

**UNTREATED WATER SUPPLY CONTRACT
BETWEEN THE CITY OF HOUSTON, TEXAS AND
CITY OF DEER PARK**

THIS UNTREATED WATER SUPPLY CONTRACT (“Contract”) is made and entered into by and between the **CITY OF HOUSTON, TEXAS**, a municipal corporation and home-rule city which is principally situated and has its City Hall in Harris County, Texas (“Houston”), and **CITY OF DEER PARK**, a Municipal Corporation authorized to do business in Texas by the Secretary of the State of Texas, with corporate offices at P.O. Box 700, Deer Park, TX 77536 (“Customer”).

RECITALS:

WHEREAS, Houston has the right under certain water rights permits to store, divert, and use surface waters from the Trinity River Basin and San Jacinto River Basin; and

WHEREAS, Houston desires to sell Untreated Water to Customer for distribution and non-wasteful beneficial uses consistent with Houston’s water rights and applicable laws and regulations, including, without limitation, the Texas Water Code; and

WHEREAS, Houston has authority to enter into this Contract pursuant to its Home Rule Charter and Texas Local Government Code Section 552.021; and

WHEREAS, Houston has constructed and/or is constructing facilities to enable delivery of Untreated Water to Customer, and Customer has constructed and/or is constructing facilities to enable Customer to receive Untreated Water from Houston; and

WHEREAS, Customer has submitted an Application for Untreated Water, a copy of which is attached hereto as Exhibit A and incorporated in this Contract by reference for all purposes; and

WHEREAS, Customer is a Municipal Corporation with a registered agent authorized to do business in the State of Texas according to documents on file with the Secretary of the State of Texas; and

WHEREAS, Houston desires to sell Untreated Water to Customer, and Customer desires to purchase Untreated Water from Houston for use at its facilities located at 2117 EAST X STREET, DEER PARK, TX 77536 (“Customer’s Facilities”).

NOW, THEREFORE, as set out in the Recitals above, the truth of which the Parties acknowledge, and for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

Definitions

As used in this Contract, the following terms are intended and used herein to have meanings as follows:

The term “*Applicable Laws*” means, but is not limited to, limitations, restrictions, conditions, standards, prohibitions, and requirements of any law, statute, ordinance, rule, regulation, order, or determination of any government authority with jurisdiction, including, without limitation, the Water Service Manual, as amended, all applicable zoning ordinances, building codes, flood rules and regulations, health laws and regulations, and

environmental laws.

The term “*Application for Untreated Water*” means the Application for Untreated Water in the approved form attached to this Contract as Exhibit A and incorporated in this Contract for all purposes.

The term “*Amendment Application*” means an application to amend the Untreated Water Supply Contract, filed in the approved form for the Application for Untreated Water, referencing the existing Contract and stating the requested changes.

The term “*Best Management Practices*” means voluntary efficiency measures that save a quantifiable amount of Untreated Water, either directly or indirectly, and that can be implemented within a specific time frame, as defined by the Texas Commission on Environmental Quality in its rules at 31 Texas Administrative Code, Section 288.1(3).

The term “*City Code*” is a shorthand reference to the Code of Ordinances of the City of Houston, Texas.

The term “*Coastal Water Authority*” means Coastal Water Authority, or any successor entity, which operates Houston’s Surface Water System transmission lines. “*CWA*” is an abbreviation for Coastal Water Authority.

The term “*Coastal Water Authority Raw Water Service Connection General Requirements*” means the Coastal Water Authority Raw Water Service Connection General Requirements, as amended from time to time, which clarifies, supplements, and defines the terms of this Contract. The current version of the Coastal Water Authority Raw Water

Service Connection General Requirements is attached to this Contract as Exhibit D and incorporated in this Contract by reference for all purposes.

The term “*Contract Quantity*” means the maximum quantity of Untreated Water in millions of gallons per day that Houston agrees to sell and deliver to Customer, in accordance with the terms and conditions set forth in this Contract.

The term “*Contract Term*” means the term of this Contract, beginning on the Effective Date and ending on the Expiration Date, as addressed in Article IX.

The term “*Customer’s Facilities*” means Customer’s Facilities described in the Recitals, including Facilities as defined herein below and any facilities required by Article II of this Contract.

The term “*Director*” means the Director of Houston Public Works or any successor department and all persons designated by the Director to administer the sale and delivery of Untreated Water to Customer. The term “Director” shall also mean the “Utility Official” as defined below.

The term “*Effective Date*” means the date of Countersignature by the Houston City Controller and the date this Contract takes effect.

The term “*Expiration Date*” means the date this Contract expires as referenced in Article II and Article IX.

The term “*Facilities*” means all facilities determined by the Director or Coastal Water Authority to be required to connect to Houston’s Surface Water System, or CWA’s system as specified in Article II, the Water Service Manual, and the Coastal Water Authority Raw Water Service Connection General Requirements.

The term “*GPM*” is an abbreviation for gallons per minute.

The term “*Measuring Equipment*” means any meters, totalizers, or other equipment for which the design, construction, installation, and operation has been approved by the Director and accepted by Houston for ownership, operation, and maintenance for the purpose of measuring accurately all Untreated Water delivered to Customer at the Point of Measurement in accordance with this Contract.

The term “*MGD*” is an abbreviation for million gallons of water per day.

The term “*Notice*” means all written Notices required or permitted to be given to the other party under the terms and conditions of this Contract.

The term “*Party*” means either Houston or Customer in accordance with the context.

The term “*Parties*” means both Houston and Customer.

The term “*Peak Rate*” means the maximum rate in gallons per minute at which Customer can take Untreated Water at the Point of Delivery as specified in Article II of this Contract.

The term “*Point of Delivery*” means the location, in Texas coordinates, to which Houston agrees to deliver Untreated Water to Customer, which is more particularly described and shown on the map signed and sealed by a Texas Registered Professional Land Surveyor attached to this Contract as Exhibit B and incorporated in this Contract by reference for all purposes.

The term “*Point of Measurement*” means the location, in Texas coordinates, of the meter where Customer’s consumption of Untreated Water is measured, which is more particularly described and shown on the map signed and sealed by a Texas Registered Professional Land Surveyor attached to this Contract as Exhibit B.

The term “*Surface Water System*” means all facilities and surface water sources now owned or hereinafter acquired or constructed by Houston for the purpose of supplying Untreated Water.

The term “*Surface Water System Costs*” means all costs budgeted for expenditure by Houston in Houston’s annual budget as approved by Houston’s governing body or actually incurred by Houston in acquiring, designing, constructing, financing, administering, operating, and maintaining the Surface Water System and a reasonable allowance for depreciation and replacement of the Surface Water System.

The term “*System Return Flows*” means Untreated Water or treated (potable) water supplied or produced by Houston which is returned to surface watercourses as return flows.

The term “*TCEQ*” is an abbreviation for the Texas Commission on Environmental Quality, and any of its successors or predecessors.

The term “*TWDB*” is an abbreviation for the Texas Water Development Board and any of its successors or predecessors.

The term “*Threshold*” is a shorthand reference for the required take of seventy-five percent of the unreserved portion of the Contract Quantity as defined herein above.

The term “*Untreated Water*” means raw water, from whatever source, that is not potable.

The term “*Utility Official*,” as used herein and in the City Code, means the Director of Houston Public Works, or the Director’s designee.

The term “*Water Service Manual*” means the Water Service Manual for Standard Water Supply Contracts, as amended from time to time, which clarifies, supplements, and defines the terms of this Contract and Houston’s procedures to be used in implementing the terms and conditions of this Contract. The current version of the Water Service Manual is attached to this Contract as Exhibit C and incorporated in this Contract by reference for all purposes.

ARTICLE II

Sale and Delivery of Water

2.1 *Delivery Terms*. Subject to the terms and conditions of this Contract and the then-applicable provisions of the City Code, including, without limitation, Chapter 47 *Water and Sewers*, during the Contract Term, Houston agrees to sell and deliver to Customer, and Customer agrees to purchase and receive from Houston at the Point of Delivery, Untreated Water at daily

rates of delivery not in excess of the Contract Quantity or Peak Rate as may be needed by Customer. Customer is prohibited from taking Untreated Water in volumes in excess of the Contract Quantity and/or at rates in excess of the Peak Rates specified in this Contract at the authorized Point of Delivery.

2.2 Dates of Untreated Water Delivery. Houston stands ready to deliver Untreated Water to Customer as of the Effective Date; provided, however, that in no case shall Houston provide Untreated Water at any time before the terms and conditions of delivery specified in this Contract and in the Water Service Manual are satisfied. After the Expiration Date, Houston has no further obligation to deliver Untreated Water to Customer, and this Contract shall automatically terminate.

2.3 Extension of Time to Take Untreated Water. If Customer has a valid reason for extending the time before delivery of Untreated Water, the Effective Date may be extended by the Director, in his or her sole discretion. Customer must submit a written request for an extension of time, dated before the Effective Date, stating the reason the extension is needed. No extension of time is valid until it is approved in writing by the Director. The Director's decision on the extension of time is final and not subject to formal or informal appeal.

2.4 Conditions of Delivery. Houston's delivery of Untreated Water to Customer is conditioned upon the approval, permitting, construction, and installation of all Facilities required by the Director and Coastal Water Authority for connection to Houston's Untreated Water System, including, without limitation, the following:

2.4.1 Facilities specified in the Service Manual;

2.4.2 Facilities required by CWA Raw Water Service Connection General Requirements;

2.4.3 Measuring Equipment and associated meter facilities as specified in the Water Service Manual;

2.4.4 Cross connection control, air gap and or other appropriate backflow prevention devices and equipment;

2.4.5 Rate of flow controller valve and sufficient storage facilities to prevent Customer from exceeding the Peak Rate;

2.4.6 Facilities necessary for compliance with the City Code and Uniform Plumbing Code, as amended from time to time; and

2.4.7 Facilities necessary for compliance with Applicable Laws.

2.5 Time for Construction or Installation of Customer's Facilities. If any new construction, installation, or retrofitting is necessary for Customer's compliance with Sections 2.4.4 and 2.4.5 of this Article II, then Customer shall have up to eighteen months from the Effective Date of this Contract to complete construction or installation of Customer's Facilities as required in this Article II.

2.6 Rate of Delivery. The Contract Quantity of Untreated Water to be delivered under this Contract is 7 MGD.

2.7 Peak Rate. Customer's Peak Rate is 6806 GPM. Customer shall not take Untreated Water in excess of the Peak Rate, and Customer shall not take Untreated Water at any rate that will cause Customer to exceed the Contract Quantity on any day or for any month.

2.8 Purchase Requirements. Customer is required to purchase at least ninety percent of its Untreated Water requirements at Customer's Facilities at the Point(s) of Delivery for its own use from Houston as required under Article IV of this Contract. Customer will provide written evidence of meeting this requirement by submitting the quarterly reports in accordance with Article IV.

2.9 Source of Water. Houston may deliver Untreated Water to Customer from any source or combination of sources available to Houston.

2.10 Limitations on Customer's Use. Customer understands and agrees that Houston maintains control of the Untreated Water supply provided under this Contract and all surface water supplies under water rights and permits owned by Houston. Specifically, Customer agrees to the following requirements:

2.10.1 Customer may not take Untreated Water at any location other than the Point(s) of Delivery authorized under this Contract;

2.10.2 Customer has no expectation of increases in the Contract Quantity under this Contract; any increase to the Contract Quantity must be approved by Contract amendment signed by both Parties upon Customer's written application in the form specified by the Director; and

2.10.3 Customer is not authorized to use Houston's storage to meet Customer's Peak Rate. To protect the City's Untreated Water supply for all customers, Customer must maintain storage facilities to meet any demands where Untreated Water must be taken in excess of the Peak Rate.

2.11 Prohibition of Sale, Lease, Assignment, or Other Provision of Untreated Water. Except as specifically provided for in Article XV, Customer may not resell, assign, lease, or otherwise provide Untreated Water delivered by Houston under this Contract to any other person or entity without written Notice and the written approval of the Director.

2.12 Contract Amendment Required. Customer shall complete an Amendment Application under the following circumstances:

2.12.1 If Customer desires to resell, assign, or otherwise provide Untreated Water to any other person or entity, an application to amend the Contract must be made in writing to the Director on forms provided by the Director for requested sales, leases, or assignments. Such resale, assignment, or other provision of Untreated Water to any other person is not authorized unless or until a Contract Amendment is granted.

2.12.2 If, at any time after the Effective Date, Customer wishes to reserve for itself additional Contract Quantities of Untreated Water, Customer must submit an Amendment Application. Upon review of the application, the Contract may be amended in accordance with applicable contract amendment procedures, to increase the Contract Quantity of Untreated Water supplied to Customer subject to appropriate terms and conditions.

2.13 Provision of Untreated Water. Houston intends to provide Untreated Water on a first come, first served basis to protect the Untreated Water supply for those who will put the Untreated Water to beneficial use. All Untreated Water to be supplied under this Contract is expected to be put to beneficial use as of the Effective Date. Customers must state on the Application the date on which all or part of the Contract Quantity will be taken.

2.14 Reservation of Untreated Water for up to Three Years. It is understood and agreed that there may be certain circumstances, such as, by way of example only, an extensive and long-term construction contract, which require the reservation of Untreated Water service to some future date or circumstance. If all or any part of the Contract Quantity is not needed immediately, then that portion of the Contract Quantity may be reserved for a time period not to exceed three years, and Customer must pay Houston the Untreated Water Reservation Charges as specified in Article III, below.

2.15 Reservation of Untreated Water Beyond Three Years. If all or any part of the Contract Quantity is not needed for any time period beyond three years, then, Customer must submit a written request for reservation of Untreated Water for any time after beyond three years of the Effective Date. Written requests for reservation of Untreated Water beyond three years of the Effective Date will be forwarded by the Director with the Director's recommendation and the reasons therefor, to the City Council for consideration. The action by the City Council to grant or deny the request for reservation of Untreated Water beyond three years is final and unappealable.

ARTICLE III
Rates and Prices

3.1 *Untreated Water Rate.* The charge for all Untreated Water sold and delivered by Houston to Customer shall be calculated in accordance with the rates for Untreated Water customers as set forth in the Water Service Manual, and the City Code, Chapter 47, especially Section 47-84, *et seq.*, as amended from time to time or renumbered in the future and incorporated herein by reference.

3.2 *Billing for Untreated Water.* Billing at the rate for Untreated Water shall commence on the Effective Date. If any portion of the Contract Quantity is reserved and authorized not to be taken on the Effective Date, then Customer will be billed the Untreated Water Reservation Charges. For all Untreated Water Supply Contracts, Customer billing will begin at the appropriate rate as of the Effective Date.

3.3 *Excess Consumption Charge.* If, at any time, during any day or month, Customer's consumption of Untreated Water delivered by Houston exceeds the Contract Quantity by ten percent (10%) or more, then Customer shall be required to pay the excess consumption surcharge established by Houston and set forth in City Code Section 47.85, as amended or renumbered.

3.4 *Untreated Water Reservation Charges.* To reserve all or any portion of the Contract Quantity of Untreated Water for up to three years beyond the Effective Date, the following charges shall apply:

3.4.1 For all months up to the first twenty-four months following the Effective Date, Customer must pay Houston an Untreated Water Reservation Charge of twenty-five

percent (25%) times the Contract Rate for Untreated Water times the reserved portion of the Contract Quantity to be calculated as follows:

$$(Contract\ Price\ for\ Untreated\ Water \times 0.25) \times (Reserved\ Portion\ of\ the\ Contract\ Quantity) \times (Days\ in\ the\ month)$$

3.4.2 For the next twelve months after the first twenty-four-month period, Customer must pay Houston an Untreated Water Reservation Fee of fifty percent (50%) times the Contract Rate for Untreated Water times the reserved portion of the Contract Quantity to be calculated as follows:

$$(Contract\ Price\ for\ Untreated\ Water \times 0.50) \times (Reserved\ Portion\ of\ the\ Contract\ Quantity) \times (Days\ in\ the\ month)$$

3.5 CWA Fees and Charges. Customers are responsible for paying any and all fees charged by the Coastal Water Authority, in accordance with the Coastal Water Authority Raw Water Service Connection General Requirements.

ARTICLE IV

Reports

4.1 Quarterly Reports. Within thirty days after the end of each quarterly period during the Contract Term, Customer shall furnish Houston with a statement under oath showing the quantities and sources of all Untreated Water used or sold by Customer during such quarterly period.

4.2 Annual Water Loss Audit. Customer shall also prepare and file an Annual Water Loss Audit as specified in Section XI.

ARTICLE V

Measuring Equipment

5.1 Untreated Water Meter Required. At Customer's own cost and expense, Customer shall furnish and install at the Point of Measurement shown on Exhibit B Measuring Equipment for measuring and recording accurately the quantity of Untreated Water delivered under this Contract as specified in the Water Service Manual. The Measuring Equipment must be installed, inspected, operated, and maintained in accordance with the Water Service Manual.

5.2 Access to Measuring Equipment. During all reasonable hours, Houston, Customer, and CWA shall have access to the Measuring Equipment. Customer may have access to all records pertinent to determining the measurement and quantity of Untreated Water delivered under this Contract, but the reading of the Measuring Equipment for purposes of billing shall be performed by Houston.

ARTICLE VI

Customer Billing and Payment

6.1 Customer Liability for Rates, Fees, and Charges. Customer shall pay all rates, fees, and charges billed by Houston in accordance with the duly adopted rates, fees, and charges established by Houston's City Council and as specified in City Code Chapter 47, the Citywide Fee Schedule, and the Water Service Manual; provided, however, that in any case of conflict between the Water Service Manual and the City Code, the City Code prevails.

ARTICLE VII

Title to and Responsibility for Water

7.1 **No Title; Customer Responsibility.** As between Customer and Houston, Houston shall be in exclusive control and possession of, and solely responsible for, all Untreated Water until the same shall pass through the Point of Delivery. Thereafter, Customer shall be in exclusive control and possession of, and solely responsible for, all Untreated Water; provided, however, that title to the Untreated Water shall remain with Houston at all times as provided in Article VIII.

7.2 **NO WARRANTIES.** HOUSTON MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE QUANTITY, QUALITY, OR DELIVERY PRESSURE OF UNTREATED WATER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7.3 **INDEMNITY.** CUSTOMER COVENANTS AND WARRANTS THAT IT WILL PROTECT, DEFEND, AND HOLD HOUSTON HARMLESS FROM ANY AND ALL THIRD PARTY CLAIMS, DEMANDS, AND LIABILITY, INCLUDING DEFENSE COSTS, RELATING IN ANY WAY TO DAMAGES, CLAIMS, OR FINES ARISING BY REASON OF OR IN CONNECTION WITH DAMAGE OR INJURY CAUSED BY HOUSTON'S DELIVERY TO CUSTOMER OR CUSTOMER'S POSSESSION OF UNTREATED WATER PURSUANT TO THIS CONTRACT, WHERE SUCH INJURY ARISES OUT OF CUSTOMER'S ACTUAL OR ALLEGED NEGLIGENCE OR WRONGFUL ACTION. CUSTOMER FURTHER EXPRESSLY COVENANTS AND AGREES TO PROTECT, DEFEND, INDEMNIFY, AND HOLD HARMLESS HOUSTON, ITS OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, SUCH AS COASTAL WATER AUTHORITY, AND ASSIGNS FROM ALL DAMAGES, CLAIMS, OR FINES (1)

ARISING BY REASON OF, OR IN CONNECTION WITH, DAMAGE OR INJURY CAUSED BY THE DELIVERY TO CUSTOMER OR POSSESSION OF UNTREATED WATER PURSUANT TO THIS CONTRACT AFTER PASSAGE OF THE UNTREATED WATER THROUGH THE POINT OF DELIVERY, AND (2) RELATING IN ANY WAY TO THE ACTUAL OR ALLEGED JOINT AND/OR CONCURRENT NEGLIGENCE OF HOUSTON AND CUSTOMER, WHETHER CUSTOMER IS IMMUNE FROM LIABILITY OR NOT. IT IS THE EXPRESSED INTENTION OF THE PARTIES THAT THE INDEMNITY PROVIDED HEREIN IS AN AGREEMENT BY CUSTOMER TO INDEMNIFY AND PROTECT HOUSTON FROM HOUSTON'S OWN NEGLIGENCE WHERE SAID NEGLIGENCE IS AN ALLEGED OR ACTUAL CONCURRING PROXIMATE CAUSE OF ANY ALLEGED THIRD-PARTY HARM. THE INDEMNITY PROVISION PROVIDED HEREIN SHALL HAVE NO APPLICATION TO ANY CLAIM OR DEMAND WHERE BODILY INJURY, DEATH, OR DAMAGE RESULTS ONLY FROM THE SOLE NEGLIGENCE OF HOUSTON UNMIXED WITH ANY FAULT OF CUSTOMER. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIABILITY OF CUSTOMER UNDER THIS INDEMNITY PROVISION SHALL NOT EXCEED \$1,000,000 PER OCCURRENCE.

7.4 *Untreated Water Handling Facilities.* With respect to all water handling facilities (if any) located between the Point of Delivery and the Point of Measurement, Customer and Houston specifically agree that:

7.4.1 All such facilities, other than the Measurement Equipment itself, shall be and remain the property of Customer, subject to the terms of this Contract;

7.4.2 Customer shall take all reasonable steps to maintain such facilities and to prevent leaks or discharges from such facilities;

7.4.3 Customer shall repair any such leak or discharge at once upon receiving Notice thereof and pay Houston the price of any Untreated Water or water lost by reason of such a leak or discharge;

7.4.4 Customer shall correct or repair any damage caused by any leak or discharge and shall hold Houston harmless from and against any damage and claims therefor;

7.4.5 Customer shall promptly remove such facilities and restore their locations to their pre-existing conditions whenever this Contract is no longer in effect and Houston so requests; and

7.4.6 Customer shall alter or relocate, at its sole cost, any such facilities whenever Houston shall reasonably request in writing that the same be done.

7.5 Suspension of Service During Emergency Conditions. If Customer does not take the reasonable actions specified in this Article VII, or if major leaks, compliance with Applicable Laws issues, or emergency conditions occur, then Houston may suspend service with no Notice to Customer as needed to address the circumstances of the major leak, compliance issue, or emergency condition. Houston will use its best efforts to provide Notice to Customer of the circumstances and the actions undertaken.

ARTICLE VIII

Title to System Return Flows

8.1 *No Title to Return Flows.* Customer acknowledges that the Untreated Water supplied to it by Houston may be returned to watercourses as System Return Flows. The Parties agree that, other than for purposes of liability, title to all Untreated Water delivered hereunder remains with Houston. The Parties also agree that Houston has the right, subsequent to Customer's use of the Untreated Water, to make whatever reuse of the Untreated Water Houston deems desirable.

8.2 *No Compensation for Return Flows.* Customer will receive no compensation, credit, or offset for making System Return Flows available to Houston.

ARTICLE IX

Term and Termination

9.1 *Contract Term.* This Contract shall be in force and effect beginning on the Effective Date and will continue in effect until December 31, 2035 at 11:59 p.m., which is the Expiration Date.

9.2 *Contract Termination for Cause.* This Contract may be terminated by the Director for nonpayment of Untreated Water bills. The Director is also authorized to terminate the Contract for convenience on behalf of Houston or reduce the Contract Quantity upon thirty days' Notice to Customer under the following circumstances:

9.2.1 If Customer habitually violates the terms of this Contract, including without limitation taking in excess of the Peak Rate or Contract Quantity, or if Customer becomes and remains out of compliance with Applicable Laws after reasonable opportunity to comply.

9.2.2 Subject to the Untreated Water Reservation provisions and the Contract Termination Provisions of this Contract if Customer does not begin taking Untreated Water within thirty-six months of the Effective Date, or for any calendar year after Customer has begun taking Untreated Water under this Contract, then this Contract shall automatically terminate. This provision shall not be applicable if the Director has granted written permission for Customer to delay or suspend delivery of Untreated Water under this Contract pursuant to Section 2.3.

9.2.3 If, after a Customer begins taking Untreated Water after the Effective Date, Customer has not taken any Untreated Water for twelve consecutive months after the Effective Date, not including any portion of the Contract Quantity for which the Untreated Water Reservation Fee has been paid, then this Contract may be terminated by the Director.

9.2.4 If Customer has failed to take the Threshold, at least seventy-five percent of the unreserved portion of the Contract Quantity, in any of nine months of a calendar year, not including any portion of the Contract Quantity for which the Untreated Water Reservation Fee has been paid, the Director may decrease the unreserved portion of the Contract Quantity to the average monthly consumption by Customer during the latest calendar year. In calculating the twelve-month period, the Director shall disregard any month where a Force Majeure prevented Customer from taking at least seventy-five percent of the Contract Quantity. The Director shall also disregard any months related to

special or unusual circumstances which are not likely to affect Customer's ability to satisfy the Threshold in the future.

9.3 *Customer Termination*. Customer may terminate this Contract upon ninety days' Notice to the City of Houston.

9.4 *No Guarantee of Continued Untreated Water*. Customer acknowledges that there is no guarantee that Houston will continue to provide Customer with Untreated Water beyond the Contract Term.

ARTICLE X

Compliance with Applicable Laws and Performance by Houston and Customer

10.1 *Compliance with Applicable Laws*. Compliance with Applicable Laws is required as follows:

10.1.1 Houston and Customer assert that the Contract Quantity will not be supplied under this Contract in any instance where to do so would involve a violation of Applicable Laws. Customer and Houston will provide written Notice to the other Party in any case where performance under this Contract is likely to violate Applicable Laws.

10.1.2 This Contract is subject to the Parties' compliance with Applicable Laws, including TCEQ and TWDB rules. In the event of changes to Applicable Laws, the requirements of this Contract shall automatically be modified so that Customer's compliance with Applicable Laws shall constitute compliance with this Contract.

10.2 *No Impairment by Houston.* Houston covenants and agrees that it will not contract for the sale of Untreated Water to other users to such an extent or for such quantities as to impair Houston's ability to perform fully and punctually its obligations to Customer under this Contract. In case of a temporary shortage of Untreated Water, notwithstanding Houston's compliance with the provisions of this Article X, Houston shall distribute the available supply of Untreated Water as provided by the laws of the State of Texas, particularly Texas Water Code Section 11.039 (a), as amended.

10.3 *Emergency Untreated Water Supply.* Customer is strongly encouraged to maintain, at its sole expense, its groundwater wells and/or other Untreated Water storage facilities, in good repair and working order to facilitate the use of such groundwater wells or Untreated Water storage facilities as an emergency source of supply, if required, should Houston be unable to deliver the Contract Quantity for any reason. Customer shall bear all costs of maintaining and supplying such emergency sources of supply.

ARTICLE XI

Environmental Considerations

11.1 *Water Conservation Plan Required.* On or before the first anniversary of the Effective Date, Customer shall create, update, and approve, as necessary, and implement, at all times throughout the term of this Contract an Untreated Water Conservation Plan in compliance with Applicable laws, including TCEQ and TWDB rules and consistent with Houston's current Water Conservation Plan and water demand reduction target goals. Such Water Conservation Plan (and any amendments thereto) shall provide for the utilization of reasonable practices, tools, measures, and technologies for Untreated Water use that reduce the consumption of water on a per-unit basis, reduce the loss or waste of water, and improve efficiency for both domestic and

commercial uses. If required by TCEQ and TWDB rules related to Customer's profile, the Customer must submit the Water Conservation Plan to the appropriate regulatory authority for review and approval as required by Applicable Laws. In the event that the TCEQ and/or the TWDB adopt new requirements, Customer shall adopt an amended Water Conservation Plan and submit it to the appropriate regulatory authorities for review and approval. Customer's Water Conservation Plan must contain requirements for the use of practices, tools, measures, and technologies for water conservation consistent with those adopted by Houston's City Council. Customer must provide a copy of its approved Water Conservation Plan to Houston within three days of its adoption.

11.2 Maintenance of Water Conservation Plan Required. At all times during the term of this Contract, Customer must maintain full compliance with the approved water conservation plan.

11.3 Prohibition of Waste of Untreated Water. Customer agrees to implement waste prohibition actions and measures that increase water-efficiency and prohibit wasteful activities, such as prohibiting water waste during irrigation practices, scheduling, single pass cooling, non-recycling decorative fountains, non-recirculating systems in all new conveyer or in-bay automatic vehicle wash and commercial laundry systems; discharge of process water that could potentially be reused within the facility for another process use or for irrigation; and use of inefficient water softeners. Other water waste practices may include wash and rinse processes which run for longer time periods or at greater flow rates than needed or processes in which water is used as a conveyance.

11.4 Irrigation Water Waste. Water waste during irrigation includes water running down the gutter; irrigation heads or sprinklers spraying directly on paved surfaces such as streets, parking lots, and driveways; operating an automatic irrigation system without a functioning rain shut off device; operating an irrigation system that has misting heads due to broken heads or failure to install

pressure reduction device; irrigating between 10 a.m. and 6 p.m. during seasons with high evapotranspiration; and irrigating more than required by actual or reference evapotranspiration.

11.5 Process Water Waste. Proper controls can limit water use to the minimum necessary in many facility processes. Limiting or eliminating the use of water in facility wash down operations is also another potential means to reduce water waste. Significant water savings can also be achieved through a proactive and frequent facility leak detection and repair program that addresses all facility pipes, valves, plumbing fixtures, and process equipment.

11.6 Water Loss Audit Report. Customer agrees to track non-revenue water through the implementation of an annual water loss audit. If required by TWDB rules, Customer must submit a Water Loss Audit Report on an annual or five-year cycle in compliance with Applicable Laws. The Water Loss Audit Report must be submitted to the applicable regulatory authority and included in the Customer's Water Conservation Plan specified in Section 11.2, above, including prohibitions against wasting water, and required water-efficiency measures.

11.7 Water Management Requirements. As part of Customer's compliance with Applicable Laws, Customer shall make and document all reasonable efforts to prevent and discourage waste of water and use of Best Management Practices provided by the TCEQ and the TWDB. Customer agrees to satisfy Houston's Customer water management requirements prescribed in this Contract, including the Water Service Manual, in addition to the above requirement for a water conservation plan.

11.8 Water Distribution During Water Shortage or Drought. Customer's acceptance of this Contract and its water conservation plan includes an acceptance of the Parties' responsibility for compliance with Applicable Laws and an acceptance that during periods of water shortage or

drought, Houston and Customer shall distribute water in accordance with Texas Water Code §11.039.

11.9 *Water Conservation in Customer Contracts.* Customer agrees that in the event Customer furnishes or sells Untreated Water to a third party, Customer shall require that the water conservation requirements of this Contract be included in any contractual agreements between Customer and the third party receiving Untreated Water, and that the contractual agreements provide for the implementation and continued compliance with a water conservation program consistent with the requirements of the TCEQ and this Contract as specified in this Article XI.

ARTICLE XII

Remedies Upon Default

12.1 *Default and Remedies.* In the event any default by Customer in the performance of any of Customer's obligations hereunder continues for a period of thirty days or more, Houston shall give written Notice to Customer specifying the matter with respect to which Customer is in default and requesting that the default be remedied within thirty days. If Customer remains in default and does not cure the default within thirty days after receiving the written Notice from Houston, then Houston may suspend further delivery of Untreated Water to Customer under this Contract. If Customer does not cure the default within sixty days, then Houston may, by an additional written Notice to Customer, cancel and terminate this Contract. If Houston terminates or cancels the Contract under this section, then all rights of Customer and all obligations of Houston under this Contract shall terminate and expire. The exercise of the rights in this section shall be in addition to any other legal, equitable, or extrajudicial remedies available to Houston under the laws of the State of Texas.

12.2 *No Waiver of Contract Requirements.* The failure of either Party to insist in any one or more instances upon performance of any of the terms, covenants, or conditions of this Contract shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other Party, and the obligation of such Party with respect to future performance shall continue in full force and effect.

ARTICLE XIII

Force Majeure

13.1 *Definition.* Force Majeure means fires, interruption of utility services, epidemics or pandemics affecting the City of Houston service area, floods, hurricanes, tornadoes, ice storms, and other natural disasters, explosions, war, terrorist acts against Houston or Customer, riots, court orders, and acts of governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn, or other factors of general application, or an event that merely makes performance more difficult, expensive, or impractical.

13.2 *Relief for Force Majeure.* Timely performance by both Parties is essential to this Contract. However, neither Party is liable for delays or other failures to perform its obligations under this Contract to the extent the delay or failure is caused by a Force Majeure.

13.3 *Requirements for Relief.* This relief is not applicable unless the affected Party does the following:

13.3.1 Uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and

13.3.2 Provides the other Party with prompt written Notice of the cause and its anticipated effect.

13.4 Director's Review. The Director will review claims that a Force Majeure that directly impacts Houston or Customer has occurred and render a written decision within fourteen days. The decision of the Director is final.

13.5 Termination for Force Majeure. If the Force Majeure continues for more than thirty days from the date performance is affected, the Director may terminate this Contract by giving seven days' written Notice to Customer. This termination is not a default or breach of this Contract. CUSTOMER WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE TERMINATION.

13.6 No Relief During Labor Action. Customer is not relieved from performing its obligations under this Contract due to a strike or work slowdown of its employees. Customer shall employ only fully trained and qualified personnel during a strike.

13.7 Additional Force Majeure for Houston. It is understood and agreed that Houston receives its supply of Untreated Water from others, and this Untreated Water must be transported over long distances before it is received by Houston. Accordingly, it is agreed that stoppage or diminution of the Untreated Water received by Houston from one or more of its sources (other than by reason of Houston's failure to make payments due to its suppliers) shall be deemed a Force Majeure, and that Houston cannot and does not guarantee constant availability of Untreated Water

hereunder but does agree to use its best efforts to maintain such availability. It is further agreed that Houston may, without liability or default, interrupt the delivery of Untreated Water under this Contract to make necessary alterations to or repairs to its facilities or CWA facilities, but only if such interruption cannot otherwise reasonably be avoided. Houston shall give reasonable prior Notice of any such interruption to Customer and, to the extent possible, Houston shall schedule interruptions in advance after consultation with Customer.

ARTICLE XIV
Addresses and Notices

14.1 *Addresses for Notices.* Until Customer is otherwise notified in writing by Houston, Customer shall communicate with Houston on matters involving this Contract as follows:

For Billing and Payment Issues:

Houston Public Works/Customer Account Services
P.O. Box 1560
Houston, Texas 77251-1560
Email address: Contract.Water@houstontx.gov

For all Notices:

Houston Public Works
Attn: Director
611 Walker, 25th Floor
Houston, Texas 77002
Email address: PublicWorks@houstontx.gov

Until Houston is otherwise notified in writing by Customer, the address of Customer is and shall remain as follows:

P.O. Box 700, Deer Park, TX 77536

14.2 Notice Requirements. All written Notices required or permitted to be given under this Contract from one Party to the other Party shall be deemed given when transmitted by certified or registered mail by placement in a United States Postal Service mail box or receptacle, with proper postage affixed thereto and addressed to the other Party at the address set forth above or at such other address as the Parties respectively shall designate by written Notice. Notices required under this Contract sent by U.S. Mail as specified herein must also be simultaneously transmitted by electronic mail to the other Party.

ARTICLE XV

Miscellaneous Provisions

15.1 Assignment. This Contract shall bind and benefit the Parties and their legal successors, but shall not otherwise be assignable, in whole or in part, by either Party without first obtaining the written consent of the other; provided, however, that Customer shall have the right, with the consent of the Director based on a written request by Customer, to pledge or otherwise assign Customer's rights hereunder to the extent required by any mortgage, deed of trust, or other similar agreement to which Customer may now be, or hereafter become, a party or to otherwise assign Customer's rights and obligations hereunder in connection with any merger or consolidation or any sale of all or substantially all of Customer's Facilities. The Director will consent to the assignment as stated herein if the Director can determine that Customer's successor or assignee is

a responsible person and shall (by operation of law or otherwise) expressly assume Customer's obligations hereunder in a written document appended to the assignment request.

15.2 No Third-Party Benefits. This Contract shall be for the sole and exclusive benefit of Customer and Houston and shall not be construed to confer any rights upon any third party. Houston shall never be subject to any liability in damages to any customer of Customer for any failure to perform under this Contract.

15.3 No Waiver of Sovereign Immunity. The City and Customer expressly acknowledge that the City is a home-rule city and political subdivision of the State of Texas, and nothing in this Contract will be construed as a waiver or relinquishment by the City of its right to claim such exemptions, privileges, and immunities, including sovereign immunity, as may be provided by law. Additionally, if Customer is a body politic and/or political subdivision of the State of Texas, nothing in this Contract shall be construed as a waiver or relinquishment by Customer of its right to claim such exemptions, privileges, and immunities, including sovereign immunity, as may be provided by law regarding the purchase of goods and services as set forth herein.

15.4 Governing Law and Venue. This Contract shall be subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State of Texas, and any regulatory body having jurisdiction. Venue for any disputes relating in any way to this Contract shall lie exclusively in Harris County, Texas.

15.5 Severability. If any provision of this Contract is held to be illegal, invalid, or unenforceable, such provision shall be fully severable; this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised part hereof;

and the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom.

15.6 Entire Agreement. This Contract contains all the agreements made between the Parties concerning the sale and delivery of Untreated Water by Houston to Customer at the Point of Delivery.

15.7 Right to Enforce. Houston's City Attorney or his or her designee shall have the right to enforce all legal rights and obligations under this Contract without further authorization. Customer covenants to provide to Houston's City Attorney all documents and records that Houston's City Attorney reasonably deems necessary to assist in determining Customer's compliance with this Contract, with the exception of those documents made confidential by federal or state law or regulation.

15.8 Continuing Obligations. With respect to any prior agreements between the Parties or their predecessors for the sale of Untreated Water to Customer at any Point of Delivery hereunder, the future obligations of both Parties to perform under any such prior agreement are terminated effective as of the Effective Date; provided, however, that any obligations which arose prior to the Effective Date, including specifically the obligations of Customer to pay money to Houston for time periods or deliveries prior to the Effective Date, are not terminated.

15.9 Signatures.

IN WITNESS WHEREOF, the Parties have executed this Contract in multiple copies, each of which is an original. Each person signing this Contract represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Contract. Each Party

represents and warrants to the other that the execution and delivery of this Contract and the performance of such Party's obligations hereunder have been duly authorized, and that this Contract is a valid and legal agreement binding on such Party and enforceable in accordance with its terms. The Parties hereby agree that each Party may sign and deliver this Contract electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

[The rest of this page intentionally left blank. Signature pages follow.]

CITY OF HOUSTON, TEXAS
("Houston")

ATTEST/SEAL:

City Secretary

By: _____
Mayor of the City of Houston

APPROVED:

Director, Houston Public Works

COUNTERSIGNED:

City Controller

Date:

APPROVED AS TO FORM:

Senior Assistant City Attorney
L.D. File No.

DATE OF COUNTERSIGNATURE:

(“Customer”)

ATTEST/SEAL (if a corporation):
WITNESS (if not a corporation):

By: _____
Name:
Title:

By: _____
Name:
Title:
Date:

CUSTOMER’S ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF _____ §

The foregoing Untreated Water Supply Contract was acknowledged before me on

_____ **by** _____

(date)

(name)

_____ **of** _____,

(title)

(name of company)

a _____ **corporation, on behalf of said corporation.**

(State of incorporation)

Notary Public in and for the
State of _____

* * * * *

Attachments:

- Exhibit A - Customer's Application for Untreated Water Supply Contract**
- Exhibit B - Map showing Customer's Point of Delivery and Point of Measurement**
- Exhibit C – Current version of the Water Service Manual**
- Exhibit D – Current version of Coastal Water Authority Raw Water Service Connection General Requirements**

EXHIBIT A



HOUSTON WATER UNTREATED WATER APPLICATION

1. APPLICATION REQUEST

Applicant Name (legal name of entity or person to receive water): CITY OF DEER PARK

Facility Address (where water will be used): CITY OF DEER PARK SURFACE WATER TREATMENT PLANT

Address: 2117 EAST X STREET

City: DEER PARK State: TX Zip: 77536

Mailing Address (if different from facility address): _____

Name: CITY OF DEER PARK

Address: PO BOX 700

City: DEER PARK State: TX Zip: 77536 Phone: 281-478-7204

Email: ncook@deerparktx.org

Application is for the following use of water (check only):

☒ Untreated water for government entity (city, utility district, water authority)

Untreated water for industry SIC code: _____

Untreated water for irrigation, agriculture

Request Amount of Water

Maximum Daily Quantity (in millions of gallons per day): 7.000 mgd

(If this is for an untreated water contract, it will be referred to as the Contract Quantity)

Will water be taken continuously or intermittently? ☒ Continuously ☐ Intermittently

**Authorized quantities in letters or executed contracts may differ from requested amounts*

Requested Service Dates

Non-Contract

Desired service commencement date: _____

Desired Length of Service: _____ # of Years OR _____ # of Months

Contract

Contracts are for a term of 15 years

Desired service commencement date if not immediately upon the *effective date* of the contract: EFFECTIVE DATE

Explanation/Justification for not taking all of the Contract Quantity on the *effective date* (required): _____

2. EXISTING CONNECTIONS AND ACCOUNTSIs the applicant an existing City of Houston water customer? ☒ Yes ☐ NoIf Yes, list account numbers 7099-0209-1038Does the applicant have existing water contracts with the City of Houston? ☒ Yes ☐ NoIf Yes, list contract numbers and expiration dates 036875, 12/31/2020**3. CONTACT INFORMATION****Primary Contact Person** (person who can answer questions regarding this application)Name: BILL PEDERSENTitle: PUBLIC WORKS DIRECTORAddress: PO BOX 700City: DEER PARK State: TX Zip: 77536 Phone: 281-478-7243Email: bpedersen@deerparktx.org**Person Authorized on Behalf Of Applicant to Sign Untreated Water Supply Contract (if applicable)**Name: JERRY MOUTON, JR.Title: MAYORAddress: PO BOX 700City: DEER PARK State: TX Zip: 77536 Phone: 281-478-7241Email: MAYOR@DEERPARKTX.ORG**Other Contacts**Law Firm: DOVER & FOX,Attorney: JIM FOXAddress: 5001 COLLEGE PARK DRIVECity: DEER PARK State: TX Zip: 77536 Phone: 281-479-5253Email: jim@doverfox.com

Engineering Firm: _____

Engineer: _____

Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

Email: _____

Emergency Contact: Available by phone 24/7

Name: NICHOLAS COOKTitle: WATER TREATMENT PLANT SUPERVISORPhone: 832-421-7387

4. REQUIRED APPLICATION DOCUMENTS

Map

8 ½ X 11, signed and sealed by a Texas Registered Professional Land Surveyor¹, and an electronic shape file depicting the following:

- **Service/Facility Area** - area to be served by the applicant as referenced by the street name and location of the applicant facilities.
- **Point of Delivery** - the location point in Geographic Coordinates where the applicant will draw water from the City of Houston/Coastal Water Authority system.
- **Point of Measurement** - location of the meter in Geographic Coordinates where the water will be measured by the City of Houston.

Record easements for pipeline connections

Please note this map must be approved by the City of Houston and will be attached as Exhibit B to the contract, if a contract is required. An example of a map meeting these requirements is available. All geographic coordinates are to be State Plane, Texas South Central Zone 5401, FIPS 4204, NAD83.

¹If this application is not for a contract, the requirement for a signed and sealed map by a Texas Registered Professional Land Surveyor may be waived. However, all other map requirements must be met.


Engineering Plans

Existing Customer - include any drawings of facilities previously constructed by the applicant to receive water from the City of Houston or the Coastal Water Authority for this application.

New Applicants - should provide an electronic copy of plans for facilities to be constructed in order to receive water from the City of Houston. Please note engineering plans must be approved by the City of Houston and the Coastal Water Authority before commencing construction, along with any permitting requirements that may be applicable.

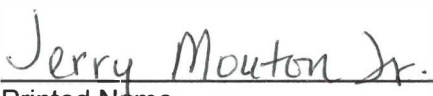
5. Applicant Signature and Acknowledgement

I hereby certify that the information supplied above is true and correct to the best of my knowledge. I am aware that information supplied to the City of Houston will not be confidential and can be examined upon request by a member of the public pursuant to the Texas Open Records Act.



Signature

Mayor
Title

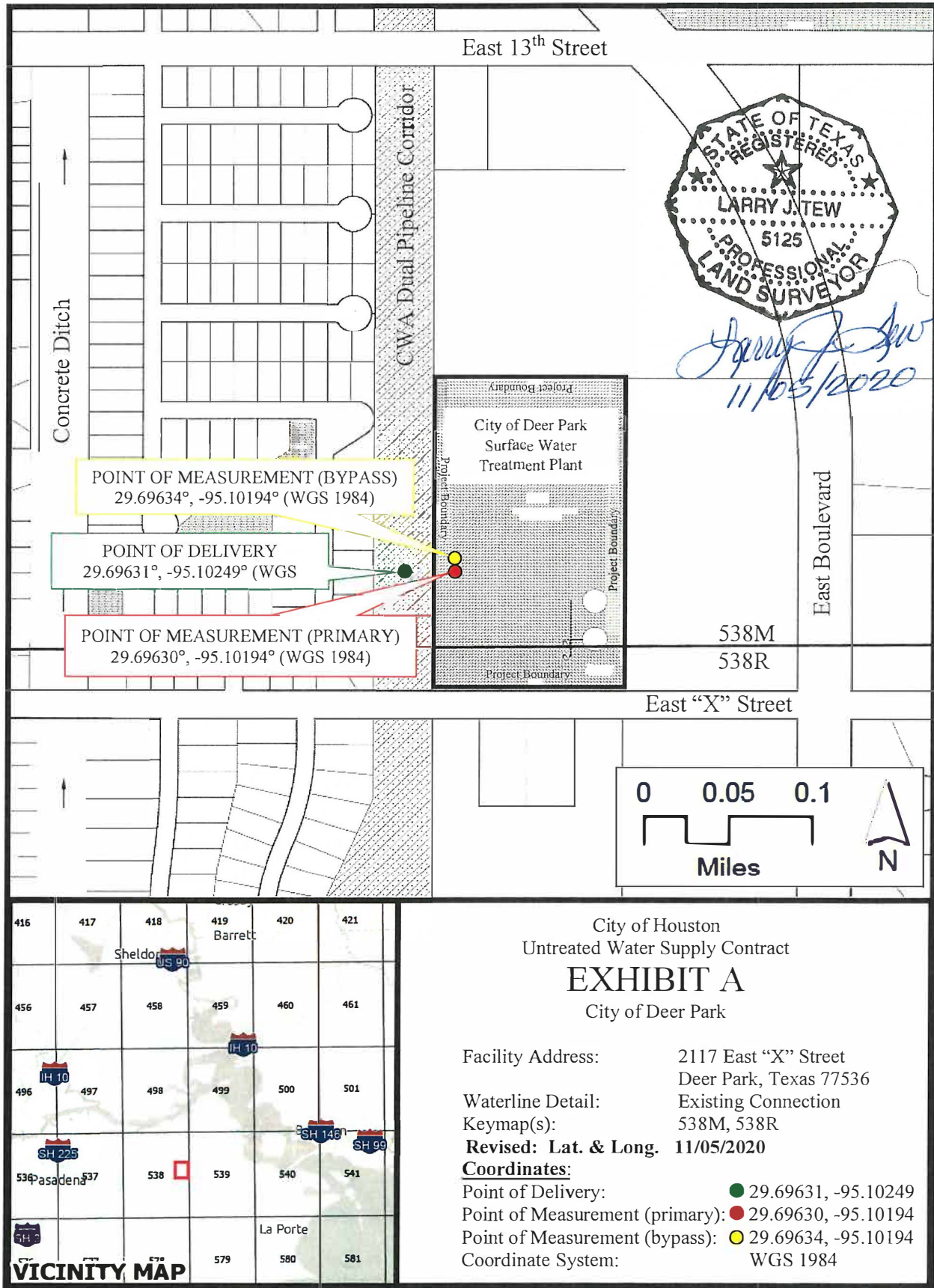


Printed Name

12/15/2020
Date

6. Submittal Instructions

Please submit a digital or electronically signed application and required documents to watercontracts@houston.tx.gov. Please include "Application for Untreated Water" in the subject line.



**WATER SERVICE MANUAL
FOR WATER SUPPLY CONTRACTS**

**CITY OF HOUSTON
Houston Public Works**



OCTOBER 2020

TABLE OF CONTENTS

1.	OVERVIEW	3
2.	DEFINITIONS.....	4
3.	ESTABLISHING AND CHANGING WATER SERVICE.....	8
4.	BILLING	13
5.	SERVICE AND OPERATIONS	16
6.	METERING AND FACILITIES REQUIREMENTS.....	18
7.	SYSTEM RETURN FLOWS.....	19

1. OVERVIEW.

In 2013, Houston updated its standard Water Contract and Code of Ordinance provisions to address future water shortages; drought planning and management, and to address recommendations of the 2012 State Water Plan by encouraging water supply management and reuse. This Service Manual is part of the Standard Water Contract for both treated and untreated water supply customers and provides Houston and Customers the flexibility to respond to future supply and regulatory constraints and development demands.

1.1 Purpose. This Service Manual provides procedures and guidance for all Customers with a City of Houston Treated or Untreated Water Supply Contract. The Customer-specific Contract contains the essential contract terms. This Service Manual supplements the Contract terms to allow for adaptive management of Houston's regional Water service, the Customer's System, and applicable Regulatory Standards. This Service Manual also ensures that all Treated or Untreated Water Supply Contract Customers receive service on similar terms. The language in this Service Manual applies to all Customers.

1.2 Changes & Updates. Houston's Public Works Department, with assistance from Houston's Legal Department is responsible for maintaining this Service Manual. Houston will update this Service Manual to address changing state, federal, and other governmental requirements as well as other changes that affect regional water planning. Houston will notify Customers of proposed changes using notices inserted with the Customer's bill or notice sent to the Customers' notice addresses and website updates at least 30 days before implementing final changes to this Service Manual. Upon a request from any Customer, Houston will provide up to 30 more days to further consider the proposed changes to the Service Manual. Customers should read this document periodically and check the Department's website to ensure the Customers have the most current Service Manual. The most current manual will supersede all previous manuals and apply to the Customer's Water service.

1.3 Notice Information.

Utility Official. The Department Director, or his or her designee, will serve as the Utility Official for functions referenced in this Service Manual. Customers seeking more specific contact information regarding the Utility Official may contact 311 or visit the Public Works website. Customers should send official notices required under the Contract and this Service Manual to the following address:

Utility Official, City of Houston
Houston Public Works Department
– Water Contracts/Regulatory
P.O. Box 1560
Houston, Texas 77251-1560

Customer. Notices to the Customer will be sent to the notice address in the Contract until the Customer requests to change the notice address. The Utility Official will change the Customer's notice address, which may be an electronic account, through a Service Letter, after the Customer verifies the new address or account. The Customer, in accordance with any bylaw or governing documents, may provide the Utility Official with the names and contact information of Customer Representatives authorized to perform under the Contract and receive notice on behalf of the Customer. In emergencies, the Customer should call the Utility Official with a Customer Representative's information and then send notice by mail as soon as possible.

2. DEFINITIONS

Unless the context requires otherwise, the following terms as used in the Contract and this Service Manual shall have meanings as follows:

Amended means substantively changed, superseded, expanded, renumbered rewritten, or otherwise altered and is interpreted broadly to include new provisions, such as chapters, Ordinances, laws, and regulations that may affect this Contract but may not exist at the time this Contract is executed.

Authorized Monthly Capacity means the amount of Water for a given month that the Utility Official determines the Customer is entitled to receive under the Contract as indicated in a Service Letter.

Capacity Charge means a capital recovery fee or any other charge for utility extensions that are (a) outside of the City's Capital Improvement Plan Service Area, (b) consistent with state law, and (c) required by Houston under its Ordinances or contracts to obtain funds to defray the cost of providing water utility infrastructure to new customers.

City Attorney means the City Attorney of Houston, Texas or his or her designees.

Construction Phasing Plan means a document originally created by the Customer's engineer that describes the future construction plans for the Customer System and the Customer's plans to purchase capacity in the Houston System. The Construction Phasing Plan may be attached as an exhibit to the Contract or as an application for a Service Letter.

Contract is the agreement executed between the Customer and Houston's City Council providing terms for the sale and delivery of Water and includes all exhibits, attachments, Service Letters, and items reasonably incorporated by reference.

Contract Quantity is the Contract Quantity, including authorized amount, Peak Usage and Peak Rate as specified in the Contract.

Customer is the entity identified in the preamble of a Contract, or any authorized successor or assign, or, to the extent applicable, any water utility that acquires Water under a contract. The Customer is solely responsible for complying with and enforcing all provision of this Contract on behalf of any other entity receiving water under the Contract and Customer's Representative, within his or her official capacity.

Customer's Representative means the Customer and any person that the Customer authorizes *in writing to the Utility Official* to act on behalf of the Customer regarding the Contract or Customer System.

Customer System means all facilities necessary to enable the Customer to receive Water from the Houston System, including without limitation, inter-connection lines, storage and re-pressurization facilities, meter vaults, casings, air gap and other backflow prevention controls, valves and flow control devices as may be reasonably required by the Utility Official (subject to the terms of the Contract). (Contract 5.05, Manual 4.3)

Customer Water Management Requirements means terms the Customer must meet as a condition of service under the Contract or Service Manual.

Delivery Date means the day on which the City begins delivering Water in measurable quantities through the Point of Measurement and may begin charging the Customer for Water. Delivery date may also mean the date on which an increased amount of water is first delivered.

Department means the City of Houston Public Works Department.

Director means the Director of the Department, or his or her designee.

Facilities means any lines, taps, measuring equipment, valve control devices, backflow prevention devices, or other related improvements to property required by the Contract to enable the Customer to receive and measure Water from Houston at the Point of Delivery or the Point of Measurement.

Houston System means Houston's treated water system, including groundwater and surface water plants, transmission and distribution mains, storage facilities, valves and flow control devices.

Houston Water Management Requirements means the requirements in Article VII, Chapter 47 of the Houston Code of Ordinances, as amended, related to water conservation, drought management, plumbing code or similar policies and any authorized and subsequent policy document issued by the Director.

Impact Fee means a fee authorized under Texas Local Government Code Chapter 395, or any successor statute, and charged by Houston within its Capital Improvement Plan Service Area in accordance with applicable Ordinances.

Maximum monthly amount means the maximum amount of Water measured in gallons that the Customer may be authorized to take during a given month under the Contract without incurring a penalty and potentially defaulting on the Contract.

Meter or Houston's meter means the measuring device maintained by Houston at the Point of Measurement.

Minimum monthly amount means the minimum amount of Water measured in gallons the Customer must pay for during any given month under the Contract, regardless of actual use, without being in default of the Contract.

Notice means any notice required to be given under the Contract, which Notice must be given to the person and in accordance with the terms of the Contract section concerning notices.

Ordinance(s) means the Code of Ordinances of Houston, as amended from time to time.

Overdue describes a bill which has not been paid by the Customer on the 21st, 31st, or 46th day, as applicable, after the bill date.

Parties means the Customer and Houston, collectively,

Point of Delivery means the output flange of the tap on Houston's water line that will serve the Customer under the provisions of the Customer's Contract.

Point of Measurement means the location of the meter(s) and associated facilities at which the Customer's consumption of Water is measured in accordance with the Customer's Contract.

Project Boundaries means the area served by the Customer at the time of the execution of the Contract as illustrated in Exhibit "A", and as said boundaries may be amended from time to time through annexation (subject to Houston Consent if required by law) or exclusion (subject to notice requirements herein) of land.

Service Letter means a document complying with Article VI of the Contract and signed by the Utility Official that changes or supplements the Terms of Service.

System Return Flows means Water that has passed the Point of Delivery and subsequently collected after non-consumptive use as authorized by the Customer's Contract.

Reuse means legal and beneficial use of System Return Flows or wastewater after treatment by the Customer or Customers' wastewater treatment plant owner/operator.

Untreated Water means raw water provided by Houston from whatever source, that is not potable.

Utility Official means the Director of the Houston Public Works Department or his or her designee (or that person's designee), who may hereafter exercise the functions of the said Utility Official under the Contract, this Manual and/or any applicable Ordinances.

Water means Untreated Water or treated surface water or groundwater obtained by or on behalf of the Customer from the Houston System pursuant to the Contract.

Water Course means the channel of a stream referenced in a TCEQ permit that authorizes the Customer to discharge Water.

Written or writing means reduced to words in an official document (a) on paper or (b) in an electronic medium that, under the laws of Texas, has the same legal effect as a paper equivalent.

3. ESTABLISHING AND CHANGING WATER SERVICE

The following terms are prerequisites to service and to the extent applicable, remain conditions precedent to service or changes to service.

3.1 Application. Before taking other steps to obtain Water service, the Customer must submit to the Utility Official an application(s) provided by the Department. The Customer should retain a copy of the application as well as any letters, permits, file numbers, and other related documents and references that will assist Houston in the establishment of Water service.

3.2 Points of Measurement. All Water delivered to the Customer must be metered according to the requirements of this Service Manual at the Point of Measurement identified in the Contract in Exhibit "A".

3.3 Construction of Facilities. The Utility Official, in his or her sole discretion, may require the Customer to install, replace, or repair facilities, such as a meter, service line, backflow prevention system, flow inhibitor, or other equipment ("Facilities") deemed necessary or desirable for the uniform, efficient, and secure operation of the Houston System. The Utility Official may also require the Customer to obtain rights of way or other interests in land necessary for the construction and operation of these Facilities, including extensions of service to the Facilities. The Customer must design, obtain, improve, construct, and convey or cause to be designed, obtained, improved, constructed, or conveyed, at no cost to Houston, such Facilities, including associated property interests, as directed by the Utility Official.

3.3.1 Before the Delivery Date is set, the Customer must install the Facilities according to the specifications approved by Utility Official.

3.3.2 The Customer must not install the Facilities or equipment related to the Facilities without the prior and continuing approval of the Utility Official. The Customer, and not Houston, remains responsible and liable for operating, maintaining, and monitoring the Customer's System in accordance with all applicable laws and regulations, even after approval by the Utility Official.

3.3.3 The Customer must provide the Utility Official full access, including rights of entry and inspection, to the installation site for the Facilities.

3.4 Construction and Operational Standards. To protect the Houston System, the Customer must design, construct, operate, and maintain the Customer System to comply with all applicable Regulatory Standards, the rules promulgated by the TCEQ, the Plumbing Code, Infrastructure Design Manual, Ordinances, requirements of applicable subsidence and/or groundwater conservation districts, and related regulations regarding backflow prevention and cross connections.

3.4.1 Before the Delivery Date is set, the Customer must obtain, and afterwards

maintain, any necessary permits, licenses, approvals, easements, or rights necessary for construction and operation of the Facilities.

3.4.2 The Customer must provide at the Customer's expense metering equipment that is approved by the utility official and that is compatible without modification with the City's standard remote meter reading equipment at the Point of Measurement.

3.4.3 The Customer must (a) notify the Utility Official before the disinfection of the Customer System and (b) disinfect the Customer System in accordance with requirements approved by the Utility Official before the connection is made.

3.5 Customer Water Management Requirements. Before the Delivery Date is set by the Utility Official, the Customer must adopt and implement the Water Management Requirements below.

3.5.1 The Customer's Water Management Requirements must include the following:

3.5.1.1 A Water Conservation Plan which meets the requirements of 30 T.A.C. Chapter 288, as amended, and provides for the utilization of reasonable practices, techniques, technologies, for domestic and commercial use, reduces the consumption of water on a per-unit basis, reduces the loss or waste of water, and improves efficiency for both domestic and commercial uses that meet or exceed Houston's current Water Conservation Plan and the Customer's most recent Water Conservation Plan; and

3.5.1.2 A Drought Contingency Plan which meets the requirements of 30 T.A.C. Chapter 288, as amended, in which the Customer commits to achieve reductions in domestic and commercial water consumption equal to or greater than the commitments made by Houston in Houston's current Drought Contingency Plan.

3.5.2 The Customer must be responsible for remaining familiar with the Houston Water Management Requirements and revising and updating the Customer's Water Management Requirements that provide similar levels of increases in water efficiency, reduction in waste or loss, and, during times of drought, similar goals to reduce Water consumption.

3.5.3 If the Customer is authorized under the Contract to furnish or sell Water to a third-party utility, the Customer must include in any contract or contract Renewal, provisions that require the third-party utility to adopt Water Management Requirements that meet or exceed the Customer's Water Management Requirements.

3.5.4 If the Customer is authorized under the Contract to resell Water to others, the Customer must include in any contract for resale of Water, or any renewal, language assigning all rights to System Return Flows to Houston.

3.5.4.1 Similarly, if the Customer (or any third-party it is authorized to sell or furnish Water to) does not treat its own wastewater, the Customer must include in any contract for wastewater treatment language assigning all rights to System Return Flows to Houston and requiring the cooperation of the wastewater treatment and/or disposer in making System Return Flows available to Houston.

3.5.4.2 Prior to the Delivery Date and as a condition of the Contract, the Customer must make every reasonable effort to amend any existing water and/or wastewater contracts contemplated above to fully implement the Customer's Water Management Plan Requirements.

3.6 Acceptance and Conveyance. Upon completion of construction, the Facilities must be approved by the Utility Official and, when appropriate, accepted by the Utility Official prior to the Delivery Date.

3.6.1 Using a form approved by the City Attorney and as required by the Utility Official, the Customer must convey to Houston all portions of the Facilities necessary or desirable for the uniform, efficient, and secure operation of the Houston System.

3.6.2 The Customer may not alter, modify, tamper with, or connect with Houston's Facilities except as authorized in writing by the Utility Official.

3.7 Setting the Authorized Monthly Amount and Delivery Date. After the Facilities are approved by, and when applicable, conveyed to Houston, the Utility Official may set or modify the Customer's Authorized Monthly Amount and Delivery Date in a Service Letter.

3.7.1 If the Customer wishes to increase the Authorized Monthly Amount after the Delivery Date, the Customer must request a Service Letter.

3.7.2 The Authorized Monthly Amount must be based on the volume of available Water for which impact fees or capacity charges have been paid by or on behalf of the Customer. The Authorized Monthly Amount must never exceed the Maximum Monthly Amount.

3.7.3 The Utility Official will provide the Customer with the amount of the impact fees or capacity charges in Houston's response to the Customer's application.

3.7.4 The Utility Official must not set the initial Authorized Monthly Amount, or authorize any increase, without having received full payment for impact fees or capacity charges.

3.7.5 The Utility Official and the Customer may agree to a Construction Phasing Plan (Subsection 2.8.5) to address future Facilities to be constructed at a later date and future changes in the Authorized Monthly Amount.

3.8 Service Letters. Although no increases in the Contract Quantity are authorized except through amendment of the Contract, the Utility Official may issue Service Letters as necessary or desirable to administer the terms of the Contract. As authorized by the Contract, the Utility Official shall be required to respond to only one request for a Service Letter per Customer per calendar year. However, the Utility Official may respond to additional requests by a Customer within the same calendar year if the Customer pays, in addition to any other applicable charges, a fee equivalent to Houston's charge for a water capacity reservation letter.

3.8.1 The Contract may allow the Customer to request and the Utility Official to grant certain changes to the Customer's Water service through a Service Letter, which do not increase the Contract Quantity, but which may affect or reduce:

3.8.1.1 Points of Measurement and Delivery;

3.8.1.2 Minimum Monthly Amount;

3.8.1.3 Authorized Monthly Amount;

3.8.1.4 Current Monthly Amount;

3.8.1.5 Peak Usage;

3.8.1.6 Use of System Return Flows;

3.8.1.7 Construction Phasing Plans; and

3.8.1.8 The Contract Term.

3.8.2 The Utility Official may issue the Customer a Service Letter if the Utility Official, in his or her sole discretion, determines the following:

3.8.2.1 Granting the request will not increase the Contract Quantity;

- 12

3.8.6 The Customer must pay impact fees or capacity charges before issuance of the Service Letter or according to the terms of the approved Construction Phasing Plan.

4. BILLING

- 4.1 Commencement of Billing.** Houston may begin billing for Water using the applicable rate and fee, including any Water Reservation Fee at 12:01 a.m. on the actual Delivery Date in accordance with the Contract.
- 4.2 Charges for Water or Water Reservation.** Charges for treated water contract customers are calculated according to Section 47-61(f) of the Ordinances and are available on the Houston Fee Schedule and the Department website. Charges for Untreated Water contract customers are calculated according to the City Fee Schedule per 1,000 gallons as specified in the Section 47-85 of the Ordinances and are also available on the Houston Fee Schedule and the Department website. Charges for water reservation are as specified in the water supply contracts.
- 4.3 Bills.** At the end of each monthly billing period, Houston shall send a bill (or invoice) to the Customer showing Water delivered at the Point of Measurement and the appropriate charges for that given month.
- 4.4 Billing Address.** As a default, the Customer's notice address will be the Customer's billing address. The Customer may request in writing and the Utility Official may accept a different billing address, which may be an electronic account. The Utility Official may require the Customer to complete a billing address form.
- 4.5 Impact Fees and Capacity Charges.** When requesting an increase to the Authorized Monthly Amount, the Customer must pay impact fees or capacity charges within 45 days of Houston's response to the Customer's application unless Houston's response provides additional time. If the Customer does not pay within the allotted time, the Customer's request and application will expire.
- 4.6 Additional Charges.** In addition to other charges, the Utility Official may:
- 4.6.1** Apply a surcharge on all amounts of Water the Customer takes above the peak rate restriction or the authorized monthly amount, or Customer's Peak Rate or Peak Usage equal to the disincentive permit fee charge a customer would pay the applicable Subsidence District on the same volume of Water.

4.6.2 Calculate the surcharge described above using the following formula:

Formula: Example (Using HGSD 2013 Disincentive Fee):

$$S = (A - C) \times F \quad (50,000 \text{ gal.} - 40,000 \text{ gal.}) \times (\$7.00 / 1,000 \text{ gal.})$$
$$S = \$70.00$$

Where

S = Surcharge

A = Actual Amount Used

C = Contracted Amount (Peak Usage or Monthly Maximum Amount)

F = Harris Galveston Subsidence District (disincentive) Fee

4.6.3 Require the Customer to pay for portions of costs reasonably attributable to the Customer that Houston incurs to achieve compliance or modification of Houston's water rights or applicable Regulatory Standards.

4.7 Payment of Charges. The Customer must make bill payments to Houston at the following address:

HPW Customer Account Services
P.O. Box 1560,
Houston, Texas 77210-4863

or to a specified electronic account administered by the Utility Official.

4.7.1 Bills shall be considered as received by the Customer, whether actually received or not, when deposited by Houston in the United States mail, postage prepaid, addressed to the Customer's last known billing address or when electronically transmitted to the user's last known electronic address or account.

4.7.2 The bill is overdue on the:

21st day after the bill date of the bill for commercial customers;

31st day after the bill date of the bill for most government customers; and

46th day after the bill date if the Customer is a municipal utility district.

4.7.3 The Customer is in default of the Contract when the bill becomes overdue. The Customer's failure to pay the bill before it becomes overdue will be deemed to constitute receipt of the notice of default described in the Water Supply Contracts.

4.8 Interest on Overdue Payment. The Customer, including a commercial customer, shall pay interest on any overdue amount of bills at the maximum rate allowed by

Texas Government Code Chapter 2251 or any successor statute, whether the Customer is a government or non-government entity.

4.9 Suspension of Delivery. If the Customer does not cure the default within 30

days after a bill is overdue, Houston may suspend delivery of Water as set out in the Contract without the need of providing any further notice to the Customer beforehand. Suspending delivery of Water is in addition to any other remedy available to Houston.

4.10 Billing Adjustment. If the Utility Official finds that meter testing reveals the measuring equipment is not within the Meter Accuracy Requirement, or the account should otherwise be subject to a billing adjustment, such as due to meter reading errors, the Utility Official shall determine the Adjusted Period and the Adjusted Volume as specified in the City Code.

4.10.1 The Adjusted Period is either (a) the number of days during which the Utility Official reasonably determines the measuring equipment was not operating within the Meter Accuracy Requirement; or alternatively (b) the dates falling within the dates on which the measuring equipment was determined to have measured accurately.

4.10.2 The Adjusted Volume is the number of days in the Adjusted Period multiplied by the Customer's average daily consumption. The Utility Official shall determine the Customer's average daily consumption based on billing periods substantially similar to the Adjusted Period.

4.10.3 Houston shall adjust the charge to the Customer only for the Adjusted Volume for the Adjusted Period.

4.11 Billing After Contract Term. The Customer is not guaranteed Water after the end of the Contract Period. After the Contract Period, Houston may continue to provide water service on a month-to-month basis to the Customer at the Resale Rate prescribed in Section 47-61(d)(2) of the Ordinance, or any successor ordinance, for rates for resale customers.

4.12 Waiver of Amount Requirement. In order to protect the Houston System and accommodate the Customer, the Utility Official may waive or reduce the minimum monthly amount, without Council approval or a Service Letter, for no more than one month at a time by sending written notice to the Customer.

4.12.1 The Utility Official is not limited to the number of written notices that may be sent as long as the Utility Official determines that waiver of the minimum monthly requirement is in the best interest of the Houston System.

- 4.12.2** During any month in which Houston is unable to deliver to the Customer the minimum amount then specified, whether as a result of curtailments or suspensions under the Contract, or as a result of Force Majeure, the Customer shall be obligated to pay Houston only for the amount of Water delivered to the Customer under the Contract during such month.

5. SERVICE AND OPERATIONS

- 5.1 Houston System Operations.** Houston shall provide Water to the Point of Delivery that meets the Regulatory Standards provided in the Contract.

5.1.1 OTHER THAN REGULATORY STANDARDS, HOUSTON MAKES NO WARRANTY EXPRESS OR IMPLIED, REGARDING THE QUALITY OR DELIVERY PRESSURE OF THE WATER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE.

5.1.2 Houston has no responsibility for meeting the Customer's Regulatory Standards, maintaining the Customer System, or improving the Houston System to improve service to the Customer System.

- 5.2 Access to Facilities.** During the term of the Contract, Houston shall have the right of ingress and egress in, upon, under, and over any and all land, easements and rights of way of the Customer on which Houston, with the Customer's consent, constructs or maintains facilities to deliver Water to the Customer.

5.2.1 Houston may conduct inspections from time to time to determine that no conditions exist in the Customer System or the Project Boundaries that might adversely affect the Houston System.

5.2.2 Houston's inspectors and authorized contractors shall have full and unlimited rights of entry to the Customer's premises, although Customer has the right to request to accompany Houston's inspectors and authorized contractors. The Customer shall provide the Utility Official with any site safety rules prior to starting construction.

- 5.3 Customer System Operations.** The Customer System begins at the Point of Delivery but excludes Houston's meter. The Customer must immediately correct any practices or operating conditions of the Customer System that the Utility Official, in his or her sole discretion, determines may negatively impact the Houston System.

5.3.1 If the Customer is a water utility, the Customer must set the rates it charges for utility service to its customers high enough to pay for the quantities of Water contemplated in the Contract.

5.3.2 Practices and operation conditions that require immediate correction include but are not limited to

5.3.2.1 Pressure variations that have the potential to damage the Houston System or cause the Houston System to violate applicable Regulatory Standards;

5.3.2.2 Inadequate or compromised backflow prevention devices; and

5.3.2.3 Leaks or breakage between the Point of Delivery and the Point of Measurement.

5.3.3 The Customer must promptly reimburse Houston for the cost for repairs or replacements necessary to repair damage on either party's System if Houston corrects such conditions.

5.3.4 The Utility Official may temporarily discontinue service if the Utility Official, in his or her sole discretion, determines that the Customer's System:

5.3.4.1 Violates applicable regulatory standards or the Contract terms;

5.3.4.2 May cause serious harm to the Houston System.

5.3.5 Except in cases of imminent harm or danger to the public, provides the Customer with notice.

5.4 Customer Maintenance and Regulatory Standards. The Customer is solely responsible for maintenance and regulatory compliance on Customer's System, including service lines between the Point of Measurement and the Point of Delivery.

5.4.1 The Customer must comply with all applicable sampling and reporting requirements, including those prescribed in Title 30, Section 290 of the Texas Administrative Code, as amended, and any successor regulation.

5.4.2 When reporting is required by federal or state regulation, the Customer will contemporaneously report to Houston's Regulatory Compliance Section any information contained in such reports that may affect Houston's System or require Houston to take action. Examples include, but are not limited to, Customer reports to comply with 30 T.A.C. Sections 290.109(c)(4)(C) and 290.115(e) (Stage 2 Disinfectant Byproducts).

5.4.3 The Customer must report to Houston's Regulatory Compliance Section any violation of or lapse in compliance requirements to the Utility Official immediately and must promptly cure the violation.

- 5.5 Groundwater Reduction Plan.** The Utility Official must determine how Water delivered to the Customer will be included in any groundwater reduction plans according to the rules of the Customer's applicable subsidence district or groundwater conservation district. The Contract does not automatically provide the Customer inclusion in Houston's Groundwater Reduction Plan.

6. METERING AND FACILITIES REQUIREMENTS

- 6.1 Meter Installation.** Customer must notify Houston so that Houston can be present when the meter is installed and inspect the meter. If the meter fails any meter inspection as specified below, the meter must be replaced.
- 6.2 Metering Accuracy.** Houston shall maintain the meter at the Point(s) of Measurement in accordance with the manufacturer's specifications (in the case of Mag (Electromagnetic) or AWWA specifications (for all other types of meters) for the given rate of flow ("Meter Accuracy Requirement").
- 6.3 Meter Testing.** Houston shall conduct periodic meter tests on the meter in accordance with the meter manufacturer's recommendations and within applicable AWWA Standards and shall notify the Customer at least 48 hours in advance of the time and location at which tests are to be made.
- 6.3.1** If the Customer requests an additional test within 12 months of test conducted by Houston, Houston shall charge the Customer an amount equal to Houston's cost to perform such test, unless the test reveals that the measuring equipment is not within the Meter Accuracy Requirement.
- 6.4 Meter and Facilities Replacement.** Unless otherwise specified in this Service Manual or the Contract, Houston shall be responsible for replacing Houston meters and facilities and the Customer shall be responsible for replacing the Customer's meters and facilities.
- 6.4.1** As a prerequisite to continued service or change of service (see Sections 2.3 and 2.8), the Utility Official may determine that the Customer must, at no cost to Houston, replace the existing meter and other equipment at the following times:
- 6.4.1.1** After the Customer takes water above the current authorized peak usage or the maximum monthly amount;
 - 6.4.1.2** When the Utility Official grants the Customer's request for an increased peak usage; or
 - 6.4.1.3** Before the Department Director approves assignment of the Contract.

6.5 Customer Check. At the Customer's own cost, the Customer may independently check Houston's meter and related equipment upon reasonable request. A reasonable request must provide the Utility Official 48 hours notification and the opportunity for the Utility Official to witness such tests and reschedule if the Utility Official is not available.

6.5.1 In the event of a dispute between Houston and the Customer as to the accuracy of the testing equipment used by Houston to conduct the accuracy test, the Parties may agree for the test to be conducted by an independent measuring equipment company suitable to both the Customer and the Utility Official.

6.5.2 The Customer must pay all costs associated with such testing. The Utility Official may accept the test result of the independent measuring equipment company but is not required to do.

6.6 Check Meters. The Customer may install, at the Customer's own cost and expense, such check meters as it deems appropriate in each of the Customer's pipelines, but Houston shall have the right of ingress and egress to such check meters during all reasonable hours.

7. SYSTEM RETURN FLOWS

7.1 Rights to System Return Flows. Houston has all rights to System Return Flows and may make whatever use of the System Return Flows Houston deems desirable, except as otherwise provided below.

7.2 System Return Flow Use Requirements. To the extent permitted by law and as provided in this Manual, the Utility Official may authorize the Customer to use some part of the System Return Flows it generates by a Service Letter.

7.2.1 In order to maintain freshwater flows into the Galveston Bay and the associated estuary system and as a condition of service, the Customers may use System Return Flows only if:

7.2.1.1 The Customer diverts no more than 50% of the total volume produced by the Customer on a daily basis under the Customer's TPDES or other wastewater permit, whether discharged, applied to direct reuse, or otherwise used, from the permitted wastewater treatment plant and discharges the remaining volume and allow the same to flow into a state watercourse as authorized;

7.2.1.2 At no cost to Houston, the Customer installs, maintains, and updates meters, SCADA, and other AWWA recommended equipment to collect information reporting all discharges and reuse and provides the Utility Official with full access to the information collected;

7.2.1.3 The Customer limits its reuse of Water provided under the Contract to within the Project Boundary;

7.2.1.4 The Customers' reuse complies with all relevant provisions of the Ordinances, state and federal laws, and applicable regulations, as such Ordinances, laws, and regulations may be amended and may be reasonably interpreted by the Director;

7.2.1.5 Prior to seeking and also prior to implementing any permit or permit amendment related to reuse, discharge, or acquisition of surface water, the Customer provides the Utility Official with information that the Utility Official reasonably determines is necessary to evaluate any effect on System Return Flows and Houston's water rights;

7.2.1.6 The Customer complies with all applicable federal and state laws regarding reuse; and

7.2.1.7 After the Customer uses its 50% of the System Return Flows, and as permitted by regulatory standards, the Customer will return the unconsumed portion of the System Return Flows supplied to the Customer by Houston to watercourses consistent with this Manual, the Service Letter, Houston's water rights permits and State law.

7.2.2 The Utility Official shall approve the Customers' request to use System Return Flows if the Utility Official finds that:

7.2.2.1 the Customers' re-use request in the Service Letter meets the requirements of this Section 6.2;

7.2.2.2 the Customer does not owe Houston any outstanding funds for Water, capacity, or other charges or taxes the City must collect in order to contract with the Customer; and

7.2.2.3 The Customers' reuse causes no materially adverse impact on Houston's water rights, the Houston System, and Houston's obligations to the watercourse.

7.3 Review of System Return Flow Use. The Utility Official may conduct performance audits and review the findings for the Customer's System Return Flows every three years, during water shortage periods, or after a breach of the Contract.



COASTAL WATER AUTHORITY

**RAW WATER SERVICE CONNECTION GENERAL
REQUIREMENTS**

REVISED AUGUST 2020
(SUPERSEDES MARCH 2019 REVISION)

Issued by:

Coastal Water Authority
1801 Main Street, Suite 800
Houston, Texas 77002



Contents

1.0	GENERAL.....	1
1.1	THE CWA SYSTEM	1
1.2	RAW WATER SERVICE CONNECTION GENERAL REQUIREMENTS	1
2.0	APPLICATION PROCESS	3
2.1	CONTRACT WATER SERVICE REQUESTS	3
2.2	NON-CONTRACT WATER SERVICE REQUESTS	5
2.3	CWA FEES	5
2.4	INDEMNIFICATION	6
2.5	INSURANCE.....	7
3.0	ACCESSING WATER FROM THE CWA SYSTEM	10
3.1	GENERAL CONDITIONS	10
3.2	GENERAL DESIGN REQUIREMENTS	11
3.3	RAW WATERLINE CONNECTION GUIDELINES	14
3.4	CANAL PUMP STATION GUIDELINES	16
3.5	ACCESS REQUIREMENTS	16
3.6	CONSTRUCTION REQUIREMENTS	17
3.7	SERVICE AND OPERATIONS	19
3.8	ABANDONMENT	20

Attachments

- A. RAW WATER SERVICE CONNECTION APPLICATION
- B. RAW WATER STANDARD CONNECTION DETAIL
- C. TYPICAL PUMP STATION INTAKE STRUCTURE DETAIL
- D. FORM TCEQ-20700



1.0 GENERAL

1.1 THE CWA SYSTEM

The following guidelines are general in nature and can be used for initial planning and coordination of raw water service requests. Each water service request should, at a minimum, address these guidelines. The physical water service connection shall meet current Coastal Water Authority (CWA) Raw Water Service Connection General Requirements. Connection drawings must accompany each raw water service requests and shall be developed based on the specific conditions and requirements.

The CWA conveyance and distribution system performs an integral function in providing fresh water to the City of Houston (City) and surrounding communities and the continued uninterrupted operation is a vital governmental function. CWA delivers untreated water owned by the City to the City facilities and their municipal, industrial, and agricultural customers. Industrial customers must enter into a contract for the purchase of untreated water from the City, meet City meter requirements, and meet CWA requirements for connection to the CWA System.

1.2 RAW WATER SERVICE CONNECTION GENERAL REQUIREMENTS

CWA has developed specific requirements to help fulfill its obligation to protect the welfare, health and safety of the public's primary water supply. These revised/updated requirements supersede all previous editions and revisions. The requirements identify the rules and guidelines that must be satisfied to encroach upon or cross a CWA right-of-way or easement when making a service connection as well as the procedures to obtain authorization for such activities. These requirements contain the following sections:

- Application Process
- Accessing Water from the CWA System

CWA rights-of-way and/or easements are identified as "CWA Corridors" in this document. Each section addresses the most common procedures and requirements related to the specific section. These requirements may not be all-inclusive depending on specific situations and circumstances. Each *Water Service Application* will be considered on an individual basis and additional information and/or precautions may be required. All *Water Service Application* reviews will focus on the protection of CWA facilities and the ability for CWA to construct, operate, maintain, repair or replace CWA facilities. These guidelines are available on the CWA website at <https://cwacrossing.org>. The Customer is responsible for becoming and remaining informed of the General Requirements. **FAILURE TO OBTAIN AN EASEMENT OR CONSENT TO ENCROACH MAY RESULT IN THE REMOVAL OF INSTALLED FACILITIES.**

NOTE: THIS DOCUMENT PROVIDES MINIMUM REQUIREMENTS THAT MAY BE AMENDED FROM TIME TO TIME. CWA RESERVES THE RIGHT TO INCREASE THE STATED REQUIREMENTS BASED ON PROJECT SPECIFIC CIRCUMSTANCES TO PROTECT CWA FACILITIES.



Raw Water Service Connection Requirements – May 2020

The General Requirements delegate to the Executive Director approval authority for certain easements and encroachments. The General Requirements do not limit or restrict the CWA Board's exercise of any powers, duties, or jurisdiction conferred by law. The CWA Board may vote to amend or otherwise alter the General Requirements from time to time.

The references to parts, sections, and other headings in the General Requirements are for reference purposes only and will not affect the meaning or interpretation of the rules. If any one or more of the General Requirements is for any reason held to be invalid or unenforceable in any respect, the other General Requirements shall remain valid and be construed as if the invalid or unenforceable requirement was not included in the General Requirements.



2.0 APPLICATION PROCESS

Applications for Raw Water Service Connections should be sent to the address below. Submittals should include the completed *Raw Water Service Connection Application (Attachment A)*, design drawings and the appropriate fee.

Executive Director
Coastal Water Authority
1801 Main Street, Suite 800
Houston, Texas 77002
Attn: Raw Water Service Connection Application

2.1 CONTRACT WATER SERVICE REQUESTS

A. Planning a System Connection

The following guidelines are general in nature and can be used for initial planning and coordination to obtain water service from the Coastal Water Authority. Each water service request should address the conditions described in these guidelines as a minimum. Water service connections shall also meet the applicable requirements of other Sections of this Document. Connection plans shall be developed for each request based on operational criteria, specific site conditions, and installation requirements.

B. Application to City of Houston

To obtain raw water from CWA, the applicant request is coordinated through the **City of Houston (City) Public Works and Engineering/Planning and Development Services/Houston Water Planning (HWP)**. Potential CWA raw water customers should contact **HWP**.

C. Receipt of Draft Contract

Upon receipt of the above information and subject to availability of water, **HWP** will send a draft contract for review. The applicant will also receive a letter giving instructions to contact CWA regarding tap location and installation requirements and to contact the **City Meter Shop** for meter location and meter type.

D. Coordination of Functions

The City meter requirements can be obtained from **City of Houston Utility Customer Service (UCS)**. City departments provide the following functions:

1. **City Meter Shop:** Provides information to the applicant regarding appropriate meter(s), engineering drawings (by PE) of meter and tap locations on Texas coordinates, and meter inspection of existing meters, if any.
2. **City Engineer:** Reviews drawings, assists the Meter Shop in evaluation of drawings for tap and meter location. Also determines and advises **HWP** of the need, if any, for special clauses in the contract. The City determines the water availability and will require an easement for its meter location.



Raw Water Service Connection Requirements – May 2020

3. **City Drinking Water Operations:** Reviews and approves applicant backflow/air gap and conservation plan and advises **HWP** of the need, if any, for special clauses in the contract.
4. **City Council:** Upon return of signed contracts from the applicant, **HWP** coordinates with **City Council** for approval and arranges support staffing through several City departments. **HWP** then returns an original signed contract to the applicant and advises CWA of final approval.

E. CWA Application

1. Accessing water from the CWA system is described in Section 3.0.
2. After **HWP** notifies CWA of water availability and intent to sell, the applicant may arrange site meeting with CWA representatives where CWA will assist in identifying the connection's location and possible alternatives.
3. Upon request, CWA will provide reference drawing sheet numbers of proposed location and *CWA's Easement and Right-of-Way Encroachment General Requirements*. Applicant will be referred to CWA Engineer for pertinent drawing copies and design information needed to prepare engineer drawings.
4. Applicants requesting CWA raw water service shall submit the following:
 - a. Application (Appendix A) signed by the Applicant or the Applicant's authorized representative;
 - b. A general physical description and address of the location of the connection;
 - c. Corporate check or cashier's check for applicable fees (§ 2.3);
 - d. A certificate of insurance that meets the Insurance Requirements (§ 2.5);
 - e. Submittals including calculations, specifications, and design drawings showing plan views, profiles, and sections of the proposed project within the CWA Corridor that meet the Design Requirements of this document; and
 - f. A Certificate of Account Status, issued by the Texas Comptroller of Public Accounts, or if an Applicant was formed in another state a comparable document from the state of formation, no more than 30 days prior to date of this application. CWA may require statements and/or instruments of financial assurance of individual Applicants at the discretion of CWA's Executive Director.
5. To Facilitate the Application process, the Applicant must satisfy the following requirements, as applicable:
 - a. Obtain CWA's General Engineering Consultant (GEC) approval of all application drawings and other documents applicable under the General Requirements;
 - b. Pay all outstanding fees and complete all tasks related to CWA facility relocation(s), as the CWA GEC deems prudent and reasonable;
 - c. Obtain and provide to CWA a title report for the CWA Corridor affected by the proposed project;
 - d. Secure any additional rights from all third parties owning an interest in the CWA Corridor affected by the proposed project;



- e. Notify all owners of other pipelines, communication lines or other third-party facilities located within the CWA Corridor of CWA's grant of the application;
 - f. Provide written confirmation that Federal, State and local permitting and environmental requirements are fully addressed; and
 - g. For easement requests, the Applicant must obtain an appraisal from a Texas licensed appraiser that holds a MAI, SRPA or SRA member of the Appraisal Institute designation establishing the value of the requested easement.
6. CWA Engineer shall review drawings and specifications for approval. The CWA response, whether approved or returned for revision, may include written comments and recommendations. If necessary, the drawings and specifications must be revised until CWA approval is obtained.
 7. Once the application package is approved, a copy of the signed City of Houston water contract must be provided before the overall process can continue.
 8. On return of signed contracts from applicant, **HWP** coordinates staffing through several City departments and City Council approval. **HWP** provides an original signed contract to applicant and advises CWA of final approval. CWA will provide written approval of the application package, which will allow construction to begin in accordance with approved plans and specifications. Written approval from CWA will include a point of contact and phone number for making notification prior to start of construction.

2.2 NON-CONTRACT WATER SERVICE REQUESTS

A. Planning for Temporary Connection

The following guidelines are general in nature and can be used for requesting the purchase of water from CWA for temporary use such as hydrostatic testing, water for construction purposes, and similar short-term usage.

B. Application to City of Houston

To obtain raw water from CWA, the applicant request is coordinated through the HWP.

C. Receipt of Application

Upon receipt of the above information and subject to availability of water, the City will send a letter giving instruction regarding the location and procedure for purchase of temporary water from the CWA system.

2.3 CWA FEES

A. Administrative Fee

There is a non-refundable \$5,000 administrative fee for each connection in a CWA Corridor. The fee must be submitted with the initial application and does not cover costs associated with the grant of an easement, special encroachment consideration, or review requiring specialized knowledge or consideration for which additional fees may be charged.



B. Easement Fee

CWA may charge Applicants requesting an easement a fee based on the appraisal submitted by the Applicant along with other factors identified by CWA in an invoice. This fee is in addition to the Administrative Fee described above.

C. Payment Method

All fees must be paid by corporate or cashier's check made payable to Coastal Water Authority and submitted with the application. Any fees assessed after the initial submittal must be paid within 30 days. **BANK DRAFTS ARE NOT ACCEPTABLE.**

D. Bayport Area User

Customers designated by the City water service contract as being "Bayport Area Users" may be charged a conveyance fee by the Coastal Water Authority. The Bayport Water System is a CWA-owned asset designed to provide facilities for the transportation of water purchased from the City of Houston. The conveyance fee allows CWA to operate the Bayport System on a self-supporting basis. To accomplish this, an annual budget is established based on estimated operation and maintenance expenses, debt services (if applicable), administrative charges, and a capital improvement fund for major rehab/replacement projects within the Bayport System. The conveyance fee rate is established based on estimated annual water consumption that will fully recover these costs.

2.4 INDEMNIFICATION

THE PROJECT OWNER AGREES TO AND DOES HEREBY, INDEMNIFY AND DEFEND CWA AND ITS OFFICERS, DIRECTORS, AGENTS, SERVANTS, REPRESENTATIVES, EMPLOYEES, ENGINEERS AND ATTORNEYS (COLLECTIVELY REFERRED TO HEREIN AS THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL SUITS, DEMANDS, OR CLAIMS AND ALL COSTS, LOSSES SETTLEMENTS (VOLUNTARY OR OTHERWISE), LIABILITIES, EXPENSES AND JUDGMENTS INCURRED IN CONNECTION THEREWITH, INCLUDING ATTORNEY'S FEES AND COURT COSTS; WHETHER ARISING IN EQUITY, AT COMMON LAW OR BY STATUTE (INCLUDING THE TEXAS DECEPTIVE TRADE PRACTICE ACT OR OTHER SIMILAR STATUTES), OR UNDER THE LAW OF CONTRACTS, TORTS (INCLUDING WITHOUT LIMITATIONS NEGLIGENCE OR STRICT LIABILITY WITHOUT REGARD TO FAULT) INCLUDING WITHOUT LIMITATION ALL CLAIMS, DEMANDS AND SUITS FOR DAMAGES OR INJURIES, INCLUDING DEATH TO ANY AND ALL PERSONS OR PROPERTY, WHETHER REAL OR ASSERTED, BASED UPON, IN CONNECTION WITH, RESULTING FROM OR ARISING OUT ANY ACTION OR OMISSION WHETHER NEGLIGENT OR OTHERWISE ON THE PART OF THE PROJECT OWNER OR ITS AGENTS, SERVANTS, REPRESENTATIVES, EMPLOYEES AND SUBCONTRACTORS. SUCH INDEMNIFICATION WILL INCLUDE WORKERS' COMPENSATION CLAIMS OF OR BY ANYONE WHOMSOEVER IN ANY WAY BASED UPON, IN CONNECTION WITH, RESULTING FROM OR



ARISING OUT OF THE PROJECT OWNER'S WORK, AND OPERATIONS IN CONNECTIONS HERewith INCLUDING OPERATIONS OF SUBCONTRACTORS ENGAGED BY PROJECT OWNER, IF ANY.

PROJECT OWNER'S CONTRACTUAL OBLIGATIONS OF INDEMNIFICATION WILL EXTEND TO AND COVER CLAIMS, DEMANDS AND CAUSES OF ACTION ALLEGING ACTS OF NEGLIGENCE, FAULT OR OTHER ACT OR OMISSION BY OR ON THE PART OF THE INDEMNIFIED PARTIES. HOWEVER, IN THE EVENT THAT ONE OR MORE OF THE INDEMNIFIED PARTIES ARE ADJUDICATED AT FAULT WITH RESPECT TO DAMAGE OR INJURY SUSTAINED BY A CLAIMANT, PROJECT OWNER WILL INDEMNIFY THE INDEMNIFIED PARTIES ONLY FOR THAT PORTION OF THE DAMAGE OR INJURY ADJUDICATED TO HAVE BEEN CAUSED BY PROJECT OWNER AND/OR ITS AGENTS, SERVANTS, REPRESENTATIVES, EMPLOYEES AND SUBCONTRACTORS.)

2.5 INSURANCE

A. Required Insurance Periods

For all periods of time the Applicant and subcontractors are working within CWA Corridors, the Applicant and Applicant's contractors and subcontractors must provide insurance, at no cost to CWA, meeting the requirements described in this section.

B. Insurance Requirements

Field activities will not be permitted without proof of insurance on a Texas Department of Insurance (TDI) approved certificate of insurance form (certificate). The certificate must be valid for as long as the consent or easement exists. The Applicant shall obtain endorsement to cover Insurance Requirements not covered by the terms of the Applicant's underlying insurance policy or contract. The certificate shall reference all endorsements applicable to the policy or contract. All policies, except Workers' Compensation coverage, shall name CWA as an additional insured. The Applicant's policy must include a waiver of subrogation in favor of CWA.

C. Insurer Requirements

The Applicant shall obtain coverage from (1) an insurer with a Certificate of Authority from the Texas Department of Insurance to issue policies in Texas or (2) a non-admitted insurer eligible to issue policies in Texas with a current Best's rating of at least B+ and a Best's financial size category of class VI or better.

D. Policies and Minimum Limits of Liability

The Applicant shall provide, at no cost to CWA, minimum coverage during period that the Applicant performs or authorizes work within CWA's rights-of-way or easements as described in Table 1 on the following page.

E. Material or Lack of Coverage

The Applicant will provide CWA with 30 days written notice if any of the Applicant's policies or endorsements are cancelled, materially changed, or non-renewed. If CWA staff determines that Applicant's coverage does not meet the requirements of this



Raw Water Service Connection Requirements – May 2020

section, at the sole discretion of the CWA Executive Director, CWA may (1) purchase the required insurance and invoice Applicant for the full cost; or (2) suspend the Applicant's encroachment or easement approval until CWA staff determines the Applicant's coverage meets the requirements of this section.



Table 1
Policies and Minimum Limits of Liability

<u>Kinds of Insurance</u>	<u>Limits of Liability</u>
(A) Workers Compensation; Texas Operations	Statutory
(B) Employer's Liability	<ul style="list-style-type: none"> • Accident \$1,000,000 Each Accident • Disease \$1,000,000 Each Employee • Disease \$1,000,000 Policy Limit
(C) Commercial General Liability including, but not limited to: <ol style="list-style-type: none"> 1. premises/operations 2. independent contractors' protective 3. products and completed operations 4. personal injury liability with employment exclusion deleted 5. contractual 6. owned, non-owned and hired motor vehicles 	<ul style="list-style-type: none"> • \$2,000,000 General Aggregate • \$2,000,000 Products/Completed Operations Aggregate • \$1,000,000 Each Occurrence • \$1,000,000 Personal and Advertising Injury • \$500,000 Fire Damage Liability
(D) Business Automobile Liability including All Owned, Hired and Non-owned Automobiles	\$1,000,000 Combined Single Limit Per Occurrence
(E) Umbrella Liability: Such insurance shall be excess over and be no less broad than all coverages described above and shall include a drop-down provision for exhaustion of underlying limits. This policy shall have the same inception and expiration date as the commercial general liability insurance required above.	<ul style="list-style-type: none"> • \$5,000,000 Per Occurrence • \$5,000,000 Aggregate Bodily Injury and Property Damage
(F) Builder's Risk: An all risk policy form covering, without limitation, perils of fire and extended coverage and physical loss or damage, including theft, earthquake, hurricane, flood, windstorm, tornado, vandalism, malicious mischief, collapse, false work, testing and start-up, temporary buildings and debris removal and covering reasonable compensation for CWA's and Engineer's services and reasonable expenses of CWA and Engineer which are required as a result of such loss.	The initial Contract Price and any subsequent modifications thereto for the entire Work and materials stored at the site, stored offsite or being shipped to the site, on a replacement cost basis without voluntary deductibles



3.0 ACCESSING WATER FROM THE CWA SYSTEM

3.1 GENERAL CONDITIONS

A. Reservation of Surface and Subsurface

CWA reserves for itself and its successors and assigns the right to use of the surface and subsurface of the project area for any and all purposes that do not interfere with and are not inconsistent with rights granted by CWA. Subject to the foregoing, CWA's right to use the project area shall include, without limitation, CWA's right to: (i) maintain its existing facilities located within the project area and to install, place and maintain future facilities within or below the surface of the project area; and (ii) cross over the project area by foot or with wheel and track vehicles to the extent necessary to efficiently prosecute the work described in item (i) provided that CWA notify Customer in advance of any action CWA will undertake in the area covered by this Consent except for emergency situations.

B. Right of Removal

CWA may remove project facilities to install a new pipeline, perform maintenance on existing pipeline(s), or remove a Customer's project facilities not authorized by an easement or encroachment. CWA shall not be responsible to pay any costs incurred by Customer to replace the project facilities removed as a result of CWA's actions.

C. Confirm Regulatory Compliance

The Customer will provide written confirmation that Federal, State and local environmental requirements are fully addressed prior to the issuance of an Easement or Consent to Encroach. Throughout construction activities, all environmental requirements must be complied with and any issues resolved. Provisions will be made and enforced to prevent contamination of groundwater, surface water, or canal water during construction.

D. CWA Facilities Protection

The Customer will protect in place CWA facilities and appurtenances, such as existing blow-offs, air valves, vents, manholes and cathodic protection test stations, prior to and during construction. Upon request, CWA personnel familiar with CWA facilities, such as valves, manholes, or cathodic protection systems, will be made available to identify the locations of such facilities.

E. Avoid Project Conflicts

The Customer will construct and maintain any project facilities within the CWA Corridor to avoid conflict with CWA's existing or future facilities. Additional requirements beyond these guidelines may be imposed if CWA's concludes additional safeguards are necessary to protect CWA's existing or future facilities.

F. Assumption of Risk

The Customer assumes all risks associated with the project within CWA property rights-of-way or easements including, but not limited to, worker



Raw Water Service Connection Requirements – May 2020

injuries, damage to CWA facilities, damage to contiguous utility lines, damages or injuries from improper installation and/or maintenance of facilities as shown in the approved design documents.

G. Project Adjustment

The Customer or owner of any project facility constructed in a CWA Corridor that causes interference with the use of such corridor will be notified by CWA in writing and will remove, lower, adjust or relocate any such facility at the owner's expense.

H. Repair/Adjustment Cost Responsibility

The Customer or owner of any facility constructed in a CWA Corridor shall be fully responsible for reimbursement to CWA for all cost associated with any damage to CWA facilities during construction, removal and/or replacement of the facility. In the event CWA must excavate within CWA's Corridor for future maintenance or installation of new pipelines and/or related appurtenances and this affects the Customer or owner's constructed facility, the Customer or owner is responsible for all associated constructed facility repair or reinstallation.

I. Venue

Venue for any dispute between the Customer and CWA relating to an easement or right-of-way encroachment is Harris County, Texas.

J. Applicable Laws

Any dispute between the Customer and CWA relating to an easement or encroachment is subject to the laws of the State of Texas, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction.

3.2 GENERAL DESIGN REQUIREMENTS

In addition to the completed Raw Water Service Connection Application in Attachment A, the owner must submit design drawings to CWA for approval. Preference is to use existing unused service valves or an available air/vacuum valve riser, if CWA determines it is appropriate. A typical detail for connection to an existing service valve is provided as Attachment B and a typical detail for a raw water pump station as Attachment C. The design must include the following information/requirements and must be shown on the drawings:

A. Drawing Format

Customer shall submit at least one legible 8½-inch x 11-inch copy of documents in an acceptable format. Portable document format (PDF) is the generally acceptable file format, but CWA may require files in a different format. Drawings must clearly show the proposed limits of construction.

B. Legal Department Drawing Requirements

The Customer may be required to submit a metes and bounds description of the property and all relevant drawings must contain the following minimum requirements):



Raw Water Service Connection Requirements – May 2020

1. North arrow & scale;
2. County name;
3. Survey name & abstract number;
4. Point of beginning and termination (with State Plane Coordinates if available);
5. CWA Corridor boundaries;
6. Tie to closest CWA property corner;
7. Tie to centerline of closest CWA above ground and underground facility or pipeline (showing distance and structure number) and offset or parallel distance from CWA easement or fee strip line;
8. Type and size of crossing (outer pipe diameter, width of road and ditch crossings, or area for surface sites);
9. Stationing along the proposed project;
10. Bearing and distance of crossing or longitudinal occupation;
11. If CWA will issue an easement, the easement boundaries must be shown on the drawings and easement metes and bounds description included with the submittal;
12. Locative reference – tie to a street;
13. CWA tract reference & ad joiner information, including CWA right-of-way width;
14. Reference to recorded instrument granting CWA property rights that will be affected by Customer's request;
15. Basis of bearings (and coordinates if used);
16. Reference to CWA as-built drawing(s);
17. Registered professional land surveyor's certification, seal, signature & printed name with registration number;
18. Total area or distance, separated by fee & easement, within CWA right-of-way;
19. Name address and phone number of registered professional land surveyor or firm that prepared the survey;
20. Ties to existing pipelines every 500 feet or at a change in direction and position;
21. Swales, ditches, ponds, rivers, and/or canals locations in the right-of-way; and
22. A profile of the facility if it crosses any underground facilities of CWA or others.
23. CWA project name/number and customer name



C. Design Submittals

The design must include the following information/requirements and must be shown on the drawings:

1. Peak, average and contracted flow rates
2. Pipe size, schedule, and material
3. Valve size, and type with unique valve number
4. The “Point of Delivery” at the valve connection point to the CWA system (both on the design drawings and in the contract with the City).
5. The “Point of Measurement” at the meter site approved by the City (both on the design drawings and in the contract with the City).
6. Service Line Discharge/Termination (Storage tank, Holding Pond, Etc.)
7. Design drawings prepared and sealed by a Licensed Texas Professional Engineer

At CWA’s request, the customer shall provide all relevant design calculations for review.

D. Service Line Routing

The horizontal alignment and vertical profile of the service line routing across the CWA right-of-way shall not impact future CWA pipeline installations. Service line criteria, such as depths, clearances, etc., are identified in *CWA’s Easement of Right-of-Way General Requirements*. The service line’s horizontal alignment and vertical profile will be evaluated on a case-by-case basis.

E. Air Gap Requirement

Any customer provided pump station must include an air gap to atmosphere between the pump station and the CWA transmission pipeline or Point of Delivery. **Do not connect a pump directly to any CWA waterline.**

F. Backflow Prevention Equipment

Customers shall furnish and install Backflow Prevention Equipment at the Customers own cost and expense. The Backflow Prevention Equipment must have a capacity for the quantity of water delivered and conform to required specifications. The Backflow Preventer must be installed in a way that prevents bypass during standard operations. A bypass Backflow Preventer may also be installed at customers expense. If a bypass Backflow Preventer is installed is must conform to same testing and specifications as the main preventer. The customer shall maintain ownership, operation and maintenance in accordance with this document and any applicable COH codes.



3.3 RAW WATERLINE CONNECTION GUIDELINES

A. General

The following applies to all raw water connections:

1. All connections must be installed in a vault.
2. The connection must be sized appropriately for the contracted amount of water. The maximum waterline connection size is 18-inches.
3. All downstream pipe must be restrained joint piping.
4. Provide a pipe support under the valve.
5. If not connecting to a Tee downstream of valve/blind flange, install Tee with an additional service valve/blind flange within vault.
6. Do not locate raw water flow meter, backflow preventer, or an airgap in CWA right-of-way or easement.
7. Only one customer per point of delivery connection.

B. Existing Valve Condition

The contractor is responsible to check the condition of the existing valve and notify CWA of that condition. If CWA or customer determines the valve is not in acceptable condition, customer will be responsible for the replacement or repair of the existing valve. If repair or replacement is not in the best interest of both parties a different service location will be identified.

C. Valves

The block/gate valve, to conform to AWWA C509 or C515. Gate valves shall have a ductile iron body, 125 lb. flat-faced, flanged ends, cast iron double disc gate, bronze trim, non-rising stem, extension rod, a two-inch (2") AWWA square operating nut in lieu of an operating wheel, and a by-pass valve to equalize the pressure on both sides of the gate valve. Bolting for all valves shall be in accordance with ASTM A307, Grade B with hexagonal heads. Install valve stem and appropriate supports to operate all valves from surface.

D. Pipe Alignment

Arrange and adjust connection piping to meet the service valve at its precise angle and elevation. Force shall not be applied to the service valve to align it with connection piping. Provide fitting(s) and align connection piping exit vault below grade; make sure all piping and valves within the vault are supported. The connection pipe must span 40 foot and be cased entirely within the CWA ROW.

E. Pipe Support

A pipe support of sufficient size shall be installed under each joint within the vault to carry the combined load of the pipe and water. Pipe supports shall span across the pipe joint.



F. CWA Pipe Excavation

All excavation adjacent to the CWA pipes must have a CWA representative present. A 1-foot lift of cement stabilized sand may be required in the excavation bottom to provide the foundation to support the valve box and pipe supports.

G. Backfill

All excavations must be backfilled to original ground level with suitable fill materials as approved by CWA. Backfill must be placed in 6-inch maximum loose lifts and compacted to 95% of maximum density at optimum moisture content, plus or minus 3% as specified by ASTM D6988, or latest edition.

H. Corrosion Protection

The piping and valves shall be coated in accordance with CWA piping specifications to be consistent with existing corrosion protection. An insulating flange gasket in accordance with City of Houston Standard Specification Section 15640 Joint Bonding and Electrical Isolation is to be provided between the valve and the service line piping should the service line piping material be downstream of the valve be electrically conductive. If an insulating flange is provided, test leads shall be installed on the pipe on each side of the insulating flange and brought to an above ground test station. A CWA representative must verify electrical isolation before initiation of service. Customer is responsible for upkeep and repair of isolation flange. CWA is not responsible for any damage to customer pipeline or facilities as a result of electrical currents. Service will be suspended if CWA determines a customer's pipeline is not electrically isolated from CWA system.

I. Thrust Restraint

All service lines shall be installed with necessary thrust restraints required by the valve and piping arrangement.

J. Ground Water Control

The contractor shall provide necessary measures to control ground water from all sources. CWA's bedding and pipe zone backfill is sand, therefore there is a potential for groundwater to migrate along the pipeline into the excavation. The contractor is required to provide necessary measures to control groundwater without loss of pipe bedding material.

K. Vault

All new connections are to be installed inside a vault. If no vault is present customer is responsible for design, procurement and installation. Upon completion ownership of vault shall be turned over to CWA. CWA will be responsible for all upkeep and repairs of said vault. All vaults must be designed in accordance with Attachment B Raw Water Standard Connection Detail and meet the following design specifications: ASTM C857, ASTM C858 and ASTM C891.



3.4 CANAL PUMP STATION GUIDELINES

A. Canal Pumping Facilities

Pumping facilities shall be located outside of the CWA right-of-way with the intake pipe extending through the canal embankment. Pipe, valves, manholes and appurtenant items cannot be installed aboveground within the CWA right-of-way. Installation must provide CWA access along both canal embankments and a minimum of 30 feet between the pumping facility and the canal water line. Design submittals will include:

1. Pump station plan and profile with details
2. Piping inside the canal embankment
3. A cross-section showing normal operating and maximum canal levels
4. Pipe location within the embankment
5. Pump quantity and size

A typical detail for a canal pumping station is provided as Attachment C.

B. Valves

A block/gate valve, controlled by CWA, shall be installed inside the CWA right-of-way in the pipe coming from the canal. Valves shall be Waterman AC-31 or approved equivalent gate valve designed for canal use.

C. Headwalls

Intake piping extending into the CWA canal may require protection with a concrete headwall to prevent maintenance activities from damaging pipe ends.

D. Cofferdam/Canal Diversion

A cofferdam must be designed by a licensed state of Texas professional engineer to industry standards and built to specifications. Dam must be fully removed and any damage to canal repaired upon completion of construction. Customer is responsible for evaluating the impact of the dam on downstream canal flows and provide results to CWA for evaluation prior to approval of design. If CWA determines bypass flows are not sufficient customer must redesign dam or provide a plan to temporary divert canal flows.

3.5 ACCESS REQUIREMENTS

A. Access Notice

The Customer will notify CWA staff a minimum of 48 hours prior to any activity in or adjacent to CWA facilities, property, rights-of-way, or easements. Except for approved access for installation and routine maintenance, Customer must obtain CWA's consent before entering CWA's Corridor. A copy of the right of entry form can be found on the CWA Crossing Application Website (<https://cwacrossing.org/>).



B. Installation Access

The Customer's right of access for installation will expire 180 calendar days from the date CWA approves the application, unless otherwise noted or extended. If the Customer does not begin project installation within the approved time frame, the right of access expires, and the Customer must submit a new application in accordance with CWA's current policy.

C. Routine Maintenance Access

Routine maintenance activities accomplished remotely without any access or invasive activities to CWA Corridors require a 48-hour advance CWA notification, but do not require a new application CWA's prior consent. The Customer must obtain a special encroachment for routine maintenance that includes invasive activities. The CWA GEC will reasonably determine what constitutes routine maintenance and when CWA's prior consent is required.

D. Emergency Maintenance Access

All emergency maintenance access requires advanced or simultaneous CWA Representative notification at (281) 424-2312 or the name and phone number provided in writing by CWA staff. If CWA determines this access is a new activity, an encroachment application and associated fee will be required. Updated as-built drawings are required if the emergency maintenance activity alters the pre-access location of the installed facilities.

E. Open Access

CWA's ongoing operations and maintenance activities will not be disrupted due to any Customer activities. Maintenance access and roads along open canals must be kept accessible and available for CWA use at all times.

F. Vehicle Access

Vehicular access across all facilities or improvements will be provided to CWA personnel at all times.

3.6 CONSTRUCTION REQUIREMENTS

A. Pre-construction Conference

CWA staff, CWA's GEC, the Customer's agent and construction inspectors must schedule and attend a pre-construction conference before any work commences on CWA's Corridor. A minimum 48-hour pre-construction meeting advance notice is required.

B. Construction Work Plan

The Customer may be required to submit procedures, excavation plans, schedules and the type and weight of the construction equipment to be used when working within or crossing the CWA Corridor. No equipment with a net surface loading that exceeds the equivalent of standard HS-20 loading, as



Raw Water Service Connection Requirements – May 2020

defined by American Association of State Highway and Transportation Officials (AASHTO) will be permitted. When crossing under a CWA facility, the installation means and methods will be specified and followed during the construction phase. Means and methods revisions must be submitted to CWA prior to the start of any construction near the CWA facility.

C. Advanced Notification

ADVANCE NOTIFICATION OF TWO WORKING DAYS IS REQUIRED PRIOR TO STARTING ACTIVITIES WITHIN COASTAL WATER AUTHORITY CORRIDOR. Contact the CWA Representative at (281) 424-2312 or the name and phone number provided on approval documents. **ALL WORK COMPLETED WITHIN CWA RIGHTS-OF-WAY, EASEMENTS, OR PROPERTY MUST BE MONITORED AND OBSERVED BY CWA PERSONNEL.**

D. Site Inspections

Prior to construction, the condition of CWA's roads, fences, and adjacent land areas will be jointly inspected and documented by the Customer or the Customer's agent and CWA staff. Upon completion of the proposed construction activities, a final inspection will be conducted. The Customer is responsible for all costs associated with returning the site features to pre-construction conditions or better.

E. Customer's Inspector

The Customer will assign a qualified inspector to be on site during construction operations within CWA's Corridors. The inspector will order the cessation of the work when so requested by CWA's field representative.

F. Required Communication

The Customer will keep CWA staff advised at all times when working adjacent to or within CWA's Corridor. No work will be done on CWA's Corridor without CWA's representatives present, unless authorized by a CWA representative.

G. Safety

The Customer will be responsible for creating, implementing, and following a safety program to perform the work, maintain a safe work place, and comply with the Customer's standard of care and all applicable laws bearing upon safety and any standards of care, laws, or regulations applicable to the Customer's agents, contractors, and subcontractors. These parties will perform work in a safe and reasonable manner and seek to avoid injury, loss or damage to persons or property by taking reasonable steps to protect: (a) employees and other persons at the project site, and (b) all property and structures located at the project site affected by the work or adjacent areas.



H. Security

If permanent fencing is removed, the area must be secured with temporary fencing or a guard when workers are not present. Permanent fencing must be reinstalled to existing or better condition when construction is complete.

I. Site Restoration

The Customer must remove all equipment and materials from CWA property and return property to "as before or better" condition (to be verified and approved by CWA's representative) before the expiration of the Customer's right of access for installation or special encroachment. If the Customer fails to comply, CWA will take appropriate action to return property to "as before" condition and the Customer will reimburse CWA for all associated expenses or forfeit its encroachment or easement.

J. Record Drawings

The Project Owner will provide CWA with record drawings showing location, horizontal coordinate values, and elevations within 60 days of project completion. These drawing must include plan and profile information, use South Central Texas State Plane Coordinate NAD 83 grid. Drawings to be submitted electronically in PDF formant, and CAD file if applicable. An ESRI shapefile including the point of delivery, point of measurement, service line routing and all easements is required upon project completion.

3.7 SERVICE AND OPERATIONS

A. Maintenance Plan

All improvements, modifications, or facilities installed within CWA Corridors must be maintained in reasonable operating condition per typical industry standards.

B. Measuring Equipment

During all reasonable hours, The Coastal Water Authority shall have access to the measuring equipment.

C. Backflow Prevention Equipment

At customers own cost and expense, customer shall have backflow prevention inspected and tested by CWA approved independent tester. Test shall be conducted on an annual basis and shall provide written notice to CWA at least 48 hours in advance indicating the time and location where the testing is to be done. Should any testing of the customers Backflow Prevention Equipment demonstrate the equipment is damaged or improperly functioning, customer is responsible for immediate repair or replacement. Upon completion of any repair, replacement or modification of customer Backflow Prevention Equipment, the equipment must be retested by an approved independent test agency. If at any time customer becomes aware of Backflow Prevention Equipment that is



Raw Water Service Connection Requirements – May 2020

damaged or improperly functioning, customer must immediately inform CWA in writing and conduct any necessary repairs or replacement.

Customers are required to have a licensed inspector submit the Texas Commission on Environmental Quality form TCEQ-20700 Backflow Prevention Assembly Test and maintenance Report, see **Attachment D**, to CWA at backflowprevention@coastalwaterauthority.org upon completion of any testing or maintenance of backflow prevention devices. During all reasonable hours, Coastal Water Authority shall have access to the Backflow Prevention Equipment.

D. Service Line Termination

During all reasonable hours, The Coastal Water Authority shall have access to the customer facilities to inspect and verify water discharge location.

E. Required Immediate Corrections

The following practices and operation conditions require immediate correction:

1. Pressure variations that have the potential to damage the CWA System.
2. Inadequate or compromised backflow prevention devices.
3. Leaks or breakage between the Point of Delivery and the Point of Measurement.
4. Inadequate or compromised electrical isolation flanges.

3.8 ABANDONMENT

A. Installed Facilities

Prior to abandoning any existing facilities within CWA Corridors, submit a facility abandonment request that completely describes all abandonment activities for CWA review and approval.

B. Abandonment

Prior to abandoning any ongoing facility installation within CWA Corridors, Customer must submit a project abandonment request that describes how any partially installed facilities will be removed, the site will be returned to preconstruction condition, and how CWA facilities will be protected during the abandonment activities for CWA review and approval.

C. Contract Termination

Upon termination of COH raw water contract, customer must remove all facilities from CWA corridor. CWA reserves the right to reassign service outlet upon termination of contract.

ATTACHMENT A

Coastal Water Authority

Raw Water Service Connection Application

Raw Water Service Connection Application

Coastal Water Authority
1801 Main Street, Suite 800
Houston, TX 77002-8120
Attn: Executive Director

Phone: (713) 658-9020
<http://www.coastalwaterauthority.org/>

REQUESTOR INFORMATION: *(Print or Type Only)*

Date _____

Individual Name _____ Company Name _____ Phone Number _____

Address _____ City _____ State _____ Zip Code _____

Email Address _____ Site Location/Key Map (attach) _____

LEGAL NAME OF FACILITY OWNER REQUESTING RAW WATER SERVICE:

Company Name _____ Raw Water Use _____

Address _____ City _____ State _____ Zip Code _____

Authorized Representative: Name & Title _____

State requesting company is incorporated _____

SUBMITTAL REQUIREMENTS

All requestors must agree to comply with “**CWA Raw Water Service Connection Requirements – Revised August 2020**” and as amended periodically. If CWA facility relocation is required due to this request, the relocation(s) cost(s) will be borne by the requesting party and must be paid before the request is granted. The following documents will be issued per CWA property rights:

- Fee ownership: an easement will be prepared and executed by CWA
- An easement: A Consent to Encroach will be issued

It is the requestor’s responsibility to secure additional needed rights from parties where CWA's rights are limited or less than a fee simple ownership. The requestor must notify owners of other pipelines, communication lines or other third-party facilities located within CWA's grant to requestor.

FEE

The easement or consent to encroach fee is defined in the CWA Water Service Connection Requirements – Revised August 2020. **THE \$5,000.00 NON-REFUNDABLE ADMINISTRATIVE FEE MUST ACCOMPANY THE REQUEST SUBMITTAL.**

INDEMNIFICATION

BY SIGNING THIS APPLICATION, THE FACILITY OWNER REQUESTING WATER SERVICE IS LEGALLY BOUND BY THE INDEMNIFICATION AGREEMENT IN THE CWA Water Service Connection Requirements – Revised August 2020.

REQUESTS SUBMITTED WITHOUT THE REQUIRED APPLICATION FEE OR THAT DO NOT CONTAIN THE SPECIFIED INFORMATION, WILL NOT BE APPROVED. Deficiencies will be identified, and a revised package can be resubmitted.

The undersigned authorizes CWA to contact the Surveying firm that prepared the attachments and **certifies that the information provided is accurate and acknowledges that incomplete information may delay processing or invalidate this application.**

By: _____
Printed Name

Signature: _____

Title: _____



(revised August 2020)

ATTACHMENT B

Coastal Water Authority

Raw Water Standard Connection Detail

ATTACHMENT C

Coastal Water Authority

Typical Pump Station Intake Structure Detail

ATTACHMENT D

Texas Commission on Environmental Quality

Form TCEQ-20700