TABLE OF CONTENTS

Paragraph		Page
	CHAPTER 1. PUBLIC SYSTEMS	
1. 2.	Definitions, Public and Community Requirements	1 1
	CHAPTER 2. COMMUNITY SYSTEMS	
3.	Requirements	3
4.	Control by Public Utility Commissions	3
5.	Property Owners' Association	4
6.	Trust Deed	б
7.	Third Party Beneficiary Contract	7
8.	Franchises from Governmental Authorities	8

Appendices

1.	Sample Trust Deed (Water)	
2.	Alternative Paragraph 1. for Trust Deed (Water)	
3.	Sample Trust Deed (Sewage)	
4.	Alternative Paragraph 1. for Trust Deed (Sewage)	
5.	Sample Third Party Beneficiary Contract	
	i (and ii)	9/76

HUD-Wash., D. C.

4075.12 REV

FOREWORD

HUD programs require that all properties served by central water and sewage systems be assured of continuous service and reasonable service rates. This is very important because water and sewage facilities and appurtenances (except for house service lines), are located on off-site publicly owned property or property reserved by easement which precludes the direct control of operation and maintenance by the property owners served. This points to the need to establish, by written agreement, an effective legal basis for assuring uninterrupted service and to provide relief for property owners in the event of suspension of service or imposition of unreasonable rates.

This Handbook explains the various acceptable methods for assuring continued water and sewage service at reasonable rates, the applicability of each method, and the steps to follow in order to establish them. A knowledge of this subject should be of considerable benefit to developers planning to provide central water and sewage facilities for housing developments and thereby expedite the processing of such proposals by HUD staff. i (and ii)

HUD-Wash., D. C.