

KINGSBRIDGE MUNICIPAL UTILITY DISTRICT

RATE ORDER

Amended: October 8, 1998
Amended: October 14, 1999
Amended: August 9, 2001
Amended: June 13, 2002
Amended: July 11, 2002
Amended: November 14, 2002
Amended: July 21, 2004
Amended: August 12, 2004
Amended: September 21, 2005
Amended: June 21, 2006
Amended: November 29, 2006
Amended: July 12, 2007
Amended: October 9, 2008
Amended: October 8, 2009
Amended: December 9, 2010
Amended: March 13, 2014
Amended: July 10, 2014
Amended: March 12, 2015
Amended: July 9, 2015
Amended: September 10, 2015
Amended: May 11, 2017
Amended: September 14, 2017
Amended: February 8, 2018
Amended: May 10, 2018
Amended: July 11, 2019
Amended: November 14, 2019
Amended: March 12, 2020
Amended: September 10, 2020

AMENDED RATE ORDER

THE STATE OF TEXAS §
§
COUNTIES OF FORT BEND AND HARRIS §

WHEREAS, Kingsbridge Municipal Utility District, Fort Bend and Harris Counties, Texas (the "District"), provides water, sewer and drainage services to residential and commercial establishments within the District;

WHEREAS, it is necessary that fees, charges and conditions be established for service from the District's water and sewer system;

WHEREAS, pursuant to the provisions of the Texas Water Code, as amended, the Texas Commission on Environmental Quality (the "TCEQ") has jurisdiction over and adopts rules regulating the water supply system of the District from time to time;

WHEREAS, the District's Board of Directors (the "Board") has from time to time adopted certain orders ("Rate Order") and Rules and Regulations establishing the rates and conditions under which water and sanitary sewer service is to be provided;

WHEREAS, the Board has carefully considered the matter and is of the opinion that the Rate Order should be further amended from time to time;

WHEREAS, effective October 8, 1998, the District amended the Rate Order by providing that all water service and plumbing service leads shall maintain a nine foot (9') separation distance parallel to each service lead;

WHEREAS, effective October 14, 1999, the District amended the Rate Order by adding a charge for sending a delinquent letter, and increasing the reconnection fee;

WHEREAS, on August 9, 2001, the Board of Directors determined that the Rate Order must be updated to comply with TAC §290.46(j) to distinguish between a customer service inspection and a plumbing inspection, require only certified plumbers to perform plumbing functions, and to further revise the customer service certification form to eliminate plumbing activities during customer service inspections;

WHEREAS, on June 13, 2002, the Board of Directors amended the Rate Order to provide for withholding of taps to builders who are delinquent in the payment of fees to the District;

WHEREAS, on July 11, 2002, the Board of Directors amended the Rate Order to establish a rate for out-of-District builder service for property pending annexation by the District at the rate of two (2) times the in-District rates;

WHEREAS, on November 14, 2002, the Board of Directors amended the Rate Order to increase certain rates to make the amount charged by the Operator equal to the amount passed-through to the Customer to prevent the District from losing revenue in its operations;

WHEREAS, on July 21, 2004, the Board of Directors amended the Rate Order to increase the base charge for sewer service due to the increase in the costs of garbage collections spurred by the increase in the cost of diesel fuel;

WHEREAS, on August 12, 2004, the Board of Directors amended the Rate Order to increase costs of various tap fees in keeping with prices charged by neighboring Districts and to insure that the District does not lose revenue from its operations;

WHEREAS, on September 21, 2005, the Board of Directors amended the Rate Order to pass through the costs of the pumpage fees charged by the North Fort Bend County Water Authority;

WHEREAS, on June 21, 2006, the Board of Directors amended the Rate Order to increase the base charge for sewer service due to the increase in the costs of garbage collections;

WHEREAS, the Board has determined that it is in the best interest of the District to amend and restate its Rate Order to increase the tap fees, the builder water rates, and returned check fee; to provide that swimming pools connect to the District's sanitary sewer system; and to provide that all Non-Single Family Residential Users and Temporary Builder Connections have back-flow prevention devices;

WHEREAS, on July 12, 2007, the Board of Directors amended the Rate Order to allow the District's Operator to accept electronic payments for water and sewer service bills;

WHEREAS, the Board has determined that it is in the best interest of its Customers to amend its Rate Order to increase the civil penalties for violations of the District's Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections from \$5,000 to an amount up to and not exceeding \$10,000 as set forth in the Texas Government Code Section 27.031, as amended, effective December 15, 2008; and

WHEREAS, on October 9, 2008, the Board of Directors amended the Rate Order to increase the base charge for sewer service due to the increase in Operating Expenses at the Renn Road Wastewater Treatment Plant and the subsequent increase in the per connection rate increase to the District;

WHEREAS, on October 8, 2009, the Board of Directors amended the Rate Order to increase the base charge for sewer service due to the increase in the costs of garbage collections spurred by the increase in the consumer price index ("CPI");

WHEREAS, on December 9, 2010, the Board of Directors amended the Rate Order to pass through the costs of surface water charged by the North Fort Bend County Water Authority effective January 1, 2011;

WHEREAS, on March 13, 2014, the Board determined that it was necessary to amend the Rate Order to address lead content requirements in plumbing fixtures;

WHEREAS, on July 10, 2014, the Board determined that it was necessary to amend the Rate Order to address rules and regulations governing mobile food establishments;

WHEREAS, on March 12, 2015, the Board determined it was necessary to amend the Rate Order to add a provision pertaining to solid waste disposal regulations;

WHEREAS, on July 9, 2015, the Board determined it was necessary to amend the Rate Order to address uniform requirements for the users and the construction of facilities in or on land within one hundred fifty feet (150') of the Wells in order to promote sanitary conditions in and around such Wells, to secure all such land from pollution hazards, and to enable the District to comply with all applicable state and local regulations; and

WHEREAS, on September 10, 2015, the Board determined it was necessary to amend the Rate Order to add a new commercial rate classification to help offset the costs of Security Service within the District.

WHEREAS, on May 11, 2017, the Board determined that it was necessary to amend the Rate Order to add a new Out-of-District customer service rate for water and sewer services provided by the District.

WHEREAS, on September 14, 2017, the Board determined that it was necessary to amend the water service rates for Single Family Residential Users in the District, effective January 1, 2018.

WHEREAS, on February 8, 2018, the Board determined that it was necessary to amend the definition section of the Rate Order to include "Reimbursable Share" and "Self-Supporting", effectively immediately; additionally the Board determined that it was necessary to amend the Rate Order to include the District's Annexation Policy, which may be amended from time to time, as an exhibit to the Rate Order

WHEREAS, on May 10, 2018, the Board determined that it was necessary to amend the tap fees for Non-Single Residential Users; and to amend the Annexation Policy.

WHEREAS, on July 11, 2019, the Board of Directors amended the Rate Order to increase the base charge for sewer service due to the increase in the costs of garbage collections.

WHEREAS, on November 14, 2019, the Board of Directors amended the Rate Order to include a provision related to the issuance of credit to District customers to account for difference between the ground water and surface water fees.

WHEREAS, on March 12, 2020, the Board of Directors amended the Rate Order to include the amended annexation policy and development project procedures.

WHEREAS, on September 10, 2020, the Board of Directors amended the Rate Order to add the provision related to the use of personal information; and to add additional definitions.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF KINGSBRIDGE MUNICIPAL UTILITY DISTRICT THAT:

Section 1. Definitions. The following words or phrases shall have the meanings indicated below:

A. "Application for Residential Utility Service" - required form executed by all Users consenting to the terms of the Customer Service Agreement, which provides details regarding terms of water service between the District and the User.

B. "Commercial" – shall mean any structure designed for business purposes including office buildings, hotels, retail stores, warehouses, service stations, churches, schools, recreational centers and all other establishments not generally considered as residential structures or defined herein as a residential structure.

C. "Customer or User" – shall mean any person, partnership, corporation, non-profit corporation, trust or other legal entity served by the District's System with water and/or sewer services to a residence or business establishment owned or occupied by such person, partnership, corporation, non-profit corporation, trust or legal entity.

D. "Irrigation Connection" – shall mean any Esplanade Connection, Public Space User or any connection used solely for irrigation purposes, as determined by the District's Operator.

E. "Non-Single Family Residential User" - means any User of the District's water and sewer system other than a Single Family Residential User, including, but not limited to, commercial establishments, apartments, recreational facilities, clubs and multi-family dwelling units.

F. "Non-Taxable User" - means a User that is exempt from ad valorem taxation by the District under the Property Tax Code, including, but not limited to, schools and churches.

G. "Public Space User" - means any User of the District's system for public or homeowner association esplanades, lakes, recreational areas or green spaces.

H. "Reimbursable Share" – shall mean the amount of reimbursement of Construction Costs in accordance with the Rules of the Commission and allowed and approved by the Commission together with interest thereon, calculated from the date of payment by the Developer through the date of acquisition of the Facilities and Sites by the District and/or assumption of any outstanding contracts by the District as hereinafter provided, such interest to be calculated at a rate equal to the net effective interest rate at which hypothetical Bonds are sold; provided, however, that land or easements for the Facilities may be acquired by the District at the Developer's cost plus carrying charges, all subject to the rules and approvals set out above.

The percentage of reimbursement shall be calculated on a hypothetical bond issue that includes a per equivalent single family connection pro-rata share of the actual costs incurred by the District for related water plant and wastewater treatment plant capacities, which will determine the amount of the Reimbursable Share. The Reimbursable Share shall not exceed 100 percent (100%) of the total cost of the Facilities plus interest. The Board of Directors of the District shall, in its sole discretion, determine when bonds shall be sold within the guidelines set forth above.. The Reimbursable Share shall not exceed the amount which is Self-Supporting. To be Self-Supporting, the Reimbursable Share must be supported by the taxable assessed value of the improvement within the development at the District's debt service rate in existence at the time of approval of this Agreement. District Facilities, as defined in the Commission rules, if any, shall be reimbursed at 100 percent (100%), and other Facilities constructed by the Developer shall be reimbursed at the level which is Self-Supporting, as defined herein, at the time of reimbursement.

I. "Security Service" – means SEAL Security Services or such other security provider as may be selected and so designated by the District.

J. "Self-Supporting" means that the estimated taxable value of the Property shall be sufficient at the time of reimbursement to amortize the debt service payments on a bond issue in an amount equal to the amount of the Reimbursable Share and payable to the Developer, including Developer's pro rata share of all associated costs, and fees, including but not limited to professional fees, capitalized interest and contingencies, at an interest rate estimated by the District's Financial Advisor and reduced by an amount equal to the District's costs for related water plant and wastewater treatment plant capacities as applied by the Districts' Financial Advisor pursuant to the District's policies. The District shall determine, in its sole and absolute discretion, when the Developer's Development is Self-Supporting. Provided, however, that if the Development includes improvements which do not generally appreciate, such as personal property, mobile homes and similar type establishments, or any improvement which was not disclosed to the District at the time of application for service, the District reserves the right to not reimburse the Developer.

K. "Service Provider" - any company that has entered into a contract, either written or oral, with the District to provide services to the District

L. "Single Family Residential User" - means a User of the District's water and sewer system which consists of one residence designed for use and occupancy by a single family unit.

M. "Utility Commitment and Annexation Policies" see attached Exhibit "C".

N. "Wells" – means the water wells owned and operated by the District.

Section 2. Use of Personal Contact Information. The District is in possession of its Users' personal contact information including telephone numbers, email addresses and mailing addresses provided by Users. Any of such personal contact information may be used by the District and/or its Service Providers to communicate with Users regarding emergencies or other necessary notifications. User information will not be shared with any third parties for any purpose other than relaying District-specific and relevant information regarding data, public

safety and other important notifications only to the extent necessary. Users are required to sign an Application for Residential Utility Service, and, as such, do acknowledge and consent to the receipt of such notifications. Users may receive notifications by the District and/or its Service Providers via telephone, SMS (text message), email or regular mail. The District and/or its Service Providers are not responsible for any costs that may be incurred by the User upon receipt of any form of communication, i.e. data, voice, or SMS rates.

Section 3. Platting Requirement. Prior to initially connecting to the District's water, sewer or drainage systems, a Single Family Residential User, Non-Single Family Residential User or Public Space User shall submit to the District's Operator proof that the User's property has been platted in accordance with the subdivision ordinances of the City of Houston. Acceptable proof of platting includes a copy of the recorded plat, or a certificate from the City of Houston that the property has been platted or that the property is legally exempt from the platting process.

Section 4. Tap Fees.

A. Single Family Residential User Water Tap. Prior to connection to the District's System, a tap fee of three (3) times the costs to the District's Operator shall be paid to the District.

Connections to the District's water system shall not be allowed prior to an approved sewer inspection, and all such connections shall be inspected by the District's Operator or its subcontractor.

B. Non-Single Family Residential Users. Prior to connection to the District's water system, a tap fee in the following amount shall be paid to the District: the District's actual cost of installing the tap, meter, and necessary service lines, and repairing or restoring any yards, sidewalks, property, landscaping, streets or other improvements affected by the installation (the "Installation Costs"). The District's Operator will produce an estimate for the Installation Costs, which will be sent to the User. The User shall pay the Installation Costs, plus 20%, prior to the installation of the tap. If the actual Installation Costs are greater than the estimated Installation Costs paid by the User, the difference must be paid by the User before the District will provide service to the User. If the actual Installation Costs are less than the estimated Installation Costs paid by the User, a refund for the difference shall be issued to the User.

Connections to the District's water system shall not be allowed prior to an approved sewer inspection, and all such connections shall be inspected by the District's Operator or its subcontractor.

C. Non-Taxable Users.

(1) Non-Taxable Users shall pay a tap fee equal to the District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets or other improvements affected by the installation (as determined by the District's Operator) plus the User's pro rata share of the District's actual cost of the facilities necessary to provide District services to the Non-Taxable User that are financed or to be fully or

partially financed by the District's tax bonds (as determined by the District's consultants and approved by the Board of Directors) (the "Installation Costs").

(2) The District's Operator will produce an estimate of the Installation Costs, which will then be approved by the Board of Directors and be sent to the User. The User shall pay the estimated Installation Costs, plus 20%, prior to installation of the tap. If the actual Installation Costs are greater than the estimated Installation Costs paid by the User, the difference must be paid by the User before the District will provide service to the User. If the actual Installation Costs are less than the estimated Installation Costs paid by the User, a refund for the difference shall be issued to the User.

D. Public Space User. All Public Space Users shall be required to have meters installed by the District's Operator. A User requesting a tap for Public Space shall pay a tap fee equal to the District's cost to install the tap and meter.

Section 5. Pre-Facility Inspection. All builders or contractors for property owners within the District must contact the Operator, prior to starting any work on property within the District, to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the Operator will make necessary repairs or locate and make visible at the expense of the District. A copy of the inspection will be given to the builder's or contractor's representative. After the inspection and any necessary work is completed, the builder or contractor will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the Final Site Survey. The cost for each inspection is \$50.00.

Section 6. Facility Inspection. After construction has been completed on the property, but before service is transferred to a User, the District's Operator will conduct a Final Site Survey to reinspect the water tap, meter and all other District facilities on the property for a fee of \$50.00. (The \$50.00 fee shall be collected at the time the tap fee is paid.) The property owner, builder or contractor will be held responsible for any damages or adjustments to District facilities and the cost of repairing, adjusting or relocating the facilities (the "Backcharges) before service shall be initiated to a User. If any re-inspections of the facilities are required to ensure that the District's facilities are repaired, relocated or adjusted, a fee of \$50.00 shall be charged for each such re-inspection before service will be transferred to a subsequent User. Payment of the Backcharges, or any inspection or re-inspection fees, shall be made on or before the 20th day after the date of the invoice for said charges. The District may withhold the provision of service to the property or to other property owned by any User, property owner, builder or contractor who has failed to timely pay the Backcharges or any \$50.00 inspection or re-inspection fee, including specifically the provision of additional taps; provided, however, the District shall follow the notification procedures set forth in Section 10 prior to withholding the provision of service.

Section 7. Sewer Connections. All connections to the District's sewer system shall be made in accordance with the provisions of the Rules and Regulations Governing Sewer House Lines and Sewer Connections. All connections to the District's sewer system shall be inspected by a representative of the District prior to being covered in the ground. In the event a connection is made and covered without inspection by a representative of the District, water service at such location shall be terminated. An inspection fee of \$75.00 shall be paid to the District to cover the

cost of making said inspection of a single family residence connection. A fee of \$100.00 shall be paid to the District for making an inspection of Non-Single Family Residential User and Non-Taxable User connections.

Section 8. Water Rates.

A. Temporary Builder Connections. During construction and prior to initial occupancy, a builder shall be charged a monthly flat rate of \$21.00 for water service.

B. User Connections. After initial occupancy, Single Family Residential within the District shall be charged for water service from the District on a monthly basis according to the water used in accordance with the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$13.00 (minimum monthly charge)	0-8,000 gallons
\$1.00 per 1,000 gallons	8,001 - 12,000 gallons
\$1.50 per 1,000 gallons	12,001 – 20,000 gallons
\$2.50 per 1,000 gallons	20,001 – 30,000 gallons
\$3.50 per 1,000 gallons	All over 30,000 gallons

After initial occupancy, Non-Single Family Residential, within the District shall be charged for water service from the District on a monthly basis according to the water used in accordance with the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$15.50 (minimum monthly charge)	0-8,000 gallons
\$ 0.75 per 1,000 gallons	8,001 - 12,000 gallons
\$ 1.00 per 1,000 gallons	12,001 - 15,000 gallons
\$ 1.25 per 1,000 gallons	All over 15,000 gallons

C. Public Space User. Water service shall be provided to public esplanades, lakes, recreational areas or green spaces within the District at the same rate as Single Family and Non-Single Family Residential Users. In order to promote conservation of the District's water supply, however, Public Space Users will pay an increased rate to be set by the District if the District determines that the Public Space User's water usage is excessive, inefficient, and/or wasteful.

D. Out-of-District Builder Service. The rate for out-of-District water service to Developers of property located outside the boundaries of the District where the District has petitioned the City of Houston to annex the property shall be two (2) times the rate of in-District service through the date of final adoption of the Order Annexing Land Into the District with respect to said property.

E. North Fort Bend Water Authority ("Authority"). Each customer's billing statement will include a line item reflected as "NFBWA fee" or such other similar language. Such fee will be calculated based upon the customer's actual water usage for the previous month (total number of gallons divided by 1,000), multiplied by the current cost for surface water assessed by the NFBWA plus a \$0.03 per 1,000 gallons administrative charge.

F. Credit to Customers for Differences between the Ground Water and Surface Water Fees. The Operator shall credit each customer in the District an amount equal to any difference between the ground water and surface water fees paid to the Authority, and the amount collected within 90 days of the end of each calendar year. The amount due to each customer will be based on water use.

Section 9. Sewer Charges.

A. Single Family Residential User. Each Single Family Residential User within the District shall pay a flat monthly sewer service charge of \$31.72.

B. Non-Single Family Residential User. Each Non-Single Family Residential User shall pay a minimum monthly charge of \$31.00 and an additional charge of \$0.75 per 1,000 gallons of sewage discharged in excess of 12,000 gallons. The amount of sewage discharged shall be determined by the total amount of water billed to such User.

C. Out-of-District Builder Service. The rate for out-of-District sewer service to Developers of property located outside the boundaries of the District where the District has petitioned the City of Houston to annex the property shall be two (2) times the rate of in-District service through the date of final adoption of the Order Annexing Land Into the District with respect to said property.

Section 10. Out-of-District Rates. In addition to Consumers receiving a charge for the applicable water and sewer rates for the District, Consumers that receive out-of-district service shall be billed an out-of-district surcharge. The out-of-district surcharge is based on the District's tax rate applied to the Consumer's assessed valuation from Harris County Appraisal District ("HCAD") each year. The Consumer shall be charged based on the service that they receive from the District. The charge for water service is equal to forty (40%) percent of the appraised value of the property pursuant to HCAD. The charge for sewer service is equal to sixty (60%) percent of the appraised value of the property pursuant to HCAD.

A. Out-of-District Surcharge Calculation:

B. $I + C = \text{Monthly Utility Bill}$

C. $C = \left[\frac{AV}{100} \times T \right] \times (W, S \text{ or } WS) = AS \div 12$

D. $C = \text{Monthly Out-of-District utility surcharge}$

E. $I = \text{In-District water/sewer rate, either Residential or Commercial as appropriate}$

F. $AV = \text{Appraisal Value pursuant to HCAD}$

G. $T = \text{Tax Rate}$

H. $W = 40\%$

I. $S = 60\%$

J. WS = 100%

K. AS = Annual Surcharge

Section 11. Payment and Fees.

A. Charges and Due Date. Charges for water and sewer service shall be billed monthly. All bills shall be payable on the 20th day after the date of the statement for said charges.

B. Late Payment Fee. Unless payment is received on or before the 20th day after the date of said statement, such account shall be considered delinquent and a late charge of ten percent (10%) of the unpaid balance shall be assessed against the account.

C. Delinquent Letter Fee. A fee of \$10.00 shall be charged by the District for each notice of delinquency mailed to an account to cover the District's costs associated with such notice.

D. Delinquent Builder Fees. The District shall have the right to withhold installation of taps until such time as all delinquent fees charged to a particular builder shall have been paid.

E. Method of Payment and Associated Fees. Except as provided in Section 10, the District shall take the following forms of payment for water and sewer service: cash, check, cashier's check, money order, credit card or e-payment (via credit card). Credit card and e-payment services are provided as a convenience only and such payment services may be terminated at any time at the discretion of the District. A processing fee of up to five percent (5%) of the amount of the charge on credit card payments may be assessed at the time of payment. The District will charge a \$30.00 fee to any customer 1) for each check given to the District that must be returned for any reason or 2) for any e-payment made to the District that is declined for any reason. Payments attempted to be made by a check or e-payment which are returned shall be considered delinquent unless cash or certified funds are presented to the District for payment within the time period required by Section 10.

Section 12. Termination and Reconnection of Service.

A. Termination. Charges for service shall be billed monthly. All bills shall be payable on the 20th day after the date of the statement for said charges. Unless payment of the monthly bill is received on or before the 20th day after the date of said statement or unless payment of any Backcharges is received on or before the 20th day after the date of the invoice, such account shall be considered delinquent and a one-time late charge equal to ten percent (10%) of the unpaid balance shall be charged. The District may, in its discretion, disconnect service for failure to pay all charges and Backcharges, including interest, by the 25th day after the due date; provided, however, that prior to disconnecting services, the District shall send written notice by United States first class mail to the User or entity at the appropriate address and provide the User or entity with an opportunity to contest, explain or correct the charges, services, or disconnection, at a meeting of the Board of Directors of the District. The written notice shall inform the User or entity of the amount of the delinquent payment, the date service will be disconnected or additional service withheld if payment is not made, the date, time and place of

the next scheduled meeting of the Board of Directors, and of the opportunity to contest, explain or correct the charges, services, or disconnection, by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown on the notice. The date specified for disconnection shall be the date of the next scheduled meeting of the Board of Directors as shown in the notice and the date for withholding additional service shall be the date of that Board meeting. The notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled meeting of the Board of Directors. A written statement by the District's Operator that the notice was so mailed and a certificate of mailing by the United States Postal Service shall be prima facie evidence of delivery of same. If the User or entity appears before the Board in person or in writing, the Board shall hear and consider the matter and inform the User or entity of the Board's determination by sending written notice by United States first class mail to the User or entity at the appropriate address.

B. Termination for Rate Order Violation: Any User who has opened an account with the District and who violates any provision of this Rate Order, in addition to being subject to the penalties described in Section 24 below, shall be subject to having water, sewer and garbage service terminated; provided, however, that prior to disconnecting service for such violation, the District shall give written notice, by first class United States mail or otherwise, to such User of the pending termination and shall give such User the opportunity to contest, explain, or correct the violation of the Rate Order at a meeting of the Board of Directors of the District.

C. Termination for No Account: The District has no obligation to provide services to a User before the User has opened a service account with the District and the District may terminate services to such a User. If service to a User is terminated under this subsection, a service account with the District shall be opened. If service to a User is terminated under this subsection 10(C) and the User reconnects to the District's system without properly opening a District account and paying the service initiation fee, services to such User may again be terminated by the District and, in addition to opening a service account, the User shall be subject to the reconnection provisions of subsection 10(D).

D. Reconnection: If service to a User is disconnected or terminated pursuant to subsections 10(A) or 10(B) or if service to a User without a District account has been terminated more than once, a reconnection fee of \$50.00 shall be collected before services again commence to such User; provided, however, if the District takes out the water meter in connection with a disconnection or termination of services, a fee of \$100.00 for removal of the meter (in addition to aforementioned \$50.00) shall be collected before services again commence. A fee of \$35.00 for reinstallation of the meter (in addition to the aforementioned \$50.00 and \$100.00 fees) shall be collected before services again commence. In addition, a one-time charge of \$75.00 will be required before service is again commenced to the User. Such sum shall be held by the District as a deposit to assure prompt payment of all charges for water and sewer service. No interest will be allowed on such deposit. If any User connects to the District's water or sewer system without authorization of the District, the District shall disconnect said connection; in such event, before services again commence, such User must pay (in addition to the aforementioned \$50.00, \$100.00 and \$75.00 fees) any amount needed to repair damage to District facilities caused by the unauthorized tap or disconnection of same, plus costs of the District incurred to disconnect the

unauthorized connection. All charges must be paid in cash or by approved money order prior to reconnection of service.

Section 13. Returned Checks. The District will assess a \$30.00 penalty fee to any customer for any check given to the District that must be returned for any reason. This penalty will be assessed each time that the check is returned or upon notification by the customer that the check will be returned. The District shall have the right to require that payments due under this section be in the form of cash or money order. Payments due under this section are non-refundable.

Section 14. Commercial Customer Security Service Fee. Commercial Customers in the District shall be assessed a \$20.00 Security Service Fee each month to help offset the costs of Security Service within the District.

Section 15. Garbage Service. The District shall provide garbage service to each Single Family Residential User as a part of the flat rate charged for the minimum residential sewer service.

A. Garbage Collection Schedule. Garbage shall be collected from each separate connection on Tuesday and Friday between the hours of 7:00 a.m. and 7:00 p.m., except holidays, including New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day.

B. Manner of Garbage Collection. Garbage will be collected by the garbage contractor at the street on each collection day. Garbage must be properly packed in containers or bags not exceeding fifty (50) gallons and weigh less than forty (40) pounds. The garbage contractor will collect tree, shrub and brush trimmings, provided that such materials are bundled in lengths no greater than four (4) feet in length and weighing less than forty (40) pounds, and branches with a maximum diameter of three (3) inches, and placed at the curb alongside the cart. Bulky waste collection will also be provided on either scheduled day. Bulky waste collection will not include certain items as follows: dirt, rocks, bricks, concrete, batteries, tires, roofing or building debris, demolition waste, or any materials or items deemed hazardous materials or waste generated by a private contractor. Bulky waste such as refrigerators, freezers, air conditioners, stoves and other appliances will be picked up on either scheduled day and must also be located at the curb. Refrigerators, freezers, and air conditioners must be drained of Freon and have a certification of Freon reclamation to validate such service was performed. For special collection other than normal amounts of residential refuse, yard trimmings or bulk items, the garbage contractor must be notified in advance and will meet with the resident prior to collection day to negotiate a price. If a resident does not notify the garbage contractor of such a special pick-up before their scheduled day, then the garbage contractor will leave a notice for the resident to contact the garbage contractor during normal office hours before their next scheduled pick-up day. All items not collected by the garbage contractor, for any reason, must be removed from the curb lawn within two (2) days following completion of the regularly scheduled collection day. All permanent trash containers, after being emptied by garbage contractor, will be returned to their point of origin in the same condition in which they were taken, normal wear and tear expected. Garbage contractor shall clean up any spillage that occurs during the collection process; provided, however, that if gasoline, motor oil, cooking oil, paint, or any other

liquid items in a garbage container are not seen by garbage contractor personnel resulting in spillage that causes a stain, garbage contractor shall not be responsible.

C. Penalty for Violation As previously stated above, garbage remaining on the curb lawn two (2) days after the scheduled collection day shall be deemed a public nuisance and a violation of the District's Rate Order. If such a violation occurs, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in Section 24 of this Rate Order, immediately terminate service, or take immediate action to remedy the nuisance and bill the associated cost to the property owner.

Section 16. Regulatory Assessment. Pursuant to Section 5.235 of the Texas Water Code, each User of the District's water and sanitary sewer system is hereby assessed a charge of one-half of one percent of the District's charge for water and sewer service. This assessment is included in the rate schedules listed above and will be forwarded to the Texas Commission On Environmental Quality, as required by Section 5.235, and used to pay costs and expenses incurred in its regulation of water districts.

Section 17. Quality of Sewage.

A. Domestic Waste. Only ordinary liquid and water-carried waste that is amenable to biological treatment and that is discharged from sanitary conveniences of buildings connected to a public sanitary sewer system shall be discharged into the District's sewer lines. Waste resulting from any process of commerce or industry may not be discharged into the District's sanitary sewer lines except as authorized pursuant to subsection B below.

B. Commercial and Industrial Waste. All discharges other than waste described in subsection A are prohibited unless the User has applied to and received written authorization from the District for such discharge. The applicant must file a statement with the District containing the following information:

- (1) Name and address of applicant;
- (2) Type of industry, business, activity, or other waste-creative process;
- (3) Quantity of waste to be discharged;
- (4) Typical analysis of the waste;
- (5) Type of pretreatment proposed; and
- (6) Such other information as the District may request in writing.

The District shall have the right to reject any application for discharge of non-domestic waste into the District's sanitary sewer lines if the District determines in its sole discretion that the proposed discharge may be harmful to the District's sanitary sewer system or the environment. The District also shall have the right in approving any application for the discharge of non-domestic waste to impose any limitations on such discharge that the District determines in its sole discretion to be necessary to protect the District's sanitary sewer system or the environment.

C. National Categorical Pretreatment Standard. If a User is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental

Protection Agency under Section 307 of the Federal Clean Water Act, the User is prohibited from discharging pollutants into the District's sanitary sewer system in violation of applicable categorical pretreatment standards.

D. District Testing; Pretreatment. The District shall have the right to sample and test any User's discharge at the discretion of the District's Operator, with no limit as to the frequency of the tests, and to charge the User for the District's cost of such sampling and testing. The District also shall have the right to require pretreatment, at the User's expense, of any discharge of non-domestic waste if the District determines in its sole discretion that pretreatment of such waste is necessary to protect the District's sanitary sewer system or the environment, even if pretreatment is not otherwise required pursuant to subsection C above.

Section 18. Grease Traps. The District shall require the owner of any establishment that discharges certain types of waste into the District's sanitary sewer system to install a trap to prevent the entry of the discharge into the system and a sampling well to allow for periodic sampling of the discharge from the establishment. Discharges requiring a trap and sampling well include, but are not limited to, grease, oil, sand, or flammable waste. Other discharges requiring a trap and sampling well shall be determined by the District's Operator and Engineer on a case-by-case basis based on the Operator's and Engineer's conclusion that the discharge in question will harm the District's facilities if allowed to enter the District's system.

Any person responsible for a discharge requiring a trap and sampling well shall provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, and maintain the trap in effective operating condition. For restaurants and similar developments, the District will require as a minimum one trap and one sampling well per restaurant. Each trap and sampling well required to be installed hereunder shall be subject to initial inspection and approval by a District representative; the fee for this initial inspection shall be \$75.00.

It shall be the responsibility of the owner of the property to maintain and service the trap(s). All traps shall be cleaned a minimum of once a month. Any time an owner files a "Liquid Waste Manifest" form with the City of Houston Health and Human Services Department, a copy of the form shall be sent to the District.

The District's Operator may inspect the traps and may take samples and flow measurements from the sampling wells with no limit as to the frequency of the tests. A surcharge of \$35.00 per month will be added to the District's commercial sanitary sewer rates for each grease trap installed. This surcharge will cover the cost of routine inspection, sampling, and testing. If a grease trap is found in violation of this Rate Order during a routine inspection, reinspection, sampling, and testing at the District's sole discretion as to time and frequency will be billed to the owner of the property as follows:

Reinspection	\$107.00 each trip
Sampling	\$25.00 each time
Lab analysis	Cost + 15%

The District has the right, in its sole discretion, to require the owner to pretreat the discharge at the owner's expense.

Section 19. Surcharge for Service. In fairness to all Users of land within the District, and to honor its contractual obligations and commitments, the District has the right to monitor the use of water and the discharge of sewage to determine if Users are exceeding the amount of capacity committed to serve their land or buildings. As one method of enforcement, the District has determined to reserve the right to impose a surcharge on any User who uses water or discharges sewage in excess of the amount reserved to such User or tract. Accordingly, in addition to the other charges specified herein, the District has the right to impose an additional charge of \$0.05 per gallon of water used in excess of one hundred percent (100%) of the amount of capacity reserved to the tract by any utility commitment letter anytime after the Users exceed 100% of their reserved capacity for two successive months.

Section 20. Swimming Pool Inspections and Fee. Every User who plans to construct or install a swimming pool within the District shall notify the District's Operator in writing prior to commencing construction of the pool. Upon notification by the User of the intention to construct or install a swimming pool, the User shall pay an inspection fee of \$53.50. After the notification is received, the District's Operator shall ensure that all drains from the swimming pool are connected to the District's sanitary sewer system. After the drains have been installed, the User shall notify the District's Operator, who shall make an inspection of all swimming pool drains to verify that the proper connection is made, before service is authorized for said swimming pool.

Section 21. Plumbing Material Restrictions.

A. Prohibition on Use of Specified Materials. The use of the following plumbing materials are prohibited in any and all improvements connected to the District's water system after May 24, 1994:

- (1) Any pipe or pipe fitting which contains more than 0.25% lead; and
- (2) Any solder or flux which contains more than 0.2% lead.

B. Customer Service Inspection Certification. Before the District will provide water and sewer service to any new improvement, a customer service inspection certification, in the form attached as Exhibit "A", signed by a state-licensed plumber, must be submitted to the District.

Section 22. Customer Service Inspections, Plumbing Inspections and Regulations: Prohibition against Cross-Connections and Unacceptable Plumbing Practices; Penalty for Violation. Pursuant to Chapter 290 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all Users of the District's potable water distribution system.

A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, or prior to having service reconnected to any building after termination of water service, a User must execute a Service Agreement in the form attached to this Rate Order as Exhibit "B".

B. Plumbing Fixtures. A User is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

C. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow prevention device in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the city in whose jurisdiction the District is located. All water service and plumbing service leads shall maintain a nine foot (9') separation distance parallel to each service lead.

D. Backflow Prevention Assemblies. The District requires all Non-Single Family Residential Users and Temporary Builder Connections to install a backflow prevention assembly at any meter(s) servicing such a User's property. The District, in its sole discretion, also may require any other User to install other backflow prevention assemblies at any fixture in order to prevent contamination of the District's potable water distribution system or if the User's plumbing system poses a high health hazard. A high health hazard is defined by the TCEQ as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply." If the District determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located, and must be tested and certified at least annually by a recognized backflow prevention assembly tester.

The User is responsible for insuring that all backflow prevention assemblies are tested upon installation by the District's Operator. The cost for this test is \$37.50 for single family residential service and \$107.50 for all other Users, which is due and payable prior to the test. The User is solely responsible for the cost of this test. If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the User. In that event, service will not be restored until the backflow prevention assembly has been installed and tested and a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "C" has been executed by the District's Operator.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's public water system, the User must install the backflow prevention assembly within five (5) working days after receipt of notice from the District that such installation is required. In addition, the User must have the District's Operator sign and date an original "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "C" within three (3) working days of the installation of the backflow prevention assembly and within three (3) working days of any subsequent repair, maintenance or testing of such assembly. If the User

fails to have the District's Operator perform the test and execute the certificate within this time, the District, in its discretion, may terminate service to the User pursuant to the terms of this Rate Order. The District's Operator will retain such reports for a minimum of three (3) years. All backflow prevention assemblies installed on systems that do not pose a high health hazard must be inspected every ten (10) years at the sole cost and expense of the User.

E. Customer Service Inspections. A customer service inspection is an examination of the private water distribution facilities for the purpose of providing or denying water service and is not a plumbing inspection as defined and regulated by the Texas State Board of Plumbing Examiners (TSBPE). A customer service inspector is not permitted to perform plumbing inspections. Only TSBPE licensed plumbing inspectors are permitted to perform plumbing inspections of all new plumbing and alternations or additions to existing plumbing. Notwithstanding any other provision of the Rate Order, a customer service inspection certification, substantially in the form as set out in Exhibit "A" hereto, shall be completed and filed with the District's Operator prior to providing continuous water service to new construction, on any existing service when the District has reason to believe that cross-connections or other potential contaminant hazards or illegal lead material exist, or after any material improvement, correction, or addition to the private water distribution facilities. Such customer service inspection certifications shall be conducted by the District's Operator. Should the District's Operator be asked to perform the customer service inspection, an inspection fee as follows shall be paid, in addition to any other fees required herein, prior to the initiation of service. Prior to the District initiating continuous service, a Customer shall provide a Customer Service Inspection Certification to the District. A plumbing inspection may only be performed by those individuals described below:

Individuals with the following credentials shall be recognized as capable of conducting a plumbing inspection:

- A. Plumbing Inspectors and Water Supply Protection Specialists licensed by the Texas State Board of Plumbing Examiners; and
- B. Customer service inspectors who have completed a commission approved course, passed an examination administered by the TNRCC or its designated agent and hold current professional certification or endorsement as a customer service inspector.

Customer Service Inspection Certifications performed by the District's Operator, the Customer must pay the District the Customer Service Inspection Fee prior to the Operator performing the inspection and certification. For single family residential service, the fee for this inspection will be \$50.00. The cost of such customer service inspection will be the sole responsibility of the User. All customer service inspections shall be performed by the District's Operator and all fees relating to the customer service inspection shall be paid by the User prior to the inspection, and if the inspection is made in connection with new construction, the fee will be collected with the tap fee. For all other types of service, the fee for this inspection will be 107.50.

Copies of properly completed Customer Service Inspection Certifications shall be kept on file by the District's Operator and made available, upon request, for Texas Commission on

Environmental Quality ("TCEQ") review. Inspection certifications shall be retained for a minimum of ten (10) years. Failure to provide a Customer Service Inspection Certification in accordance with this Section 19 shall constitute a violation of these Rules and Regulations and such violation shall be subject to the enforcement provisions set forth in Section 24 of this Rate Order and TAC §290.46(j).

F. Prohibition Against Cross-Connections. No cross-connection between the District's potable water distribution system and a private water system is permitted. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly must be properly installed and such assembly must be annually inspected and tested by the District's Operator. By accepting service from the District, all Users agree to allow such annual inspection and testing of backflow prevention assemblies to take place during normal business hours. If any User refuses to allow such annual inspection and testing, service to such User will be discontinued until such inspection and testing is completed.

No connection which allows water to be returned to the District's potable water distribution system is permitted. This includes, but is not limited to, any device pursuant to which water is removed from the District's potable water distribution system, circulated through a User's system for condensing, cooling and heating of fluids or industrial processes, including, but not limited to, a heat exchange system, and routed back to the District's potable water distribution system.

G. Notice of Unacceptable Plumbing Practices. An "unacceptable plumbing practice" is defined as those practices which may contaminate or pollute the District's drinking water system. If an unacceptable plumbing practice is discovered, the Customer shall eliminate the unacceptable plumbing practice within thirty (30) days from the date of discovery to prevent possible contamination of the District's Water Supply System. The existence of a serious threat to the integrity of the District's Water Supply System shall be considered sufficient grounds for immediate termination of water service. Service can be restored only when the source of potential contamination no longer exists, or when sufficient additional safeguards have been taken, and a plumbing inspection confirming correction of unacceptable plumbing practices has been submitted to the District.

H. Mobile Food Trucks. Any Customer of the District permitting any mobile food unit, establishment or truck in operation on Customer's property for more than one hour in a single day shall furnish to the Districts' Operator the following:

1. A permit or medallion issued by Fort Bend County Health Department Harris County Health Department or the City of Houston Health Department demonstrating compliance with all requirements of operating a mobile food truck or establishment;
2. Proof of ownership of the property on which operations are occurring or a signed and notarized written statement from the owner or owner's agent, including the name, address and telephone number of the property owner or authorized agent, granting permission for the operation of the mobile food unit at the proposed

location. If the property owner is a partnership or corporation, the statement shall include the name, address, and telephone number of one of the partners or officers. A copy of the statement shall be displayed in each mobile food unit in plain view of the public at all times; and

3. Proof of a Rate Order Compliance Inspection conducted by the District's Operator within the most recent thirty (30) days. No "unacceptable plumbing practice", as defined in this Rate Order shall exist. The District may require the installation of a backflow preventer to protect the public health and sanitation of the District's public water supply.

An "unacceptable plumbing practice" shall include a condition or practice which is determined after a Rate Order Compliance Inspection to be unacceptable under any provision of this Rate Order including non-compliance with the following: Any water supply to any mobile food unit, establishment or truck shall be through a direct connection to the property owner's water system that is of a material and construction designed for distribution of potable water in the application in which it is installed. Materials shall be safe, durable, corrosion-resistant, and nonabsorbent; resistant to pitting, chipping, crazing, scratching, scoring, cracking, distortion, and decomposition; finished with a smooth interior surface; and clearly and durably identified as to its use if not permanently attached. Any hoses shall be installed and operated so that backflow and other contamination of the water supply are prevented. Any hoses used for conveying drinking water shall be used for no other purposes, must be cleaned and sanitized before each use for conveyance of water, and shall be protected from breakage, distortion and crushing.

Connection to or discharge of wastewater to the District's sanitary sewer system is prohibited. Discharge to or dumping of wastewater or garbage to the storm sewer system is prohibited.

I. Penalty for Violation. The failure of a User to comply with the terms of this Section will be considered a violation of this Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in Section 26 of this Rate Order, immediately terminate service or, at the User's sole cost and expense, install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the User.

Section 23. Easements. Before service is begun to any User or, once begun but before reconnection is made, the person requesting such service shall grant an easement of ingress and egress to and from the meter for such maintenance and repair as the District, in its judgment, may deem necessary.

Section 24. No Reduced Rates or Free Service. All Customers receiving water, sewer, and garbage service from the District shall be subject to the provisions of this Order and shall be charged the rates established in this Order, and no reduced rate or free service shall be

furnished to any Customer; provided, however, this provision shall not prohibit the District from establishing reasonable classifications of customers for which rates differing from the rates stated herein may be adopted.

Section 25. Required Service. No service shall be given from the District's water and sewer system unless such Users agree to take both water and sewer service.

Section 24. Plans of Certain Users. Plans and specifications for the internal water, sanitary sewer, and drainage facilities of each User (other than a Single Family Home), including, without limitation, grease and lint traps and sample wells, must be submitted to and approved by the District's Engineers prior to the commencement of construction of said facilities. Under no circumstances shall a connection be made to the District's water or sewer system by any User other than a Single Family Home, until such User's water, sewer, and drainage facilities (including grease and lint traps and sampling wells) have been submitted to and approved by the District's Engineer. The District hereby adopts Chapter 84 of the City of Houston Building Code, as amended, insofar as it applies to water supply and sewage collection systems, and to Houston Building Code shall govern the method of installation, pipe sizing, fixture count and all general requirements. Grease traps, lint traps, and sample wells shall be required when required by the City of Houston for areas within the City and shall conform to City of Houston standards. Any person, contractor, firm or corporation responsible for work not meeting these standards shall correct the deficiencies without delay. Parties responsible for the installation of illegal systems may be refused permits for future work until all corrections are made. Any installation found to be in violation of District specifications after the inspection is completed may be required to be corrected, based on the severity of the offense and a review by the Board of Directors of the District. Water service to illegal installations will be terminated ten (10) days after notification unless proper corrections are made.

Section 25. Prohibited Activities. The following activities are prohibited within the designated areas of land surrounding the Wells:

A. Construction of Tanks and Pipelines. Construction and/or operation of any underground petroleum and/or chemical storage tank, liquid transmission pipeline, stock pen, feedlot, dump grounds, privy, cesspool, septic tank, sewage treatment plant, sewage wet well, sewage pumping station, drainage ditch which contains industrial waste discharges or the wastes from sewage treatment systems, solid waste disposal site, land on which sewage plant or septic tank sludge is applied, land irrigated by sewage plant effluent, septic tank perforated drain field, absorption bed, evapotranspiration bed, area irrigated by low dosage, low angle spray on-site sewage facility, military facility, industrial facility, wood treatment facility, Class 1, 2, 3, and/or 4 injection well, pesticide storage and/or mixing facility, abandoned well, inoperative well, improperly constructed water well of any depth, and all other construction or operation that could create an unsanitary condition is prohibited within, upon, or across all areas of land within a 150-foot radius of the Wells. For the purposes of this Ordinance, "improperly constructed water wells" are those wells that do not meet the surface and subsurface construction standards for a public water supply well.

B. Tile or Concrete Sanitary Sewer. Construction and/or operation of tile or concrete

sanitary sewers, sewer appurtenances, septic tanks, storm sewers, and cemeteries is specifically prohibited within, upon, or across any area of land within a 50-foot radius of the Wells.

C. Construction of Homes. Construction of homes or building upon any area of land within a 150-foot radius of the Wells is permitted, provided the restrictions described in items A and B above are met.

D. Farming and Ranching. Normal farming and ranching operations are not prohibited by the restrictions previously stated; provided, however, livestock shall not be allowed within a 50-foot radius of the Wells.

Section 26. Right of Entry. Authorized representatives of the District shall be permitted to immediately enter upon any premises located within 150-foot radius of any Well to conduct any inspection or observation necessary to enforce the restrictions set out in Section 24 of this Rate Order.

Section 27. Penalties for Violation. Any person, corporation, or other entity who:

- A. violates any Section of this Order; or
- B. makes unauthorized use of District services or facilities; or
- C. causes damage to District facilities; or
- D. uses or permits the use of any septic tank or holding tank within the District; or
- E. reconnects to the District's system after termination of service by the District without having paid all outstanding charges due to the District; or
- F. violates the District's Rules and Regulations Governing Sewer Lines and Sewer Connections: or
- G. violates the District's Order Adopting Water Conservation and Drought Contingency Plan; or
- H. constructs facilities or buildings which are not included in the approved plans for development under Section 24 of this Order; shall be subject to a penalty not to exceed \$10,000.00 for each breach of the foregoing provisions. Each day that a breach of any provision hereof continues shall be considered a separate breach. This penalty shall be in addition to the other penalties provided by the laws of the State of Texas and to any other legal rights and remedies of the District as may be allowed by law.

Section 28. Effective Date. This Order shall become effective immediately upon its adoption.

Section 29. Superseding Orders. This Order supersedes all prior orders, resolutions and other actions of the Board concerning fees and charges for water and sewer services.

Section 30. Severability. In the event any clause phrase, provision, sentence, or part of this Rate Order or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Rate Order as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the Board declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

* * * * *

EXHIBIT "A"
CUSTOMER SERVICE INSPECTION CERTIFICATION

Name of PWS _____

PWS I.D. # _____

Location of Service _____

Reason for Inspection:

New construction.....

Existing service where contaminant hazards are suspected

Major renovation or expansion of distribution facilities

I, _____, upon inspection of the private water distribution facilities connected to the aforementioned public water supply do hereby certify that, to the best of my knowledge:

		Compliance	Non-Compliance
(1)	No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with Commission regulations	<input type="checkbox"/>	<input type="checkbox"/>
(2)	No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention assembly tester.	<input type="checkbox"/>	<input type="checkbox"/>
(3)	No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	<input type="checkbox"/>	<input type="checkbox"/>
(4)	No pipe or pipe fitting which contains more than 0.25% lead exists in private water distribution facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>
(5)	No solder or flux which contains more than 0.2% lead exists in private water distribution facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>

EXHIBIT "B"

SERVICE AGREEMENT

- I. **PURPOSE.** The KINGSBRIDGE MUNICIPAL UTILITY DISTRICT (the "District") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this Service Agreement is to notify each Customer of the plumbing restrictions which currently are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each Customer must sign this Agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this Agreement.

- II. **PLUMBING RESTRICTIONS.** The following unacceptable plumbing practices are prohibited by State regulations:
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

 - C. No connection which allows water to be returned to the public drinking water supply is permitted.

 - D. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

 - E. No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

In addition, the District's Rate Order prohibits the use of plumbing practices which may contaminate or pollute the District's drinking water system. A copy of the District's current Rate Order, which may be amended from time to time in the discretion of the Board of Directors of the District, is available, upon request, from the District's Operator, Si Environmental, LLC. ("Si Environmental").

Pursuant to the District's Rate Order, Si Environmental is the only entity authorized by the District to perform customer service inspections and inspection of backflow prevention assemblies.

III. SERVICE AGREEMENT. The following are the terms of the Service Agreement between the District and _____ (the "Customer");

- A. The District will maintain a copy of this Agreement as long as the Customer and/or the premises is connected to the District's water system.
- B. The Customer shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated representative prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices create a potentially hazardous condition; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the District's normal business hours.
- C. The District shall notify the Customer in writing of any potentially hazardous condition which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately correct any potentially hazardous condition on his premises.
- E. The Customer shall, at his expense, properly install, test and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be maintained by the District. Copies will be provided to the Customer.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement or any provision of the District's Rate Order, the District shall, at its option, either terminate service, properly install, test, and maintain an appropriate backflow prevention device at the service connection, repair the District facility damaged by the Customer, and/or repair any Customer facility which may pose a threat of a high health hazard to the District's water supply and facilities. Any expenses associated with the enforcement of this Agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

ADDRESS: _____

EXHIBIT "C"

**KINGSBRIDGE MUNICIPAL UTILITY DISTRICT
UTILITY COMMITMENT POLICY
AND ANNEXATION POLICIES**

**C. POLICY AND PROCEDURE FOR ISSUANCE OF WATER OR
WASTEWATER UTILITY COMMITMENTS**

This Policy and Procedure for Issuance of Water or Wastewater Utility Commitments (the "Policy") shall apply to any new or additional development within the District which has not been platted or which currently has service approved by the District available to it; and all property outside the District for which service is requested.

No owner of a single-family residence in a platted subdivision to which District service is available shall be required to comply with this Policy and may apply directly for a utility connection under Paragraph C.

No owner of a property which has been previously platted and which no new or additional development is occurring and which a previous utility commitment has been issued shall be required to comply with this Policy and may apply directly for a utility connection under Paragraph C.

The Board of Directors (the "Board") has adopted the following policy for the purpose of providing water and sewer service for the growth and development within the District in a uniform and nondiscriminatory manner. These policies and procedures shall apply uniformly throughout the District for any new or additional development.

a. **Application and Deposit.** The attached Application along with a deposit check made payable to the District in the amount of \$5,000, should be completed and submitted to the District's Engineer, David Miller, Miller & Associates, 3664 Walnut Bend Lane., Suite C100, Houston, Texas 77042-4851. The District's Development Procedure Plan, attached hereto as Exhibit "A", contains a general guideline for the District's review of design documents, construction documents, tenant space buildout plans, plats, easements, sites, signs and structures and instruments of records.

b. **Processing Application.** Upon receipt of the attached, fully completed Application and deposit, the Engineer shall present the request to the Board of the District and obtain authorization for the District's consultants to begin the evaluation of the request. The deposit will be used to cover the expenses incurred by the District for the preliminary evaluation by the consultants as to whether the District's facilities can accommodate the proposed project.

c. **Additional Deposit.** The Board reserves the right to request additional deposit monies from the Applicant should the initial deposit not be sufficient to cover anticipated consultant costs during the review. If additional monies are not produced when requested, then

all review work will be stopped and the application will become null and void upon ten (10) days written notice to the Applicant. Upon completion of the review by the District, the remaining position of the deposit, if necessary, will be returned to the Applicant.

d. **Miscellaneous Conditions.**

- i. **Application Required.** Any party requesting service from the District shall be required to submit an Application to the Board for consideration.
- ii. **Term of Commitment.** Commitments shall not be issued for more than one (1) year from the date of issuance. An existing commitment approaching expiration may be extended for six (6) months upon receipt of an additional \$3,000 fee to the District.
- iii. **Transfer.** Commitments are non-transferrable; provided, however, prospective buyers may jointly apply for service with the owner of the property.
- iv. **Taxes and Standby Fees.** Application shall not be considered for property with delinquent taxes or standby fees.
- v. **Construction.** No construction may begin on any improvements until all fees required by the District have been paid.
- vi. **Construction Deadline.** Construction must begin prior to the expiration date contained in the commitment and diligently pursued thereafter. In the event construction has not commenced on any tract for which a commitment has been issued prior to the expiration of the commitment, the reservation shall lapse without notice and the application procedures must be reinstated as described herein. If no construction activity has commenced during the six (6) month extension and the commitment expires, the commitment is no longer valid and the process would begin again with a new application. The District reserves the right to revisit the ability to commit capacity for a tract at the use previously considered. Any requests may require expansion of the District's facilities or purchase of additional capacity.
- vii. **Progress Reports.** Applicant is required to provide the District with periodic written progress reports (at thirty (30) day intervals) advising the Board as to the status of progress up to commencement of construction.
- viii. **Plats and Approvals.** All tracts of land receiving service must be platted as required by law and the plat and plans must be approved by the City of Houston, Harris and Fort Bend Counties and other appropriate agencies prior to utility service being provided by the District.
- ix. **Extension of Facilities.** Applicant must make arrangements to extend the necessary trunk water, sanitary sewer and drainage facilities to serve its property

in areas where such facilities do not exist. All temporary and permanent arrangements for sewer and water service must be worked out in advance of construction with the District's Engineer.

- x. **Easements.** Applicant, at its sole cost, must convey all necessary easements and rights-of-way to the District with all lienholder subordinations.

- xi. **Maintenance Responsibility.** All utility lines constructed that are not in permanent acceptable easements, or which lie within private developments (apartments, condominiums, etc.) shall remain the permanent property of the landowner and shall remain such owner's permanent maintenance responsibility.

- xii. **Change in use.** any change of use from the previously approved use of the property covered by this application must be approved by the district. any request for change in use must be submitted in writing, describing in detail any change in any information submitted in connection with the original application, together with a \$500 deposit to be applied as described in Paragraph 1-3 hereof.

- xiii. **Rate Order Governs.** Service shall be extended to a tract in accordance with the then current tap fees, rates and regulations governing the waterworks and sanitary sewer system.

- xiv. **Annexation.** In addition to the other referenced prerequisites, including Paragraph B below, the following requirements are applicable to requests for annexation:
 - 1. A feasibility study shall be prepared by the District's Engineer.
 - 2. Applicant shall provide to the District a copy of the deed showing current ownership of the property referenced in the Application.
 - 3. Applicant shall submit to the District a current title commitment.
 - 4. The petition to the City of Houston for its consent to the annexation and the annexation petition to the District shall be prepared by the District's Attorney.
 - 5. All costs of annexation, including attorney's fees, engineering fees, election fees and any and all other fees relating to said annexation, shall be paid by the Applicant.
 - 6. Applicant shall provide to the District a copy of the current survey of the property, including a metes and bounds description.

D. ANNEXATION POLICY

The Board shall consider annexation of real property into the District subject to the following conditions:

a. All legal, engineering and other costs associated with the annexation shall be paid by the Applicant.

b. The following uses shall not be included, constructed or developed on the tract proposed for annexation: manufactured home/trailer/recreational vehicle park; dumping, disposal, incineration or reduction of garbage, refuse, or waste; junkyard/salvage yard; heavy industrial processing or manufacturing business; auction house operation; used car lot; flea market; waste material business; light industrial processing or manufacturing facility; sexually oriented business or a business that sells sexually oriented material.

c. All costs of constructing the water, sanitary sewer and drainage facilities to serve the property (the "Facilities") shall be paid by the Applicant. In the sole discretion of the District, the District may pay for the costs of any portion of the Facilities if The Board of Directors make a finding that either: (a) the taxable assessed value of the Applicant's proposed project exists or will exist at the time of construction of the Facilities; or (b) any portion of the Facilities benefit the District.

d. The District's existing sewage treatment plant currently is sufficient to serve only the projected development of the land currently located within the District. Applicant shall be required to finance all costs related to whatever expansion to the District's sewage treatment plant is necessary to serve the annexed property. Such costs shall be secured by an irrevocable letter of credit, in form satisfactory to the District, drawn on a bank located in Harris County, Texas or Fort Bend County, Texas. Such letter of credit shall be deposited with the District at the time Applicant begins construction of any utilities to serve its property.

e. The same restrictions and procedures as described in Subsection 3 above shall apply to the District's water production facilities, if it is determined that the District does not have sufficient surplus water supply to serve Applicant's proposed development.

f. All utility facilities proposed to be owned and operated by the District shall be designed by and construction supervised by the District's Engineer.

g. All contracts let for the construction of utilities shall be let in the name of the District and shall be supervised by the Board. All payments, however, shall be solely the responsibility of the Applicant.

h. In the event the District determines that certain utility lines should be oversized in order to accommodate anticipated development within the District, the Applicant shall fund the oversizing of such lines. The District, however, shall endeavor to recoup such additional costs from the benefitting landowners when they request service from the District.

i. All construction costs shall be reimbursed by the District in accordance with the rules of the Texas Commission on Environmental Quality including 30 TAC 293.47 (related to 30% contribution by the Developer) to the extent agreed between the Developer and the District.

j. Reimbursement shall occur when the amount of taxable assessed valuation existing within the annexed tract is sufficient to reimburse Applicant at a tax rate not in excess of the District's tax rate in place at the time the bonds are sold. The District shall not be required to issue bonds in an amount less than \$1,000,000.

k. At the time the tract is annexed into the District, Applicant shall waive any special use valuations of the property, including agricultural, open space or business inventory value.

l. The terms and conditions of the annexation agreement shall be recorded at the time of annexation and shall be binding upon any future purchaser and any lender.

m. Whether the Applicant has a known use for the annexed tract will impact the Board's decision on whether to annex the tract.

The Board recognizes that the providing of utility service to a tract may include consideration not specifically addressed herein or that special circumstance may arise that made these conditions inapplicable. The Board stands ready to address with an Applicant any issues relevant to the policy on issuance of utility commitment and to annexation. This policy, however, is written to provide a potential Applicant with the general policy of the District regarding issuance of utility commitments and annexation.

E. APPLICATION FOR UTILITY CONNECTION

Any person desiring connection to the District's System, after following the requirements of Section A above, if applicable, shall follow the following steps:

a. The applying person should initiate his request for utility connection at the office of the District's Operator.

The applicant will fill out the form "APPLICATION FOR WATER/SEWER SERVICE," EXHIBIT "B" (copy attached), and present three (3) legible prints of the Site Drawing and Utility Layout for the proposed facility.

The applicant's tap fee will be assessed, based on the proposed land use and the provisions set forth in the District's Rate Order. Paying a tap fee on an improved portion of a larger tract of land does not constitute a Utility Commitment on the remaining unimproved portion. A Metes and Bounds description and a recorded Plat of the tract receiving service should accompany the submitted Site Plans.

b. The Operator will then make preliminary determination that utility commitments and availability exist and are committed by the District for the subject tract. On that basis, the Operator will assess the connection fee according to this Order. Operator will request an

"Assignment of Commitment" when the Applicant is not the original recipient of the District's Commitment. In absence of such an Assignment, the commitment will be allocated on a prorated acreage basis.

c. The Operator will then forward two (2) copies of the Site Plan to the District's Engineer for further and final evaluation of utility commitment and availability and evaluation of any encroachments to District utility easements. The District's Engineer will then, in writing, confirm any additional requirements to the applicant regarding such encroachments and/or confirm the Utility Connection Agreement. The District's Engineer will also make record of the description of the Tract for which the tap fee is dedicated. A copy of that documentation shall go to the District's Attorney, the District's Operator, the District's Bookkeeper, and the District's Secretary.

EXECUTED this 10th day of September, 2020.

KINGSBRIDGE
MUNICIPAL UTILITY DISTRICT

/s/ Robert Shindler
President, Board of Directors

ATTEST:

/s/ Juanita Yarneau
Secretary, Board of Directors



EXHIBIT "B"
KINGSBRIDGE MUNICIPAL UTILITY DISTRICT
APPLICATION FOR WATER/SEWER SERVICE

Name: _____ Date: _____
Address: _____ Phone: _____
City: _____ State: _____ Zip: _____

Site Description

Lot/Reserve: _____ Block: _____
Subdivision: _____
Tract: _____ Survey: _____ Abstract: _____
Street Address of Project: _____
Tract Size: _____ Acres: _____ Square Feet: _____

(Three sets of site plans, which must include utility layout, must be submitted)

Existing Development

Please check if nothing exists on this site

Street Address of Project: _____
Type of Development (i.e. office, retail, warehouse, mfg.): _____
Square footage of each type of Development: _____

High volume water user information*: _____
Name of existing development: _____
Number of units if apartment or townhouses: _____

Proposed Development

Type of Development (i.e., office, retail, warehouse, mfg., apartment or townhouse) _____

Square footage of each Development: _____
Number of units: _____

*High volume water user information must include such information as number of shampoo bowls in a beauty shop; number of seats in a restaurant and whether or not it is full service or paper plate service; number of washing machines in a washateria; number of seats in a lounge; and occupancy of a day care center.

I understand that any deposit required with an application for service will be refunded only to the extent that expenses of the District do not exceed the deposit, and that the District may request an additional deposit. Tap fees are not refundable. I represent that the information on and furnished with this application is true and correct, and I understand that false information will result in denial of this application.

Signature: _____
Print Name: _____

For District Use Only

Date application received: _____
Application fee collected (if applicable): \$ _____ Date: _____ Initials: _____

Tap fee collected: \$ _____ Date: _____ Initials: _____
Date Construction Authorized: _____ Date tap installed: _____
Service Inspection Dates: _____ Certification Received (date): _____ Initials: _____

