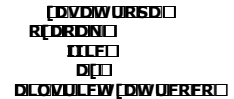


Service Application and Agreement



- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by a properly installed air gap or an appropriate backflow prevention assembly in accordance with Texas Commission on Environmental Quality (the "Commission" of the "TCEQ") regulations.
- B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure principle backflow prevention assembly shall be properly installed and a service agreement shall exist for annual inspection and testing by a certified backflow prevention assembly tester.
- C. No connection that allows water to return to the public drinking water supply is permitted.
- D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of private water distribution facilities installed on or after July 1, 1988 and prior to January 4, 2014.
- E. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of private water distribution facilities installed on or after January 4, 2014.
- F. No solder or flux which contains more than 0.2% lead may be used for the installation or repair of private water distribution facilities installed on or after July 1, 1988.

State regulations require applicants for a new service connection to provide to Utility a Customer Service Inspection (CSI) Certificate that states their water and wastewater facilities have been inspected by a state-licensed CSI inspector and that they are in compliance with all rules and regulations applicable to the same and are free of potential hazards to public health and safety. In addition, Utility shall require CSI Certificates for all facilities which have undergone extensive plumbing modifications to the Customer's water system made after the initial CSI Certificate or for existing facilities where contaminant hazards are suspected. Service may be denied until the CSI Certificate is received or any identified violations or hazards remedied. When potential sources of contamination are identified which, in the opinion of the inspector or Utility, require the installation of a state-approved backflow prevention device, such backflow flow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/backflow prevention assembly tester at the customer's expense. The backflow prevention device shall be maintained by the customer at their expense and shall be tested by a state-licensed backflow prevention assembly tester upon installation and annually thereafter. The Test and Maintenance Reports shall be provided to Utility. Failure to comply with this testing and reporting requirement may constitute grounds for termination of water service.

APPEAL TO THE TCEQ OR OTHER REGULATORY AGENCY: Any Applicant or existing Customer required to pay for any costs not specifically set forth in the rate schedule pages of Utility's approved tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the Applicant or existing Customer does not believe that these costs are reasonable or necessary, the Applicant or existing Customer shall have the right to appeal such costs to the Public Utility Commission of Texas (the "PUCT") or such other regulatory authority with jurisdiction over Utility's rates in that portion of Utility's service area in which the Applicant's or existing Customer's property is located. Unless the TCEQ, PUCT, or other regulatory authority enters interlocutory orders to the contrary, service to the Applicant may be delayed until such appeal is resolved.

SEWER REGULATIONS: (only if sewer service provided) The Utility only provides "sewage" collection and disposal to residences and some businesses. This service is limited to the collection, treatment and disposal of waterborne human waste and wastewater from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment, or disposal of waste with high BOD or TSS characteristics that it cannot reasonably be processed by the Utility's state-approved wastewater treatment plant within the parameters of the Utility's wastewater discharge permit. **THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, THAT MAY BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM. NO GREASE, OIL, SOLVENT, PAINT, OR OTHER TOXIC CHEMICAL COMPOUNDS MAY BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.** It shall be the Customer's responsibility to maintain the service line, pressurized collection system (if any) and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If there is excessive infiltration, or inflow, or failure to provide proper pretreatment, the Utility may require the Customer, at Customer's expense, to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem.

Sewer service is provided for the residence or facility physically located at the location of the service. Bulk quantities of sewage generated at location off the premises of the service location shall not be disposed of in the Customer's service line.

In areas served by pressurized collection systems, specific Customer Premises Equipment may be required by the Utility. The Customer will retain ownership of the Customer Premises Equipment, and all maintenance, repairs and replacement are the Customer's responsibility. The Customer will supply its own electric power for the Customer Premises Equipment. Repair and replacement of the Customer Premises Equipment will be at the Customer's expense. Repairs on Customer Premises Equipment must be performed by a qualified plumber certified by the Utility, and a certified report of such repairs must be submitted to the Utility. The Utility requires that parts and equipment meet the minimum standards approved by the TCEQ and the Utility, to ensure proper and efficient operation of the sewer system.

Customers served by a pressurized collection system and/or an alternative (wastewater) collection system shall be required to execute, in addition to this Application, an Alternative Collection System Service Agreement required by 30 Texas Administrative Code §217.95, as it may be amended from time to time. Customer's execution of an Alternative Collection System Service Agreement, and Utility's receipt of the same, shall be a condition precedent to Utility's obligation to provide water and wastewater service to Customers served by alternative wastewater collection systems.

For new connections or any modifications to the Customer Premises Equipment, CLWSC shall require an inspection of the Customer Premises Equipment prior to initiating service. The inspection shall be conducted by a Utility representative or a pre-approved inspector. By signing this agreement, the Customer explicitly grants CLWSC access to the property to conduct the inspection.

CUSTOMER AGREEMENT: BY SIGNING THIS APPLICATION FOR PUBLIC UTILITY SERVICE, I AGREE TO COMPLY WITH UTILITY'S RULES AND TARIFFS AS THEY MAY BE AMENDED FROM TIME TO TIME AND ALL RULES AND REGULATIONS OF THE TCEQ AND OTHER APPLICABLE REGULATORY AGENCIES. I GUARANTEE PROMPT PAYMENT OF ALL UTILITY BILLS FOR THE SERVICE ADDRESS PRINTED ABOVE. I AGREE TO REMAIN RESPONSIBLE FOR UTILITY BILLS FOR THIS SERVICE ADDRESS FROM THE DATE SERVICE IS STARTED UNTIL THE DAY SERVICE IS TERMINATED AT MY REQUEST.

I AGREE TO TAKE NO ACTION TO CREATE A HEALTH HAZARD OR OTHERWISE ENDANGER, INJURE, DAMAGE OR THREATEN UTILITY'S PLANT, ITS PERSONNEL, OR ITS CUSTOMERS. FAILURE TO COMPLY WITH THIS PROVISION SHALL BE GROUNDS TO TERMINATE MY SERVICE.

I AGREE TO PUT NO UNSAFE, NON-DOMESTIC SERVICE DEMANDS ON UTILITY'S SYSTEM WITHOUT NOTICE TO AND PERMISSION FROM UTILITY.

I HAVE BEEN SHOWN A COPY OF UTILITY'S TCEQ APPROVED TARIFFS, AND I AGREE TO PAY THE RATES IN THE TARIFFS AS THEY MAY BE AMENDED FROM TIME TO TIME AND ABIDE BY THE REQUIREMENTS IN THIS APPLICATION. I ACKNOWLEDGE THAT THE RATES AND/OR TERMS OF SERVICE IN THE TARIFF MAY BE CHANGED BY FUTURE ORDER OF THE TCEQ OR OTHER REGULATORY AUTHORITY HAVING JURISDICTION OVER UTILITY'S RATES. I AGREE TO ABIDE BY SUCH CHANGES AS THEY OCCUR.

If this application is cancelled before service has been activated or if this application is void pursuant to a provision herein, Customer shall only be entitled to a refund of the Deposit.

This Agreement is entered into by MEYER RANCH MUNICIPAL UTILITY DISTRICT OF COMAL COUNTY (“District”) and the customer whose name is shown on the first page of this Application (“Customer”).

By making application for sewer service, Customer represents that it is duly authorized to request sewer service for such service address and to make the agreements set forth in this Service Agreement. Customer’s acceptance of service constitutes Customer’s agreement to the following terms and conditions:

1. The Customer shall be responsible for payment of all applicable rates, fees, and charges due for service delivered by the District in accordance with the District’s Rate Order, as amended from time to time by the Board of Directors of the District. Payments must be received by 5:00 p.m. on the due date. A late fee is added to the account balance after the due date.
2. Customer agrees to comply with the District’s rules and policies governing wastewater service, as adopted and amended from time to time by the Board of Directors of the District.
3. In the event of nonpayment of sewer service, water service will be discontinued and a reconnect fee and service call(s) fee(s) charged when the account becomes delinquent. A Customer’s obligation to make timely payments for service rendered is not released or diminished because a sewer bill(s) was/were not received.
4. The Customer shall install, maintain and repair, at his own expense, all private sewer service lines from the foundation of the house or building to the main sewer line owned by the District. Customer shall maintain the service line in good operating condition and clear of obstruction, defects or blockage.
5. After service commences in the name of the Customer, such service shall be deemed to continue until the District is notified that service should be discontinued. Rates and charges will continue to accrue to Customer’s account until such notice is given and may result in collection activity to recover unpaid amounts against Customer or termination of service for nonpayment.
6. By executing this Agreement and receiving sewer service, Customer acknowledges and agrees that it is subject to all terms and conditions of retail wastewater service as set forth in the District’s Rate Order, rules and regulations, and policies, as amended from time to time by the Board of Directors of the District. Customer further acknowledges and agrees that such terms and conditions shall constitute a contract between the District and Customer, and may be enforced as such.
7. Each service connection is for the sole use of the District and is to serve service to only one (1) dwelling and /or only one (1) business. Extension of pipe or pipes from one property to another, to share or resell service to any other persons, dwellings, business, and/or property, is prohibited.
8. The District shall have access to its facilities and equipment located upon the Customer’s property at all times for any purpose connected with its operations, and upon discontinuance of service, the District shall have the right to remove any of its equipment from the Customer’s property. The District may trim landscaping, clear debris, or otherwise ensure clear access to its facilities.
9. The Customer agrees to grant to the District any required easements or rights-of-way for the purpose of installing, maintaining and operating such pipes, lines, meters, valves, and any other equipment which may be deemed necessary for the provision of wastewater service to the Customer’s property or future customers. The Customer agrees not to interfere with the District’s employees in the discharge of their duties. The Customer will not permit anyone except District employees to tamper with or interfere with any of the District’s equipment installed on the Customer’s premises.
10. Sewer service is limited to the collection, treatment and disposal of waterborne human waste and wastewater from domestic activities such as washing, bathing and food preparation. **The discharge or introduction of industrial waste, stormwater, great, oil, solvent, paint and other non-domestic wastes into the District’s wastewater system is prohibited.**

THE CUSTOMER ALSO HEREBY AGREES TO WAIVE, RELEASE, AND HOLD THE DISTRICT HARMLESS FROM ANY CLAIMS, DAMAGES OR SERVICE INTERRUPTIONS RESULTING FROM SEWER LINE BREAKS OR BACKUPS, INCLUDING WITHOUT LIMITATION, DAMAGES TO PERSONS OR PROPERTY, DIRECT DAMAGES, SPECIAL DAMAGES, INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, OR LOSS OF PROFIT OR REVENUE.

If the Customer fails to comply with the terms of this Service Agreement, the District may, at its option, terminate service. Any expense associated with the enforcement of this Service Agreement shall be billed to the Customer.

CUSTOMER ACKNOWLEDGES THAT THE DISTRICT MAY CONTRACT WITH A THIRD PARTY TO BILL AND COLLECT RATES, FEES AND CHARGES DUE FOR SEWER/WASTEWATER SERVICE FURNISHED BY DISTRICT, AND CUSTOMER HEREBY AGREES THAT IT WAIVES, RELEASES AND WILL HOLD HARMLESS THAT THIRD PARTY FROM ANY LIABILITY, COSTS, CLAIMS AND DAMAGES IN ANY WAY RELATED TO THE PROVISION OF THE SEWER/WASTEWATER SERVICE PROVIDED BY THE DISTRICT.

