

**LEASE ADDENDUM FOR
ALLOCATING WATER/WASTEWATER COSTS**

1. **Addendum.** This is an addendum to the TAA Lease Contract for Apt. No. _____ in the _____ Apartments in _____, Texas.
2. **Reason for allocation.** When water and wastewater bills are paid 100 percent by the property owner, residents have no incentive to conserve water. This results in a waste of our state's natural resources and adds to the overhead of the property—and that usually means higher rents. Allocation of water bills saves money for residents because it encourages them to conserve water and wastewater. We as owners also have incentive to conserve because we are required by law to pay a portion of the total water bill(s) for the entire apartment community.
3. **Your payment due date.** Payment of your allocated water/wastewater bill is due 16 days after the date it is postmarked or hand delivered to your apartment. You agree to mail or deliver payment to the place indicated on your bill so that payment is received no later than the due date. You will pay a late charge of 5 percent of your water/wastewater bill if we don't receive timely payment. If you are late in paying the water bill, we may not cut off your water; but we may immediately exercise all other lawful remedies, including eviction—just like late payment of rent.
4. **Allocation procedures.** Your monthly rent under the TAA Lease Contract does *not* include a charge for water and wastewater. We may include this item as a separate and distinct charge as part of a multi-item bill. Instead, you will be receiving a separate bill from us each month for such utilities. We will allocate the monthly mastermeter water/wastewater bill(s) for the apartment community, based on an allocation method approved by the Texas Commission on Environmental Quality (TCEQ) and described below.

The allocation method that we will use in calculating your bill is noted below and described in the following subdivision of Section 291.124(e)(2)(A) of the TCEQ rules (*check only one*):

- ☒ subdivision (i) actual occupancy;
- ☐ subdivision (ii) ratio occupancy (TCEQ average for number of occupants in unit);
- ☐ subdivision (iii) average occupancy (TCEQ ave. for no. of bedrooms in unit);
- ☐ subdivision (iv) combination of occupancy and square feet of the apartment; or
- ☐ subdivision (v) submetered hot/cold water, ratio to total.

The normal date on which the utility company sends its monthly bill to us for the water/wastewater mastermeter is about the _____ day of the month. Within 10 days

thereafter, we will try to allocate that mastermeter bill among our residents by allocated billings.

5. **Common area deduction.** We will calculate your allocated share of the mastermetered water/wastewater bill according to TCEQ rules. Before calculating your portion of the bill, we will deduct for irrigation of landscaping and all other common area uses, as required by TCEQ rules. We will also deduct for any utility company base charges and customer service charges so that you won't be paying any part of such charges for vacant units. No administrative or other fees will be added to the total mastermeter water/wastewater bill(s) to be allocated unless expressly allowed by TCEQ rules. No other amounts will be included in the bill except your unpaid balances and any late fees you incur. If we fail to pay our mastermeter bill to the utility company on time and incur penalties or interest, no portion of such amounts will be included in your bill.
6. **Change of allocation formula.** The above allocation formula for determining your share of the mastermetered water/wastewater bill cannot be changed except as follows: (1) the new formula is one approved by the TCEQ; (2) you receive notice of the new formula at least 35 days before it takes effect; and (3) you agree to the change in a signed lease renewal or signed mutual agreement.
7. **Previous average.** As required under TCEQ rules, you are notified that the average monthly bill for all dwelling units in the previous calendar year was \$_____ per unit, varying from \$_____ to \$_____ for the lowest to highest month's bills for any unit in the apartment community for this period, if such information is available. The above amounts do not reflect future changes in utility company water rates, weather variations, total water consumption, residents' water consumption habits, etc.
8. **Right to examine records.** During regular weekday office hours, you may examine: (1) our water/wastewater bills from the utility company; (2) our calculations of your monthly allocations; and (3) any other information available to you under TCEQ rules. Please give us reasonable advance notice to gather the data. Any disputes relating to the computation of your bill will be between you and us.
9. **TCEQ.** Water allocation billing is regulated by the TCEQ, which has published a summary of the rules (called a tenant guide). A copy of this summary or a copy of the rules is attached. This addendum complies with those rules.
10. **Conservation efforts.** We agree to use our best efforts to repair any water leaks inside or outside your apartment no later than 7 days after learning of them. You agree to use your best efforts to conserve water and notify us of leaks.

Resident or Residents
[All residents must sign here]

Owner or Owner's Representative
[signs here]

Date of Lease Contract

Attached: TCEQ Tenant Guide for Allocated Water Billing Service

1 The ONLY box that will be checked is "Subdivision (i) Actual Occupancy"

2 The information to fill out this blank can be obtained from your water company

3 The information to fill out these blanks can be obtained from Velocity or the water company that your property uses