

MILITARY HIGHWAY WATER SUPPLY CORPORATION
STANDARD SERVICE AGREEMENT

AGREEMENT made this _____ day of _____, 20____, between Military Highway Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and _____, (hereinafter called the Member)

Witnesseth:

The Corporation shall sell and deliver water and/or sewer service to the Member and Member agrees to purchase and receive water service from the Corporation, in accordance with the bylaws and rules and regulations of the Corporation as amended from time to time by the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for membership as a new Applicant or continued Membership as a Transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which the Member acknowledges receipt hereof by execution of this agreement.

The Board of Directors shall have the authority to cancel the membership of any member not complying with any policy or not paying any utility fee or charge as required by the Corporation's published rates, fees, and conditions of service.

If this agreement is completed for the purpose of assigning water and/or sewer service as part of a rural domestic water and/or sewer system loan project contemplated with the Farmer's Home Administration, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining

- A. the number of taps to be considered in the design and
- B. the number of potential rate payers considered in determining the financial feasibility of constructing either
 - 1. a new water and/or sewer system or
 - 2. expanding the facilities of an existing water and/or sewer system, the Applicant thereby agrees to obtain, utilize, and/or reserve service as soon as it is available.

Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly water charges for such service as prescribed in the Corporation's published rates, fees and conditions of service. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an Indication of Interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation as part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fee.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or connection is for the sole use of the member or customer and is to serve water to only one dwelling or only one business. Extension to another, to share, resell, or sub-meter water to any other person, dwellings, business, and/or property, etc., is prohibited.

In the event the total water supply be insufficient to meet all of the needs of the Members, or in the event there is a shortage of water the Corporation may initiate the Emergency Rationing Program as indicated in the Corporation's Tariff. By execution by the Applicant of this agreement, Applicant hereby agrees to comply with the terms of said program.

The Member shall install at his own expense a service line from the water meter and connection and/or sewer tap to the point of use, including any customer isolation valves and other equipment as may be specified by the Corporation.

The Member shall hold the Corporation harmless from any and all claims or demands caused by service interruptions due to waterline and /or sewerline breaks by utility or like contractors, tampering by other Member/Users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member agrees to grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future members, on such forms as required by the Corporation.

The Corporation shall have the right to locate a sewer tap and/or water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service shall have the right to remove any of its property from the Member's premises.

The Corporation's authorized employees shall have access to the Member's property or premises at all reasonable times for the purposes of inspecting for possible violations of the Corporation's policies, or Texas Department of Health Rules and Regulations. The Corporation strictly prohibits the connection of service pipelines from its water service meter to any private well or other unknown water supply.

By execution of this Standard Service Application and Agreement, Applicant agrees to guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of water utility service under the terms and conditions of the Corporation's Tariff.

By execution of this Standard Service Application and Agreement, Applicant agrees that violations of the terms of this Agreement may constitute discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of pages of this form shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

X _____
Applicant/Member

Witnesseth

Approved & Accepted

ATTACHMENT "A" AGREEMENT

I. PURPOSE

The Military Highway W. S. C. is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the Military Highway W. S. C. will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not reestablish service unless it has a signed copy of this agreement.

II PLUMBING RESTRICTIONS

The following undesirable plumbing practices are prohibited by State regulations:

- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination must be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
- B. No cross-connection between the public drinking waters supply and a private water system is permitted. These potential threats to the public drinking water supply must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- C. No connection which allows water to be returned to the public drinking water supply is permitted.
- D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. AGREEMENT

The following are the terms of the service agreement between Military Highway W. S. C. (the Water System) and _____.

- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
- B. The Customer must allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections must be conducted by the Water System or its designated agent prior to initiating service and periodically thereafter. The inspections must be conducted during the Water System's normal business hours.
- C. The Water System must notify the Customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer must immediately correct any undesirable plumbing practice on his premises.
- E. The Customer must, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records must be provided to the Water System.

IV ENFORCEMENT

If the Customer fails to comply with the terms of the Service Agreement, the Water System can at its option, either terminate service or properly install, test, and maintain an appropriate back-flow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

X _____

Applicant/Member

Date

**** TEMPORARY METERS - Applicant/member is liable for calling in a reading on a monthly basis. If you fail to do so, your bill will be estimated and no refunds or adjustments will be made.

X _____

Applicant/Member

RIGHT OF WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that _____ (hereinafter called "Grantors"), in consideration of One and no/100ths Dollars (\$1.00), and other good and valuable consideration paid by MILITARY HIGHWAY WATER SUPPLY CORPORATION, a Texas non-profit corporation organized and operating pursuant to Article 1434a (VATS), having its principal offices in Hidalgo County, Texas (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors and assigns, a perpetual, exclusive easement with the right to install, operate, inspect, repair, maintain, replace, and remove utility pipeline(s) across _____ acres of land, more particularly described in an instrument dated _____ which instrument is recorded in Volume _____, Page _____, _____ Records, _____ County, Texas, together with the right of ingress and egress over the said tract of land and adjacent lands for the purpose for which the above mentioned rights are granted.

This easement hereby granted shall not exceed 20' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of Grantee, its successors and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens, except the following:

Grantors authorize Grantee to contact and request lienholder's approval of this easement.

Grantors hereby include in this Right of Utility Easement the rights to remove from said lands all trees, shrubs, and parts thereof, or other obstructions which in any way endanger or may interfere with the efficiency of said pipeline(s) or appurtenances thereto. Grantors specifically agree that no building or structure of any kind will hereafter be erected or placed by the Grantors, their successors and assigns, on said Rights of Way easement herein above granted, except by written approval of Grantee.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended for so long as the Grantee own it, whichever is longer.

In the event the easement hereby granted abuts on a public road and the county or state hereinafter widens or relocates the public road so as to require the location of this sewer line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said utility line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 15' in width the centerline thereof being the pipeline as relocated.

TO HAVE AND TO HOLD THE above described Easement and Right of Way is granted, sold, and conveyed to **MILITARY HIGHWAY WATER SUPPLY CORPORATION**, its successors and assigns, and Grantors do hereby bind themselves, their successors and assigns, heirs and legal representatives against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF, the said Grantors have executed this instrument this _____ day of _____, 20_____.

X _____
Applicant/Member

STATE OF TEXAS

ACKNOWLEDGMENT

COUNTY OF HIDALGO

This instrument was acknowledged before me, a Notary Public, on the _____ day of _____, 20_____, by _____.

Notary Public, State of Texas

AFTER RECORDING, PLEASE RETURN TO:
MILITARY HIGHWAY W. S. C.
P.O. BOX 250
PROGRESO, TX 78579-0250

MILITARY HIGHWAY WATER SUPPLY CORPORATION TERMS AND CONDITIONS

The applicant is obliged to comply with all Rates, Rules and Regulations of the Military Highway Water Supply Corporation, herein referred to as the MHWSC.

MHWSC asked for a federal loan to cover the meter installation and the extension of pipe line to service customers with water. In order for the MHWSC to pay the 40 year loan it is necessary for all customers to comply with the following regulations:

1. There will be a minimum charge per month soon after your meter has been installed or Unlocked regardless if you use the water or not.
2. If the meter is locked for failure to pay, MHWSC will still bill you the Minimum charge for each month plus re-connection charge whenever you desire your services to be reinstated. This will be done for up to three (3) or six (6) months, after which; your account will be inactivated and your membership will be forfeited.
3. When selling property: The same procedures on #4 will be required.
4. The MHWSC reserves the right to bill the applicant for repair or replacement of damaged MHWSC property. (Ordinary wear and tear are exceptions to this rule)
5. The applicant will be held responsible for the protection of all of MHWSC property in or on his premises or adjacent thereto. The applicant shall exercise all reasonable diligence to prevent loss of or damage to said property.
6. The MHWSC will apply a delinquent charge of \$1.00 penalty to all bills not paid by the due date, which will be usually around the 10th or 11th of the month. A second late charge of \$3.50 will be applied to your bill if you don't pay by the final due date. Failure to receive bill will be no excuse for non-payment of bill or waiver of penalty or disconnection of service.
7. The applicant will pay for all water passing through MHWSC metered connections to premises from date of application and until such time as the applicant notifies the MHWSC in writing to discontinue the Service. The above applies regardless of whether or not premises are occupied by the applicant.
8. The MHWSC shall have the right at any time without notice to suspend services for repairs, extensions and other necessary maintenance. The MHWSC shall not be held liable for any damage that may occur directly therefrom. The MHWSC accepts responsibility only in those cases where it or its employees have been proved responsible for negligent action.

9. The MHWSC reserves the right to discontinue service for cause as follows:
- A. Using water for any purpose other than specified at the time of making your application unless written request to do so has been made and accepted by MHWSC.
 - B. For non-payment of all or any portion of a bill.
 - C. Tampering or interfering with MHWSC's property or rendering same inaccessible to authorized employees of MHWSC.
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- D. If a customer is found to be reselling, sub-metering, or providing water to more than one dwelling or business a single meter or if a person is found to be removing water from the MHWSC's lines, storage tanks or plants, flush valves or fire hydrants customer will be assessed a minimum of \$25.00 and up to a maximum of \$250.00.
 - E. If a customer's meter is disconnected for not paying their bill on time, a \$7.50 re-connection fee will be charged to the customer prior to reinstating water service. A \$25.00 re-connection fee will be charged for after hours re-connection (after hours is considered any time after 4:00 PM the day you were disconnected).
 - F. For customers who pay their water bills with checks that are not honored by their bank due to insufficient funds, MHWSC will charge a fee of \$15.00 for all returned NSF checks.
 - D. If service is discontinued for any of the above reasons, the MHWSC reserves the right to add a \$25.00 minimum and \$250.00 maximum penalty.

CUSTOMER SIGNATURE

DATE

Work Order # _____
Receipt # _____
Price _____

MILITARY HIGHWAY WATER SUPPLY CORPORATION SERVICE SURVEY FORM

Date _____

Applicant's Name: HIDALGO COUNTY PCT. 2 COMPOUND

D.L.# _____

Spouse's Name: _____

S.S.# _____

Address: 4011 S. VETERANS BLVD.

D.L.# _____

SAN JUAN, TEXAS 78589

S.S.# _____

Telephone #: Home (____) _____

Work (____) _____

Proof of ownership provided by: _____

Physical Location Subdivision: JOHN CLOSNER, ET AL SUBDIVISION

Lot: 11 & 12

Block: 15

Previous owner's information (If existing service):

Account # _____

Name _____

Address _____

House Information: New Construction Existing Structure No Structure
 Major Modification Mobile Home Other _____

Type of House: Brick Wood frame Frame Vacant Other _____

Number in Family:

Are you a current member with existing account? Yes No

Residential Commercial

Note: A map of the service location request must be attached.

EXISTING H.C.I.D. #2 CANAL

HIDALGO COUNTY
LOT 11
BLOCK 15

40.0' SETBACK

GAS PUMP STATION

WORK TRUCKS
PARKING AREA

PROP. ASPHALT

PUBLIC/EMPLOYEES
ACCESS

M

BUILDING CONTRACTOR SHALL
CONNECT TO 2" LINE BY COUNTY

2" WATER METER

133 LF 2" SCH 40 PVC PIPE

133 LF 4" CASING

111 LF 6" DR 25 PVC PIPE

HEAVY EQUIPMENT
ACCESS

FIRE HYDRANT
WITH THRUST BLOCK

BUILDING CONTRACTOR SHALL
CONNECT TO 6" LINE BY COUNTY
FL=90.00

BUILDING CONT
CONNECT TO 6
FL=89.50

135 LF - 6" SDR PIPE
0.5% SLOPE

3 - 500
GALLON TANKS

172 LF - 6" SDR PIPE
0.5% SLOPE

DIESEL PUMP STATION

ABANDONED
IRRIGATION LINE &
STANDPIPE
(as per HCID #2)

5' MINIMUM
SOLID 4" LINE

3 - 500
GALLON TANKS

5' MINIMUM
SOLID 4" LINE

3.00' TRENCH
WIDTH (TYP)

4" PERFORATED
PIPE CENTERED
ON TRENCH

