

BEXARMET BOARD ADMINISTRATIVE POLICIES

UTILITY SERVICE AGREEMENT APPROVAL PROCESS

PURPOSE:

This purpose of this policy is to provide guidance to the BexarMet Board of Directors and employees regarding guidelines to follow in the approval process of Utility Service Agreements ("USA") and in accordance with current Water Service Regulations.

POLICY:

GENERAL PROCEDURES

CONDITIONS REQUIRING A USA

A USA may be required under the following conditions:

- Service to the property requires construction of off-site facilities;
- The development has a capacity requirement greater than 50 EDUs;
- Impact fee credits will be earned for the construction of water facilities;
- BMWD will provide oversize reimbursements for construction of water facilities;
- The development is multi-phased;
- Pro-rata refunds will be granted for construction of a water facility;
- The development is located over the Edwards Aquifer Recharge Zone; or
- Other conditions as determined by BMWD.

REQUIREMENT OF SUBMITTAL OF ALL REQUESTED INFORMATION

In order to begin the USA process, a Developer must submit to BexarMet a written request for water service for the development of a specific tract or project which shall include necessary documents and information itemized on BexarMet's checklist ("Form Ck 101") located on BexarMet's website. This complete package containing all the necessary information must be sent to the Director of Customer Relations and Business Development who is the direct point of contact for all Developer related issues.

NEGOTIATION OF THE USA

Upon confirmation that BexarMet is in receipt of all requested mutually agreed upon information and documentation from Developer, the Director of Customer Relations and Business Development will then forward the complete package to the Legal Department along with a request for General Counsel assistance in preparing the USA which will specify the conditions under which service will be made available to the tract and any costs associated with serving the

property. The Legal Department shall coordinate with both the Engineering Department and the Production Department for their approval of the USA.

APPROVAL PROCESS OF THE USA

Once the terms and conditions are fully negotiated by and between BexarMet and the Developer, and written approvals from the Engineering and Production Departments have been received, the Legal Department will present the USA to the Board's Finance Committee for their review and comment. The Board's Finance Committee will then place the USA on the following Regular Board Meeting Agenda with the recommendation that the full Board approve the USA. If the USA is not received favorably by the Finance Committee, the USA will be returned to BexarMet Staff for further negotiation with the Developer.

EXECUTION OF USA

Upon approval of the USA by the full Board, the General Manager will then execute the USA.

APPROVAL TIME FOR USA

BexarMet shall make all reasonable efforts to complete the USA process within ninety (90) days from the confirmation date that BexarMet is in receipt of all mutually agreed upon information and documentation from Developer to the execution date of the USA by the General Manager.

AUTHORITY:

WATER SERVICE REGULATION, SECTION 5

SEPTEMBER 24, 2007, REGULAR BOARD MEETING MEMORANDUM REGARDING BOARD POLICY FOR THE NEGOTIATION, APPROVAL AND EXECUTION OF USAS

* * *