

Section 5.03 Water Receiving Facilities – Existing Water Plants.

(a) Applicability. Absent a written agreement to the contrary between the Authority and a Converted Entity, this Section 5.03 applies when a new Delivery Point is located at an existing water plant/facility.

~~(a)~~(b) The Authority will design and construct all Water Receiving Facilities whether on property owned by a Converted Entity or on property owned by the Authority. The Authority shall own, operate and maintain all Water Receiving Facilities installed by the Authority upstream of the Delivery Point; the Converted Entity shall own, operate and maintain all Water Receiving Facilities and all other facilities downstream of the Delivery Point, including without limitation the Chloramine System and any other facilities, tanks, buildings, materials, wells, lines and other similar or related equipment or facilities related to the receipt and distribution of Authority Water, specifically including the Converted Entity's existing water production and distribution system. The Payor shall be responsible for operation and maintenance of all Payor Meters and related appurtenances.

~~(b)~~(c) *Design.* The Authority, on behalf of each Converted Entity, shall: (i) design all Water Receiving Facilities, including any necessary Chloramine System, at the Authority's expense and in accordance with generally accepted engineering practices; (ii) obtain Commission approval for the Converted Entity to use chloramine disinfection, if necessary; and (iii) obtain Commission approval of the plans and specifications for the Water Receiving Facilities, including any necessary Chloramine System. For any Water Receiving Facilities located on property owned by a Converted Entity, the Authority will engage as the design engineer for such Water Receiving Facilities a qualified engineering firm acceptable to the Converted Entity and allow the Converted Entity with at least 30 days to review and provide comments on all plans and specifications for such facilities prior to commencing construction.

~~(c)~~(d) *Construction.* After obtaining all necessary approvals on the plans and specifications for the Water Receiving Facilities, the Authority will procure the necessary construction contractor(s) in accordance with applicable law. During construction, the Converted Entity may inspect and provide comments to the Authority on the progress of construction, provided that the Converted shall not directly correspond with the construction contractor and any such activities do not interfere with the work. Further, the Authority's contract with the contractor(s) for the construction of any Water Receiving Facilities located on a Converted Entity's property shall include the following requirements:

(i) The Converted Entity must be added as an additional insured to all liability policies the contractor is required to carry under the construction contract with the Authority;

(ii) The Contractor must coordinate all work performed on the Converted Entity's property with the Converted Entity's engineer and operator;

(iii) The Contractor shall provide record drawings to the Converted Entity upon final completion of the construction;

(iv) The Contractor shall invite the Converted Entity's engineer to all project meetings and the final inspection.

~~(d)~~(e) *Ownership and Maintenance.* On the 30th day after the Authority approves the final pay application on a contract for construction of a Water Receiving Facility, the Converted Entity becomes the owner of all Water Receiving Facilities located downstream of the Delivery Point and shall thereafter be responsible for operation and maintenance of same. The Authority shall be the owner of any Water Receiving Facilities located upstream of the Delivery Point and shall be responsible for operation and maintenance of same. The Authority and Converted Entity shall execute any documents reasonably necessary to evidence ownership as such.

Section 5.031 ~~Prerequisites for Authority Service Connection~~ Water Receiving Facilities – New Water Plants.

~~(a)~~ *Applicability.* ~~Absent a written agreement to the contrary between the Authority and a Converted Entity, this Section 5.031 applies to any new water plants/facilities that has not yet been constructed where a new Delivery Point may be constructed.~~

~~(a)~~(b) *Easements/Property Interests.* ~~Prior to Authority construction or connection for a new Delivery Point, a~~ All water line easements, temporary construction easements, rights-of-way, and other property interests ~~within the boundaries of the Converted Entity or the proposed development,~~ deemed necessary by the Authority for the construction, operation, maintenance, repair, and replacement of the Authority System Water Receiving Facilities and any extensions of the Authority System, must be ~~fully secured and dedicated~~ acquired by or conveyed to the Authority, as applicable.

~~(b)~~(c) *Form and Substance.* All water line easements and temporary construction easements required under Subsection ~~(ab)~~ shall be documented using the Authority's standard form Right of Way and Easement Agreement, a template of which is attached hereto as **Exhibit "D"**. Such documents must be properly executed and suitable for recording. Any other property interests deemed necessary by the Authority shall be documented in a form and substance acceptable to the Authority.

~~(e)~~(d) *Responsibility for Securing Easements.* The Converted Entity shall be responsible for securing-acquiring and conveying such ~~easements or other~~ property interests to the Authority, including bearing any paying all associated costs and expenses, ~~shall be determined in accordance with specific written agreements between the Authority and the Converted Entity.~~

~~(d)~~(e) *Facility Compatibility Plans.* New Water Receiving Facilities must be designed to accommodate future conversion to surface water via a new Delivery Point. This includes the installation of a Chloramination System with adequate space and electrical feed for future Authority assets. The Converted Entity shall prepare and submit to the Authority plans and specifications for design the Water Receiving Facilities, including any necessary Chloramine System, in its facilities designed to receive Authority Water. Such plans and specifications must demonstrate compliance with Authority technical standards and shall submit such designs, as well as the design for the water plant/facility at which the Delivery Point may be located, to the Authority Engineer for its review and approval of the Water Receiving Facilities design. An Authority Engineer shall have a minimum of 30 days for review and approval of the Converted Entity's design, must include the necessary chloramination system to accept Authority surface water, and must lay out a site on the Converted Entity's property to facilitate and accommodate the Authority's

~~future meter station and flow control station, including related electrical and SCADA requirements for such stations.~~

- (f) *TCEQ Approvals.* The Converted Entity shall obtain and maintain all necessary approvals from the Commission related to ~~its facilities' ability to receive and treat Authority Water~~the Water Receiving Facilities, including any necessary Chloramine System. including for the use of chloramine treatment and for the plans and specifications referenced in Subsection (d). The Converted Entity shall provide evidence of such approvals to the Authority upon request.
- (e)(g) *Extensions of Authority System.* The Authority shall design and construct any extensions of or improvements to the Authority System necessary or convenient to convey Authority Water to the Delivery Point, including paying all associated costs and expenses.