

NOTICE OF REQUIREMENT TO COMPLY WITH THE SUBDIVISION SERVICE
EXTENSION POLICY OF WALNUT GROVE WATER SUPPLY CORPORATION

Pursuant to Chapter 13.2502 of the Texas Water Code, Walnut Grove Water Supply Corporation hereby gives notice that any person who subdivides land by dividing any lot, tract, or parcel of land, within the service area of Walnut Grove Water Supply Corporation, Certificate of Convenience and Necessity No. 10767, in Smith or Cherokee Counties, into two or more lots or sites for the purpose of sale or development, whether immediate or future, including re-subdivision of land for which a plat has been filed and recorded or requests more than two water or sewer service connections on a single contiguous tract of land must comply with the Non-Standard Service Requirements (the "Subdivision Policy") contained in Walnut Grove Water Supply Corporation's tariff.

Walnut Grove Water Supply Corporation is not required to extend retail water service to a service applicant in a subdivision where the developer of the subdivision has failed to comply with the Subdivision Policy.

Applicable elements of the Subdivision Policy include:

Evaluation by Walnut Grove Water Supply Corporation of the impact a proposed subdivision service extension will make on Walnut Grove Water Supply Corporation's water supply system and payment of the costs for this evaluation;

Payment of reasonable costs or fees by the developer for providing water supply capacity;

Payment of fees for reserving water supply capacity;

Forfeiture of reserved water supply capacity for failure to pay applicable fees;

Payment of costs of any improvements to Walnut Grove Water Supply Corporation's system that are necessary to provide the water service;

Construction according to design approved by Walnut Grove Water Supply Corporation and dedication by the developer of water facilities within the subdivision following inspection.

Walnut Grove Water Supply Corporation's tariff and a map showing Walnut Grove Water Supply Corporation's service area may be reviewed at Walnut Grove Water Supply Corporation's office at 9689 CR 2173, Whitehouse, TX 75791; the tariff/policy and service area map also are filed of record at the Public Utility Commission of Texas and may be reviewed by contacting the PUC, c/o Central Records, 1701 N Congress Avenue, P.O. Box 13326 Austin, Texas 78711-33326.