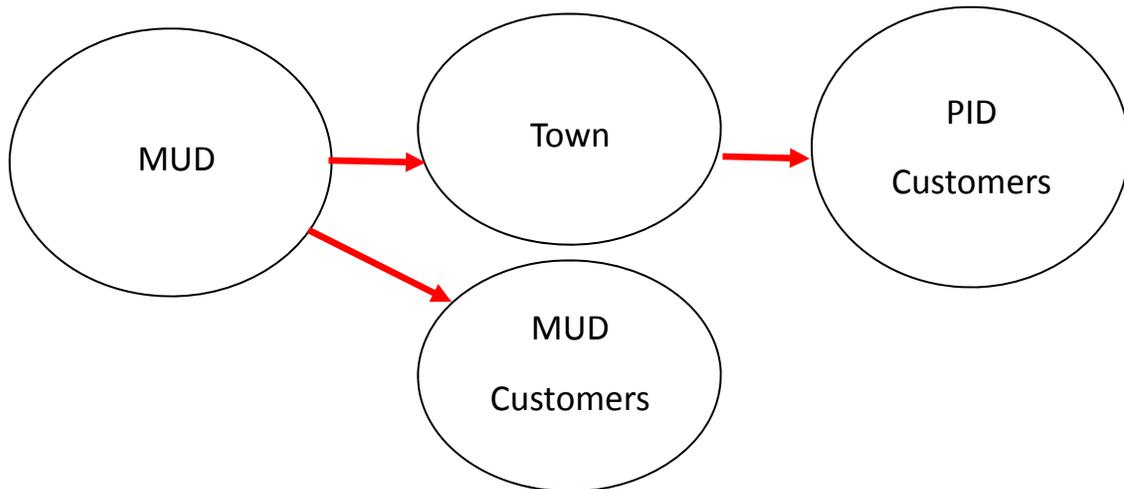


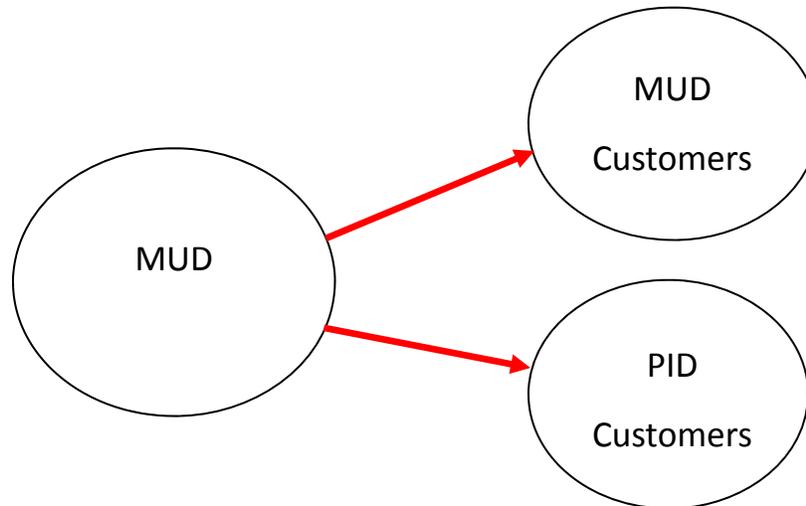
Wholesale Scenario

(Current Contract)



- MUD directly serves MUD customers (retail) and one single wholesale customer: Town.
- Town provides retail service to PID customers. PID customers are NOT directly served by the MUD.
- Requires Town to obtain PWS ID from TCEQ and meet all TCEQ requirements individually (not with combined MUD system).
- Separate monthly TCEQ reporting for Town and MUD. Separate annual CCR.
- Town purchases water and wastewater service from MUD at negotiated rate.
- Town sets rates and charges and sets all rules and regulations for PID customers.
- Town Council is elected body to represent PID residents.
- Town maintains ownership of system and is responsible for service and water quality at entry points.
- Town is responsible for reporting sanitary sewer overflows and other TCEQ regulated reportable incidents. Town can designate any signatory authority, but responsibility lies with Town.
- Town can contract for operations by MUD personnel but maintains responsibility for Town system.
- Town can contract with MUD for billing or can bill separately.
- System upgrades will be responsibility of Town within Town system. System capacity will be set in contract and additions will require payment by Town to MUD.
- Wholesale may require modification to MUD/City of Fort Worth contract.
- Wholesale contract must be submitted to TCEQ within 30 days of execution to be valid.

Retail Scenario



- MUD provides direct retail service to MUD and PID customers.
- Customers served through MUD PWS ID from TCEQ.
- Single MUD system with monthly TCEQ reporting annual CCR.
- MUD sets rates and charges and sets all rules and regulations for MUD and PID customers. PID customers are “out of district” as taxes to MUD are not paid for infrastructure.
- MUD Board is elected body that represents all residents and customers.
- Town can lease PID system infrastructure with ownership conveyance to MUD at negotiated date.
- MUD is responsible for reporting sanitary sewer overflows and other TCEQ regulated reportable incidents. All responsibility lies with MUD.
- System upgrades will be responsibility of MUD. Out of district rates set to cover PID customer costs for upgrades when taxable MUD bonds are issued.
- No modification to MUD/City of Fort Worth contract required.