited.

It is unlawful and a violation of these Rules for any person or entity to connect to, or to

improve, modify or extend, the District's water, wastewater or drainage system, as modified from time to time (the "District System") without submitting an appropriate application to the District for service, obtaining approval from the District, executing an appropriate service agreement, and otherwise complying with all terms and conditions of service, including payment of all applicable fees and charges.

5. Unauthorized Connection.

- a. It is a violation of these Rules to use water or receive water and/or wastewater service from the District System other than through an authorized tap for which a service agreement has been executed and all connection fees, charges and deposits have been made.
- b. Any unauthorized connection to the District System shall be terminated immediately at the sole cost and expense of the owner or person responsible for such unauthorized connection. In the event the District is not able to identify the person responsible for such connection, or the person deemed responsible fails to remove the connection in accordance with the District's request, then the District's General Manager is hereby authorized to terminate the unauthorized service connection.
- c. It is a violation of these Rules for any person or entity to construct improvements to, or modify, the District System except pursuant to a written Non-Standard Service Contract (as defined below).

6. Multiple Connections Prohibited.

- a. A water and wastewater connection is for the sole use of the customer that properly applies for and establishes service and may not be extended to any other property.
- b. The extension of pipe(s) or improvements to transfer or extend water or wastewater service from an existing meter or otherwise to another person, dwelling, business or property is prohibited unless approved in advance by the District by written contract between the parties.

7. Subdivision of Property

If any real property with an existing service connection is subdivided, any owner of a newly platted lot who desires water or wastewater service for such lot must obtain a new service connection for the newly platted property and comply with all applicable requirements for establishment of a new service connection, including completion of a service agreement, payment of any required fees and charges, and construction of improvements. In the event the provision of service to any platted lot requires the construction of facilities, then the developer of the subdivision or subsequent owner of the platted lot will be required to enter

into a Nonstandard Service Contract as a condition of service.

8. Refusal of Service

Service may be denied to any proposed new service connection for any of the following reasons:

- (i) Provision of service to the property is prohibited by federal, state or local law, including Section 212.012 of the Texas Local Government Code (which requires certification of compliance with platting requirements).
- (ii) The Applicant fails to provide reasonable access to the property to connect service.
- (iii) The Applicant fails to comply with all conditions to new service of the District.
- (iv) The District determines that providing service to the property will exceed the capacity of any portion of the District System.
- (v) The Applicant seeks service from facilities that have not been accepted by the District for ownership, operation and maintenance.

9. Extension of Service

a. Service Classifications. All new service shall be classified as “Standard Service” or “Nonstandard Service”, defined as follows:

- (i) “Standard Service” is service from an existing pipeline where pipeline or service facility extensions are not required and special design or engineering considerations are not applicable. Typically, this would include only standard-sized meter services set on an existing distribution line or collection line adjacent to the property for which service is requested.
- (ii) “Nonstandard Service” is any service that is not Standard Service.

b. Nonstandard Service Requests. Applicants for Nonstandard Service shall meet the following requirements prior to the initiation of service:

- (i) Applicant shall provide the District a written request for service that specifies the following information:
 - A. Location and size of property to be served;
 - B. Detailed maps, plans, and service demand requirements for the

property prepared by a registered professional engineer; and

C. Any additional information requested by the District related to the provision of service to the property that is the subject of the application.

(ii) Payment of all applicable fees and charges, including costs for the District's legal and engineering consultants to review and evaluate the request and prepare a Non-Standard Service Contract.

c. Service Availability Letter

Upon receipt of the Non-Standard Service Application and payment of estimated costs, the District's General Manager or Engineer will investigate the request for service and determine what improvements to the District System are required to make service available to the property in accordance with the request, and to otherwise determine the terms and conditions on which service may be made available to the property. This information will be set forth in a "Service Availability Letter". The Service Availability Letter does not constitute a contract or commitment for the District to provide service, and the District is not obligated to provide service except in accordance with the Non-Standard Service Contract entered into by the parties.

d. Non-Standard Service Contracts

(i) All applicants requesting or requiring Non-Standard Service shall enter into a written contract, prepared by the District and executed by the District and the owner of the property for which service is sought, defining the terms of service prior to construction of required service facilities. The Nonstandard Service Contract shall include, but is not limited to, the following terms and conditions:

A. The responsibility for the administration, design, construction, inspection and testing of facilities required for service. At the District's election, the District may construct such improvements (at the applicant's sole cost or expense) or the applicant may be required to do so;

B. Payment of impact fees, connection fees, and other fees and charges by the applicant and/or by customers within the property to be served;

C. Requirements relating to insurance and bonding to ensure that the applicant completes construction of all facilities for which it is

responsible;

- D. Indemnification provisions pursuant to which the applicant will indemnify the District from all claims, damages, costs and lawsuits relating to the contemplated project or applicant's breach of the agreement;
- E. Dedication of all facilities constructed by the applicant to the District and the terms and conditions pursuant to which the District shall assume operation and maintenance responsibility for the facilities, including the enforcement of warranties;
- F. The conveyance by applicant to the District of all easements and other real property interests determined necessary by the District for the construction and operation of all facilities required to make service available to the property and/or easements within the property required for the District to make service available to other properties within the District's service territory; and
- G. The provision of maintenance bonds, as-built plans, and assignment of warranties.

- (ii) It shall be unlawful and a violation of these Rules for any person to commence construction of proposed improvements to the District System except in accordance with a Non-Standard Service Contract executed by the District and the owner of property for which service is requested.
- (iii) Except as otherwise approved by the Board of Directors, the District shall not accept for ownership, operation or maintenance any facilities that are not constructed in accordance with a Nonstandard Service Contract.

e. Standard Service Contracts

- (i) Any person seeking Standard Service must complete a service application, pay all applicable fees and charges and otherwise meet all requirements for Standard Service from the District System.

10. Additional Violations

- a. It is a violation of these Rules and state penal laws to use water or receive water and/or wastewater service from the District System other than through an authorized tap for which a service agreement has been executed and all connection fees, charges and deposits have been made.
- b. The following actions are violations of these Rules and subject to enforcement

action:

- (i) Tapping into or connecting any pipe with any water or wastewater main, line or facility owned or operated by the District, or causing or allowing another person to tap into or connect any pipe with any water or wastewater main, line or facility owned or operated by the District without the District's prior written authorization;
- (ii) Altering, changing, defacing, damaging, removing, interfering with, opening, or closing any facility, property or equipment owned or controlled by the District; and
- (iii) Introducing, contributing, causing or allowing any water or wastewater to enter the District System without prior authorization by the District pursuant to a Service Agreement or Nonstandard Service Agreement.

11. Enforcement.

- a. Any person who violates these Rules shall be subject to the following:
 - (i) The General Manager shall immediately discontinue water and/or wastewater service to any and all premises, lands, buildings or structures that have received water or wastewater service without authorization, and service shall not be restored until all amounts owed to the District have been paid and a proper application for service has been received, along with payment of all required fees and charges.
 - (ii) In instances where unauthorized service is obtained by removing a locking or shut-off device used by the District to discontinue service, a civil penalty of \$100 shall be assessed for the first violation. A second violation will result in a civil penalty of \$250, and any subsequent violation will result in a civil penalty of \$500. A valid application for service must be on file with the District or submitted to the office prior to service reinstatement with payment of a customer deposit and any other required fees for service. Additionally, the fee assessed for unauthorized service, any past due balance and additional usage charges must be paid in full before service can be reinstated. Any offense(s) beyond the third violation will be referred to law enforcement and criminal charges will be filed by the District's General Manager.
 - (iii) In instances where unauthorized service is obtained where no meter or other measuring device is installed, the person shall pay a civil penalty of \$500.00. Additionally, law enforcement shall be notified and criminal charges shall be filed by the District's Authorized Representative. For each

subsequent violation, the person shall be subject to a civil penalty of \$1,000.00. Additionally, law enforcement shall be notified and criminal charges shall be filed by the District's Authorized Representative.

- (iv) For any instance where unauthorized service is obtained or an unauthorized connection is made to the District System, the person(s) responsible for such service or connection shall also be responsible for payment of any and all costs of the District, its officers, directors, employees, agents, and/or attorneys in connection therewith and incurred in enforcing these Rules, for any damage or injury which may be caused to the District System as a result of the unauthorized use, and for any fines or other costs incurred by the District arising out of or related to such unauthorized service or connection to the District System.
- (v) Any person that causes or allows an unauthorized discharge into the District System shall be subject to a civil penalty in the amount of \$500 per unauthorized discharge event. In addition, such person shall be liable for any and all costs of the District arising out of related to such unauthorized discharge, including damage to the District System, personal injury or property damage incurred by others, and any regulatory fines or penalties incurred by the District.
- (vi) Payment of any fines or sums authorized under this Section shall be made in full as a condition of receipt of continued service, or as a condition of restoration of service, as applicable. In his or her sole and absolute discretion, the General Manager may enter into payment agreements providing for payment of the civil penalty over time by the customer or payment of financial assurance to protect the District from any potential fines or penalties arising out of the violation.

12. Unauthorized Connections or Extension of Facilities.

- (i) Except as otherwise approved by the Board of Directors, the District shall not accept for ownership or operation any facilities or proposed improvements to the District System that are constructed except in accordance with a Non-Standard Service Contract approved by the Board of Directors.