

ATTACHMENT 2 TO RATE ORDER
AMENDED AND RESTATED POLICY AND PROCEDURES
FOR
COMMERCIAL ACCOUNT APPLICATION FOR WATER AND SEWER SERVICE

The attached Application along with a non-refundable application fee made payable to Kleinwood Municipal Utility District (the "District") in the amount of (1) \$500, if requesting service to a pad site located on an existing development, (2) \$2,500, if requesting service to property containing less than 10 acres and located within the District, (3) \$3,500, if requesting service to property containing 10 acres or more and located within the District and (4) \$7,500, if requesting service to property located outside the District, should be completed and submitted to the District's Engineer, Jones & Carter, Inc. at 1575 Sawdust Road, Suite 400, The Woodlands, Texas 77380.

Upon receipt of the attached Application and application fee, the Engineer shall present your request to the Board of Directors of the District and obtain authorization for the District's consultants to begin evaluating your request. The application fee will be used to cover the expenses incurred by the District for the preliminary evaluation by the consultants as to whether the District's facilities can accommodate your proposed project.

Other pertinent facts and information you should know and be agreeable to are listed hereafter and should be read carefully before submitting your Application.

The Board of Directors has adopted the following policy for the purpose of providing water and sewer service for the growth and development within the District in a uniform and nondiscriminatory manner. These policies and procedures shall apply uniformly throughout the District for any new or additional development:

1. Any party (i) requesting water and/or sewer service, (ii) requesting a commitment of water and sewer service, or (iii) obtaining water and/or sewer service from the District or obtaining from a third party who is receiving water and/or sewer service from the District shall be required to submit an Application to the Board of Directors for consideration.
2. Commitments shall not be issued for more than one (1) year from the date of issuance.
3. Commitments are non-transferrable; provided, however, prospective buyers may jointly apply for service with the owner of the property.
4. Applications shall not be considered for property with delinquent taxes.
5. Applicant shall provide three (3) copies of the plans for the development of the Subject Tract prepared for that purpose by the architect or engineer engaged in drawing up such plans to the District's Engineer, Jones & Carter, Inc. at 1575 Sawdust Road, Suite 400, The Woodlands, Texas 77380. Any plans involving water, sewer or drainage facilities for the Subject Tract shall be subject to the approval of the District's Engineer, and construction of such facilities shall not commence until approved by the District's Engineer. In addition, if such plans are not submitted to and approved by the District's Engineer in writing, service shall not be provided to Applicant's property.
6. No construction may begin on any improvements until all fees required by the District have been paid.
7. Construction must begin prior to the expiration date contained in the commitment and diligently pursued thereafter.

8. Applicant is required to provide the District with periodic written progress reports (at thirty (30) day intervals) advising the Board of Directors as to the status of progress to completion of construction.
9. All tracts of land receiving service must be platted through the City of Houston, Harris County and other appropriate agencies prior to utility service being provided by the District.
10. Applicant must make arrangements to extend the necessary trunk water, sanitary sewer and drainage facilities to serve its property in areas where such facilities do not exist. All temporary and permanent arrangements for sewer and water service must be worked out in advance of construction with the District's engineer.
11. Applicant, at its sole cost, must convey all necessary easements and rights-of-way to the District with all lienholder subordinations.
12. All utility lines constructed that are not in permanent acceptable easements, or which lie within private developments (apartments, condominiums, etc.) shall remain the permanent property of the landowner and shall remain such owner's permanent maintenance responsibility.
13. Applicant shall furnish a statement of the estimated value of the proposed project as a part of the initial application, broken down by land value and improvements.
14. Any change of utilization to the previously approved use of the property covered by this application shall terminate any commitments issued unless otherwise approved by the District in writing.
15. Service shall be extended to a tract in accordance with the then current Order Setting Water and Sewer Tap Fees and Setting Service Rates and Rules and Regulations Governing Waterworks and Sanitary Sewer System, including the payment of any tap fee.
16. All commercial developments will be required to install traps and/or interceptors as set forth in Article II of the Rate Order.
17. Service will not be provided to Applicant's property until (i) the water and sanitary sewer improvements are inspected by the District and it is determined that these facilities are in compliance with the District's rules and regulations; (ii) Applicant has paid all District costs for review of construction drawings and inspections of facilities; (iii) Applicant obtains approval of the development of Applicant's property by the City of Houston and all appropriate regulatory authorities and/or agencies; (iv) Applicant receives written approval from the District's Operator; (v) Applicant provides evidence to the District's Engineer that Applicant's property has been platted and filed of record in the Official Records of Real Property of Harris County, Texas or that a plat is not required pursuant to current law; (vi) evidence that all taxes on the Subject Tract due and owing the District have been paid, and (vii) the tap fee described above has been paid and the connection has been inspected by the District's Operator.
18. Upon completion of construction of Applicant's improvements and prior to obtaining service from the District, Applicant shall furnish to the District written certification from Applicant's Engineer, that the water, sanitary sewer and drainage facilities have been constructed in accordance with the plans and specifications approved by the District's Engineer and Operator.

19. In addition to the other referenced prerequisites, the following requirements are applicable to requests for annexation:
- a. A feasibility study shall be prepared by the District's engineer.
 - b. Applicant shall place a deposit with the District in the amount of \$15,000. The deposit will be used to cover the expenses incurred by the District for the evaluation of the request by the consultants. The Board of Directors reserves the right to request additional deposit monies from the Applicant should the initial deposit not be sufficient to cover anticipated consultant costs during the review. If additional monies are not produced when requested, then all review work will be stopped and the Application will become null and void upon ten (10) days written notice to the Applicant. Upon completion of the review by the District, any remaining portion of the deposit will be returned to the Applicant, except as otherwise provided in the utility commitment or other formal agreement issued by the Board.
 - c. Applicant shall provide to the District a copy of the deed showing current ownership of the property referenced in the Application.
 - d. Applicant shall submit to the District a current title commitment.
 - e. The petition to the City of Houston for its consent to the annexation and the annexation petition to the District shall be prepared by the District's attorney.
 - f. All costs of annexation, including attorney's fees, engineering fees, and any and all other fees relating to said annexation, shall be paid by the Applicant.
 - g. Applicant shall provide to the District a copy of the current survey of the property, including a metes and bounds description.

**KLEINWOOD MUNICIPAL UTILITY DISTRICT
APPLICATION FOR SERVICE**

Type of Application: Residential Commercial

Name of Business: _____

Address: _____

Type of Business: _____

Type of Service Requested:

In-District Out-of-District

Water Wastewater

Estimated date construction to begin: _____

Proposed acreage in development: _____

Estimated taxable value: _____ land _____ improvements

Type of wastewater to be put in system: _____

Wastewater/Water Capacity Required: _____

Name and address of title holder to referenced property: _____

UPON EXECUTION OF THIS APPLICATION FOR SERVICE APPLICANT HEREBY CONFIRMS THAT (1) APPLICANT HAS READ AND UNDERSTANDS THE POLICY AND PROCEDURES FOR APPLICATION FOR WATER AND SEWER SERVICE; (2) A GREASE TRAP WITH SAMPLING PORT WILL BE REQUIRED; (3) PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION APPLICANT WILL RECEIVE WRITTEN APPROVAL FROM THE DISTRICT'S ENGINEER AND OPERATOR OF THE PLANS RELATING TO WATER, SEWER AND DRAINAGE OF APPLICANT'S PROPERTY , (4) THE TAP FEE IS ASSESSED AT 3 TIMES TO THE ACTUAL COST TO THE DISTRICT, (5) IT IS APPLICANT'S RESPONSIBILITY TO OBTAIN AN ESTIMATE OF THE TAP FEE FROM THE DISTRICT'S OPERATOR, (6) THAT SERVICE WILL NOT BE PROVIDED TO APPLICANT'S PROPERTY UNTIL APPLICANT HAS PROVIDED THE DISTRICT WITH EVIDENCE OF A RECORDED PLAT FOR APPLICANT'S PROPERTY AND (7), APPLICANT SHALL FURNISH TO THE DISTRICT'S ENGINEER WRITTEN CERTIFICATION FROM APPLICANT'S ENGINEER, THAT THE WATER, SANITARY SEWER AND DRAINAGE FACILITIES HAVE BEEN CONSTRUCTED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS APPROVED BY THE DISTRICT'S ENGINEER AND OPERATOR.

Signature of Applicant: _____

Date: _____

Signature of Owner: _____

Date: _____

Please attach a small map to the application indicating proposed location of project, and boundaries of subject tract.

For District Use Only

Operator's recommendation/Estimated Tap Fee Required: _____

Engineer's recommendation: _____

Is Annexation Required: _____

Amount of Service recommended: _____

Additional Considerations: _____

Applicant agrees that it shall notify the District if any of the above information should change during the Application process. This Application along with the requisite deposit must be submitted to Jones & Carter, Inc. at 1575 Sawdust Road, Suite 400, The Woodlands, Texas 77380.