

WICKSON CREEK SPECIAL UTILITY DISTRICT SERVICE EXTENSION POLICY

- I. Premise:
The Wickson Creek Special Utility District (SUD) recognizes its obligation to supply water to people in the rural areas of northeast Brazos County, southern Robertson County, and Grimes County as certificated by the Texas Commission of Environmental Quality. Wickson Creek SUD shall try to anticipate increases in demand on its system. However, if an applicant requires the District to add capacity before the District has scheduled an addition, the applicant shall pay the costs of such capacity increases.
- II. Purpose:
The purpose of the policy is to govern service procedures and agreements for subdivisions, additions to subdivisions, or developments where service to more than one tract is necessary; and or additional piping, service facilities, etc. is required to accommodate the applicant.
- III. Policy Application
The Board of Directors of the District shall interpret on an individual basis whether the applicant's request shall be subject to the conditions of this policy.
- IV. Guidelines for Service Agreement:
Prior to construction, the applicant and the District shall enter into an agreement that defines the terms of service. Before any applicant is provided service by the District, consideration shall be given to the District's system capacity. Terms of service will be related to the availability of capacity to meet the needs of the applicant. Such terms that may be imposed include, but are not limited to the following:
 - A. If capacity is available for the applicant's requested service area, the applicant shall:
 1. Pay the full cost of construction, starting from the District's existing facilities to and throughout the applicant's service area.
 2. Pay all costs listed under the "Procedure" section of this policy.
 - B. If full capacity is not available in the vicinity of the applicant's service area, the applicant shall:
 1. Pay all construction costs necessary to upgrade the District's system capacity to meet the needs of the applicant's requested service area.
 2. Pay all costs listed under the "Procedure" section of this policy.Upon Completion of the facilities for the applicant's requested service area, all facilities shall become the responsibility and property of the District.

The Service Agreement shall not in any way contradict the WCSID Service Extension Policy unless approved at a meeting of the Board of Directors of the District by a majority vote of a quorum and duly recorded in the minutes of that meeting, nor in any way contradict the WCSUD Bylaws.

Should the applicant fail to meet the conditions of the Service Agreement and or the WCSUD Service Extension Policy, then the District shall not be obligated to supply water service to the requested area, and any fees due to the District shall be retained or collected.

The applicant shall agree to hold the District harmless and indemnify it against claims or lawsuits by any contractor or third parties in connection with the project contemplated.

The District agrees to extend its facilities to supply service to the applicant's requested service area, pursuant to agreements and regulations, and subject to final approval of the Board of Directors of the District.

V. Procedure:

A. Application

1. The applicant shall provide the District with an original, signed letter containing information pertinent to the service request. The letter shall state that the applicant has been provided a copy of the Order Setting Water Service Rates, Tap Fees Adopting Rules and Regulations, and Service Extension Policy.
2. A final plat approved by WCSUD must accompany the letter showing the applicant's requested service area. The plat must be approved by the appropriate County Commissioner's Court, and if applicable, the Planning and Zoning Commission of the city within whose extraterritorial jurisdiction or city limits the service area lies. Areas in question will require a letter from the respective Commission as to jurisdictional requirements.
3. At the time the applicant tender's application, an initial deposit of \$1,500 to cover initial engineering, legal, and staff fees shall be paid to the District. The balance of actual expenses incurred because of efforts by the District to provide service to the applicant shall be paid by the applicant.
4. A service agreement shall be executed by both parties prior to the District having any further responsibility. WCSUD officer shall execute said agreement only upon a specific resolution duly adopted by the Board of Directors of the District.

B. Design

1. The District's consulting engineer shall design all service facilities for the requested service area.
2. The engineer's fees shall be paid out of the initial deposit paid as an application fee. In the event that the applicant chooses to have the construction performed by someone other than the District, engineering fees shall be based upon a percentage of the construction project costs and may exceed the application fee amount. If the project is let for bids, the engineer shall submit to the District a set of detailed plans, specifications, and cost estimates for the project.
3. The District's engineer shall design all facilities for any subdivision to meet the demand for service as platted.
4. All subdivisions shall meet the conditions of all local, state, and federal agencies having regulatory authority over lot sizes, sewage control, drainage, and right of way.

C. Easements:

1. In the event the engineer's design determines that right-of-way easements outside the subdivision are necessary, the District shall charge the applicant the costs of obtaining these easements.
2. Before any further work is completed or bids are let, the District shall have title or easements to a 20-foot right of way on the landowner's property, where applicable. In the case of all subdivided property, the District shall require conditions of the applicable county ordinances or the right to additional easements where deviation from the dedicated utility easement is deemed necessary by the District.
3. Should easements outside the applicant's property be necessary, the District shall obtain the easements. The District shall not pay for any right-of-way easements. The applicant shall pay all costs for the acquisition of granted rights-of-way.

- D. Bids for Construction:
1. Should the applicant decide to proceed at this point, he/she has the option to choose whether to have the District install the facility or to have the project let for bids, bids will be handled in accordance with Chapter 65 of the Texas Water Code.
 2. If the project is to be bid, bids will be handled in accordance with Chapter 65 of the Texas Water Code.
- E. Prepayment for Construction and Service
1. The applicant shall pay the District all costs necessary for the completion of the project prior to construction.
 2. In the event the applicant chooses an alternative to the District completing the project, 20% of the total construction cost shall be imposed as a maintenance fee. Fifty percent of this fee will be a permanent cost to cover reviewing of plans, project coordination, inspection costs, and future maintenance costs (the newly constructed facilities will become the property of the District once pressure is applied to the applicant's service areas) The remaining 50% of this fee will be retained for a period equal to the contractor's warranty period of one year as insurance for the contractor's warranty work. Should there be no expense due to warranty default, or should there be an unused portion, a refund shall be due to the applicant.
 3. If the project is to be constructed by the District:
 - a. The District will design the facility, and the engineering fee will be a one-time charge for hydraulic analysis and drafting.
 - b. No bond fee will be required.
 - c. Inspection fees will be waived.
 - d. The 20% maintenance fee will be waived.
 - e. An unconditional letter of credit will be accepted in lieu of prepaid fees for all construction materials and labor. Draws will be made against invoices for materials and work completed.
- F. Construction by Use of Outside Contractor:
1. All road work pursuant to county standards shall be completed prior to pipeline construction to avoid future problems resulting from road excavation. Road sleeves may be installed prior to road construction to avoid road damage, subject to approval of the requisite authority.
 2. The District will, at the expense of the applicant, inspect the facilities to ensure that District standards are met.
 3. Construction plans and specifications will be strictly adhered to, but the District reserves the right to change-order any specification to better facilitate operation of the District system. All change-order amounts shall be charged to the applicants.

VI. Acknowledgement of Policy Contents:

I, _____, representing _____
Have read this policy and fully understand the terms. My signature does not in any way obligate me to pursue service with Wickson Creek Special Utility District.

Signature

Date