

CERTIFICATE OF ORDER AMENDING RATE ORDER

STATE OF TEXAS
COUNTY OF FORT BEND
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

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We, the undersigned officers of the Board of Directors (the "Board") of **FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37** (the "District"), hereby certify as follows:

The Board convened in regular session, open to the public, on Wednesday, April 20, 2011, at 7:00 p.m., at 1301 Misty Bend, Katy, Texas, and the roll was called of the members of the Board, to-wit:

David A. Carp	President
Don Poe	Vice President
Larry W. Davis	Secretary
Kenneth L. Comeaux	Treasurer/Investment Officer
Stephen Berckenhoff	Assistant Secretary

All members of the Board were present except the following: none, thus constituting a quorum. Whereupon other business, the following was transacted at such Meeting: A written

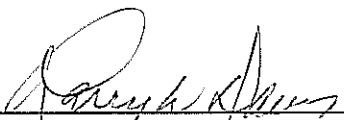
ORDER AMENDING RATE ORDER

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and after full discussion, such motion, carrying with it the adoption of such Order prevailed, carried, and became effective by the following vote:

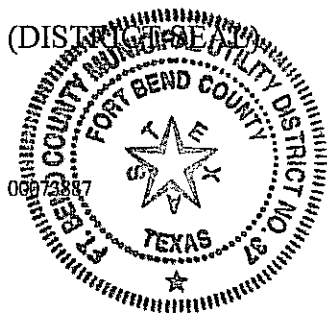
AYES: 5 NOES: 0

A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board are duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such meeting, and each of the officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551 of the Texas Government Code and Section 49.063 of the Texas Water Code, as amended.

SIGNED this 20th day of April, 2011.


Secretary, Board of Directors


President, Board of Directors



FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

ORDER AMENDING

**ORDER ESTABLISHING WATER AND SEWER
RATES, RULES AND REGULATIONS**

Adopted:	September 16, 1987	Amended:	September 19, 2001
Amended:	November 29, 1989	Amended:	November 25, 2002
Amended:	August 21, 1991	Amended:	February 19, 2003
Amended:	September 18, 1991	Amended:	October 19, 2005
Amended:	November 17, 1993	Amended:	July 16, 2008
Amended:	April 20, 1994	Effective:	September 1, 2008
Amended:	January 18, 1995	Amended:	September 16, 2009
Amended:	July 19, 1995	Effective:	September 16, 2009
Amended:	September 20, 1995	Amended:	November 17, 2010
Amended:	June 19, 1996	Effective:	December 1, 2010
Amended:	August 19, 1998	Amended:	April 20, 2011
Amended:	April 19, 2000	Effective:	May 1, 2011
Amended:	June 5, 2000		
Amended:	August 15, 2001		

**ORDER AMENDING ORDER ESTABLISHING
WATER AND SEWER RATES, RULES AND REGULATIONS**

STATE OF TEXAS

COUNTY OF FORT BEND

FORT BEND MUNICIPAL UTILITY DISTRICT NO. 37

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WHEREAS, Fort Bend County Municipal Utility District No. 37 (the "District") is a political subdivision of the State of Texas created pursuant to Article XVI, Section 59 of the Texas Constitution and operating pursuant to Chapters 49 and 54 of the Texas Water Code; and

WHEREAS, the District owns a water and sewer system designed to serve present and future Consumers within the District; and

WHEREAS, the District has previously adopted an Order Establishing Water and Sewer Rates, Rules and Regulations; and

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

WHEREAS, effective September 1, 1995, Senate Bill 626, passed by the 74th Texas Legislature, amended the Texas Water Code, therefore, on September 20, 1995, the Board of Directors (the "Board") of the District amended the Rate Order to increase the amount a district may charge for violations of its Rate Order and Rules and Regulations; and

WHEREAS, effective January 1, 1996, the TCEQ adopted certain amendments to its rules regulating public water supply systems, therefore on June 19, 1996, the Board added a new Section 2.10 providing for Customer Service Inspections and Certification, and amended Section 1.4 by adding new sections relating to the use of backflow preventers, the prohibition of cross-connections, the installation of sewer sampling wells, and the compliance with state approved plumbing codes; and

WHEREAS, effective September 1, 1998, the Board amended the definition of "Delinquent Bill," amended the procedure for terminating water service, and amended the procedure for notifying Consumers of termination; and

WHEREAS, effective June 5, 2000, the Board amended "Definitions" by adding "District Drainage Facility," and amended "Unauthorized Practices" by adding that "District Drainage Facilities shall be maintained free of any blockage or obstruction. No persons shall cause, permit or allow any leaves, brush, trash or other objects to be placed or discarded in any District Drainage Facility;" and

WHEREAS, effective August 15, 2001, the Board amended the "Customer Service Inspections" to clarify the define the difference in duties between a customer service inspector and a plumbing inspector, and to further define charges assessed for specific types of inspections; and

WHEREAS, effective September 19, 2001, the Board amended and confirmed the reconnection fee of \$50.00 to restore water service for residents in the event of termination of service; and

WHEREAS, effective November 25, 2002, the Board approved an amendment to the Rate Order in order to protect the integrity and operation of the District's water and sanitary sewer systems and to safeguard the health and welfare of District residents, by prohibiting the use of private water wells or septic systems within the District without the express written approval of the Board; and

WHEREAS, effective February 19, 2003, the Board approved certain amendments to the tap fees, reconnection fees and inspection fees as set forth in this order; and

WHEREAS, on October 19, 2005, the Board determined that an increase was necessary in the District's water and sewer rates and to include a separate item to accommodate the pumpage fees assessed by the North Fort Bend County Regional Water Authority (the "NFBCRWA"); and

WHEREAS, on July 16, 2008, the Board determined that it was necessary to amend the enforcement of rules and regulations and increase the civil penalties for breach of any rule of the District to be effective September 1, 2008; and

WHEREAS, on September 16, 2009, the Board determined that it was necessary to amend the Rate Order to include provisions for electronic and credit card payments and returned check fees; and

WHEREAS, on November 17, 2010, the Board determined that it was necessary to create a new class of Consumer and add Commercial water and sewer rates to the rate schedule to increase the administrative fee associated with the NFBCRWA pumpage fees and clarify defined terms throughout; and

WHEREAS, on April 20, 2011, the Board determined that it was necessary to create a new class of consumer and add Public Space Irrigation water rates to the rate schedule; and

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37:

**ARTICLE I
GENERAL PROVISIONS**

Section 1.1 **Definitions.** For purposes of this Order, the following words or terms shall have the following meanings:

- A. "Commercial Consumers" shall mean and include any office building, hotel, retail store, clubhouse, warehouse, service station, or other establishment rendering a service or offering a product for sale to the public; apartments; churches; schools; and any and all establishments not generally considered single family residences, except for Public Space Irrigation; however apartments shall have their own water and sewer rate schedule under Article IV.
- B. "Consumer" shall mean the person, firm or corporation who requests and/or receives District services for residential, commercial or other structure within the area of the District, whether the owner, renter or lessee thereof or the customer of water and/or sanitary sewer services within such structure. Inasmuch as this order hereinafter makes it mandatory for each structure to be connected to the lines of the District as soon as the District's system becomes operable, the term "Consumer" shall mean and include the person, firm or corporation who requests and/or receives District Services for such structure at the time service becomes available to said structure.
- C. "Cross Connection" shall mean a physical connection or other arrangement through which a potable water system may be contaminated by back siphonage or backflow.
- D. "Delinquent Bill" shall mean a bill for the preceding month's water and/or sewer services which has not been paid by the due date on the bill, which will be the last day of the month in which the bill is mailed.
- E. "Operator" shall mean the person, firm, corporation, municipal corporation or political subdivision with which the District has contracted for operation and maintenance of the plants and lines of the District's system.
- F. "Public Space Irrigation" shall mean and include any irrigation systems located in public spaces or rights-of-way.
- G. "Residential Connection" shall mean and include any single family residence, townhouse, or multiplex (other than apartments), when such is separately metered.
- H. "Separate Connection" shall mean each residential unit occupied by a separate family or person, including separate apartments within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

- I. "System" as used herein shall mean the water and/or sanitary sewer facilities of the District and all extensions and additions thereto, whether now in place or hereafter constructed.
- J. "District Drainage Facility" shall mean any underground storm sewer, culvert, aboveground ditch, drain, retention pond or other facility used, owned, operated or maintained by the District for the purpose of draining storm water from property located within or adjacent to the boundaries of the District.

Section 1.2 Consumers Not Entitled to Specific Quantity or Pressure of Water. Water Consumers are not guaranteed a specific quantity or pressure of water for any purpose whatever, and it is understood that the District is only to furnish a connection with its water system and is in no case to liable for failure or refusal to furnish water or any particular amount or pressure of water.

Section 1.3 Water Connections Generally. No person, other than the properly authorized agents of the District, shall be permitted to tap or make any connection with the mains or distributing pipes of the District's water system, or make any repairs or additions to or alterations in any tap, pipe, cock, or other fixture connected with the service water pipe.

Section 1.4 Unauthorized Practices.

- A. Potable water supply piping, water discharge outlets, backflow prevention devices or similar equipment shall not be located so as to make possible their submergence in any contaminated or polluted liquid or substance.
- B. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead may be used for the installation or repair of plumbing at any connection which provides water for human use. This requirement may only be waived for lead joints that are necessary for repairs to cast iron pipe.
- C. The Operator or other duly authorized representative of the District shall be authorized, after providing reasonable notice to the landowner in advance, to enter upon any tract within the District to inspect individual water facilities prior to providing service and periodically thereafter to prevent possible cross-connections between the potable water system and any non-potable water, or to make necessary investigations to identify and locate unauthorized connections or taps, or conditions contributing to or causing contamination of the District's water supply, or unauthorized drainage into the District's sanitary sewer system.
- D. Continuous efforts shall be made by the District to locate unauthorized connections or taps and possible interconnections between privately owned water systems and the District water system. As those undesirable interconnections are

located, they shall be eliminated so as to prevent possible contamination of the water supplied by the District water facilities.

- E. The District may invoke the procedure described in Section 2.3 of this Order to discontinue water service to a tract in the event the owner of said tract either (1) refuses to permit an inspection pursuant to this Section, or (2) fails, within a reasonable time after receiving written notice issued by the Board of Directors (the "Board"), to correct or remove any unauthorized connection or tap or any condition found to be contributing to or causing contamination of the District's water supply, or contributing to unauthorized drainage into the District's sanitary sewer system.
- F. No direct connection between the District's water supply and a potential source of contamination shall be permitted to exist. Potential sources of contamination shall be isolated from the District's water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices shall be in compliance with state plumbing codes.
- G. No cross-connection between the District's water supply and a private water system shall be permitted to exist. Where an actual air gap is not maintained between the District's water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly shall be properly installed and a service agreement shall exist for annual inspection and testing by a certified backflow prevention device tester.
- H. No connection to the District's water supply shall be permitted which would allow the return of water used for condensing, cooling or industrial processes back to the District's water supply.
- I. No plumbing fixture shall be installed within the District which is not in compliance with a state approved plumbing code.
- J. District Drainage Facilities shall be maintained free of any blockage or obstruction. No persons shall cause, permit or allow any leaves, brush, trash or other objects to be placed or discarded in any District Drainage Facility.

Section 1.5 Facility Inspection.

- A. Upon or prior to the earlier of conveyance of any facility to the District or assumption of maintenance responsibility by the District, the Operator and/or Engineer shall inspect such facility and deliver a written report thereof to the District. All deficiencies noted in the report shall be corrected prior to conveyance of or assumption of maintenance responsibility of the facilities to the District.

- B. At any time after conveyance of any facility to or assumption of maintenance responsibility of the District damage is observed by or reported to the District or its agents, the District's Operator or Engineer, as appropriate, will determine responsibility for such damage, if possible, and it shall be policy of the District to recover the cost of repair of such damage in any instance where responsibility may be determined. Each builder shall report any observed damage to any facility to the Operator as soon as practicable.
- C. At least three (3) business days prior to commencing clearing of or construction on any lot on which District facilities are located, the builder shall notify the Operator of any damages to District facilities or may request that the Operator conduct a facility inspection. In the event of a request for inspection, the Operator shall conduct such inspection within three (3) business days.
- D. In the event clearing or construction is commenced without a facility inspection having been performed, the builder shall be responsible for any damages to District facilities found at the time of the facility inspection. If no facility inspection has occurred upon completion of construction by a builder, the Operator will conduct a facility inspection at that time.
- E. At any facility inspection, the Operator shall make note of the condition and location of all District facilities on the property.
- F. After construction has been completed on the property, but before service is transferred to a Consumer, the District's Operator will re-inspect the water tap, meter and all other District facilities on the property. The property owner or builder will be held responsible for any damages to District facilities discovered during a related facility inspection and for repairing the damages to the satisfaction of the District's Operator before service shall be initiated to a Consumer.

**ARTICLE II
COMMENCEMENT AND TERMINATION OF SERVICE**

Section 2.1 Connection to District's System.

- A. The Board hereby determines that, in order to protect the integrity and operation of the District's water and sanitary sewer systems, the District shall not supply water service to a Consumer unless the Consumer will also be receiving sewer service from the District nor will the District supply sewer service to a Consumer unless the Consumer will also be receiving water service from the District, without the express written approval of the Board of the District.
- B. The Board hereby determines that, in order to protect the integrity and operation of the District's water and sanitary sewer systems and to safeguard the health and welfare of District residents, the use of private water wells or septic systems

within the District is prohibited without the express written approval of the Board of the District.

Section 2.2 Termination of Service Upon Request of Consumer. Whenever a Consumer of District water temporarily or permanently abandons the structure being served and no longer wishes to be furnished with water, he shall notify the District's Operator at least two (2) days prior to the time he desires such service discontinued. A charge of \$11.00 shall be made for discontinuing and a charge of \$11.00 for restoring water service where such service is discontinued or restored at the request of the Consumer and he is not delinquent in the payment of any bill at the time of either request.

Section 2.3 Termination of Service Upon Initiative of District.

- A. The District may terminate water service to a tract:
 - 1. Ten (10) days after two (2) consecutive bills to a Consumer have become delinquent as defined in Subsection 1.1 D above; or
 - 2. Upon the occurrence of an event described in Subsection 1.4 of this Order.
- B. Notice to the Consumer shall be made as follows:
 - 1. At least ten (10) days prior to termination of a Consumer's service pursuant to this Section, a notice shall be delivered to the Consumer advising the Consumer of termination of service pursuant to this Section.
 - 2. At least five (5) days prior to termination of a Consumer's service pursuant to this Section, a notice shall be placed on the door of the residence or business receiving service advising the Consumer of termination of service pursuant to this Section.
- 3. The notice shall include:
 - a. a statement that service will be terminated;
 - b. the date of termination; and
 - c. the reason for termination;
 - d. that in the event of termination a \$50.00 reconnect fee will be required and that in the event the meter is pulled an additional \$100.00 meter reinstallation fee will be required.

In the event the termination is based upon failure to pay a delinquent bill, then the notice shall also include:

- e. a statement that in the event the Consumer desires to object to a delinquent bill on account of clerical error or other billing irregularity, then the Consumer must notify the designated representative of the District of such objection; and the notice shall contain the name, mailing address and telephone number of the designated representative. Such statement shall read as follows:

You are advised that the District's Utility Operator, Severn Trent Environmental Services, 16337 Park Row, Houston, Texas 77084, 281-578-4200, may make an adjustment of a utility bill if there is a clerical error or other billing irregularity. If your bill contains an error, notify the Operator at once.

If the Operator is unable to adjust your bill, your service will not be terminated until the District's Board of Directors considers the matter. You will be notified of the time, date, and place of the meeting at which the matter will be considered. You may present your objection to the Board at that time.

C. Adjustment of bill by designated representative:

- 1. The District's designated representative for purposes of this Section is Severn Trent Environmental Services.
- 2. The designated representative is authorized to receive and consider Consumer objections presented in accordance with Subsection 2.3(B)(3)(d) and to make adjustments in a Consumer's billing to correct clerical errors or other billing irregularities.
- 3. The designated representative is not required to make an adjustment in any particular case; any Consumer objection received pursuant to this Section and not adjusted by the designated representative to the satisfaction of the Consumer shall be referred for a hearing in a meeting of the Board.

D. Hearing before Board of Directors:

- 1. In the event a Consumer objection is referred to the Board pursuant to Subsection 2.3(C)(3), the termination of service shall be held in abeyance until further order of the Board.
- 2. The Consumer shall be given notice, at least seventy-two (72) hours in advance, of the time, date, and place of the meeting at which the Board will consider the Consumer objection.

3. At such meeting, the Board shall consider all matters set forth by the Consumer and take such action, including termination of service, as it deems advisable.
- E. A reconnect fee of \$50.00, together with any delinquent bills, shall be paid by a Consumer in advance of restoration of service when service has been terminated pursuant to this Section. In addition, a pulled meter fee of \$100.00 must be paid before restoring service if the meter had to be pulled.

Section 2.4 Removal of Meter to Prevent Unauthorized Use of Water.

- A. The District shall remove a water meter:
1. at any water connection within the District that has previously been an active account; and
 2. if water service at such a connection was terminated, whether at the request of the Consumer or by action of the District according to this Order; and
 3. if water service was subsequently restored to the connection without authority of the District; and
 4. if the residence at such account is vacant.
- B. Applications for water service to such a connection will be denied until payment has been received in full for any delinquent bill or for any water usage at the connection prior to the removal of the meter, plus the District's cost of disconnection, meter removal and meter reconnection.

Section 2.5 Application for Installation of Water Meter with Two-Inch or Less Connection. Every Person desiring the installation of a water meter with a connection of two inches or less shall be required to sign and execute an application for installing a meter before the District will make such installation. The installation of water meters with connections of more than two inches shall be covered by separate agreements.

Section 2.6 Request for Residential Sewer Service. Every person requesting sewer service from the District shall so notify the District's Operator. After the notification, the person requesting said service shall have a plumber make the tap on the District's sewer line. After the tap has been completed, the applicant shall notify the District's Operator, who shall make an inspection of the tap before sewer service is commenced.

Section 2.7 Swimming Pool Inspection. Every person who constructs or installs or has constructed or installed a swimming pool within the area of the District shall so notify the District's Operator. After the notification, the person constructing or installing said swimming pool shall insure that any and all drains from the swimming pool are fed into the District's sanitary sewer system. After the drains have been installed, the applicant shall notify the District's Operator, who shall make an inspection of any and all swimming pool drains before water service is authorized for said swimming pool.

Section 2.8 Refundable Builder Deposit. The District's Operator is hereby given authority to require any builder requesting water and/or sewer service from the District on any lot or tract to which water and/or sewer service has not previously been provided to post a deposit with the District of \$500. Such deposit is solely to secure payment of charges established by this Order and payment of damages caused to District facilities in conjunction with the builder's construction on lots within the District and for which the builder or its agents or subcontractors are responsible. Upon transfer of the last water and/or sewer account held in the name of the builder to a Consumer, the District shall apply the deposit on hand to the unpaid service charges and damages of the builder, if any, and the excess, if any, will be paid to the builder. No interest will be paid by the District on such deposit. In addition, the Operator shall conduct an inspection of each builder site both before construction commences and at the end of construction to record the condition of the District's facilities before and after construction at the site. The builder shall be charged a pre-construction inspection fee of \$25.00 and a final construction inspection fee of \$25.00 for each site inspected.

Section 2.9 Deposit to Secure Payment. The District's Operator is hereby given authority to require persons requesting water and/or sewer service from the District for an owner occupied home or structure to post a deposit with the District of \$40.00 for each connection to the District's system, and to require a tenant or other party requesting water and/or sewer service from the District for a non-owner occupied connection to post a deposit of \$100.00 for each connection to the District's system. Such deposits are solely to secure the payment of charges established by this Order. Upon termination of service, the District shall apply the deposit on hand to the unpaid service charges of the Consumer, and the excess, if any, will be paid to the Consumer. No interest will be paid by the District on such deposit.

Section 2.10. 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. A customer service inspector is not permitted to perform plumbing inspections. Only Texas State Board of Plumbing Examiners (TSBPE) licensed plumbing inspectors or customer service inspectors who have completed a commission approved course, passed an examination administered by the TCEQ and hold current professional certification or endorsement as a customer service inspector are permitted to perform plumbing inspections of all new plumbing and alterations or additions to existing plumbing. Notwithstanding any other provision of this 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 materials 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:

New Residential Inspection:

1)	Slab line inspection	\$ 25.00
2)	Wall line inspection	\$ 25.00
3)	Fixture inspection	\$ <u>50.00</u>
	Total Charge	\$100.00

Commercial Inspection:

- 1) Slab line inspection - based on time and materials
 - 2) Wall line inspection - based on time and materials
 - 3) Fixture inspection - based on time and materials
 - 4) Backflow preventer testing - \$75.00 each device
- Total charge to be quoted in tap letter based on the project size and type.

If it becomes necessary to perform a Consumer service inspection on existing residential construction, the District will charge on a time and material basis. Each re-inspection on residential service shall be performed at the same cost as the original inspection. The costs for performing these inspections on commercial construction will need to be determined on a case by case basis, depending on the quantity and complexity of the construction.

**ARTICLE III
TAP CHARGES**

Section 3.1 Residential Water Connection Fees.

- A. The following charge shall be made for every Residential (including duplex) Connection up to and including a 3/4-inch connection, to the District's water distribution system, which charge shall include the meter and meter box and the installation thereof: \$510.00
- B. The following charge shall be made for every Residential (including duplex) Connection up to and including a 1-inch (1") connection, to the District's water distribution system, which charge shall include the meter and meter box and the installation thereof: \$885.00.
- C. For connections of over 1-inch (1"), the District will establish tap charges by separate order or agreement; however, such tap charges shall not exceed three (3) times the District's reasonable cost for such service.

- D. All tap charges shown above shall be paid when application for the Residential Connection is made, and the request for service shall be held in abeyance until such charges have been paid.

Section 3.2 Residential Sewer Connection Inspection Fees. After the completion of a Residential sewer Connection as provided in Section 2.6, and the inspection thereof by the District's Operator, the person requesting such Residential sewer Connection shall pay an inspection fee of \$75.00 per Residential sewer Connection. Should reinspection be necessary, a reinspection fee of \$75.00 shall apply to each reinspection.

Section 3.3 Swimming Pool Inspection Fee. After the completion of a swimming pool inspection by the District's Operator as provided in Section 2.6, the person requesting such inspection shall pay an inspection fee of \$40.00 for each swimming pool.

Section 3.4 Commercial Water and Sewer Connection Fees.

- A. The Commercial Connection made for every tap or connection to the District's water distribution and sewage collection system by a commercial Consumer within the District shall be the District's cost of the meter, meter box, and the installation thereof, plus 50%.
- B. All tap charges shown above shall be paid when application for the Commercial Connection is made, and the request for service shall be held in abeyance until such charges have been paid.
- C. An Inspection fee of \$85.00 is hereby set for each Commercial water and sewer Connection.

Section 3.5 Temporary Water Service.

- A. The District's Operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water service within the area of the District. Such temporary service shall be supplied only through a District meter installed by the District's Operator.
- B. The applicant for temporary water service shall be required to post a deposit of \$1,000.00 which shall secure the payment for water supplied by the District and the safe return of the District's meter.
- C. The fee for temporary water service shall be \$50.00 for costs of installation plus \$1.75 per 1,000 gallons of water delivered through the meter.
- D. No temporary water service shall be supplied outside the area of the District except by separate order of the Board.

Section 3.6 Backflow Prevention Testing. All existing backflow preventers shall be tested annually, if they are on systems that are considered "high hazard." Examples of "high hazard" are POA/HOA sprinkler systems, chemical supplies, manufacturing establishments, pet stores, film developing shops, and strip shopping centers. Consumers that have existing backflow preventers or are identified by the District's Operator as needing such devices may be charged \$75.00 for each annual test of each such device.

**ARTICLE IV
RATES FOR SERVICE**

Section 4.1 Monthly Rates for Water Service.

A. Residential.

The following rates per month shall be charged for water service furnished by the District through meters to each separate connection in every instance in which a different charge is not expressly and clearly provided for elsewhere herein:

For first 7,000 gallons of water used	\$2.75
For each 1,000 gallons of water used from 7,001 to 15,000	\$1.43
For each 1,000 gallons of water used from 15,001 to 40,000	\$1.87
For each 1,000 gallons of water used from 40,000	\$2.09

B. Commercial.

For all Commercial Customers	\$25.00 base fee
For each 1,000 gallons of water used from 0-5,000 gallons	\$2.75
For each 1,000 of gallons of water used from 5,001-10,000	\$3.80
For each 1,000 gallons of water used from 10,001-20,000	\$4.90
For each 1,000 gallons of water used from 20,001-30,000	\$6.00
For each 1,000 gallons of water used from 30,000	\$7.10

- C. The minimum monthly charge for builders shall be \$17.50 for which 7,000 gallons of water may be used. Until a meter is installed, the minimum amount shall be charged each month.
- D. The rates provided in (A) above for water service shall be applicable to each occupied apartment within an apartment project; provided, however, that water to an apartment project may be furnished through a master meter and the rate per unit calculated by dividing the total number of gallons furnished during the month by the number of units therein occupied during that month; provided, however, that when a project's occupancy has reached 85% of capacity, and at all times thereafter, the Operator shall calculate the amount due for an apartment project using a master meter on 85% of occupancy; that is, using the following formula:

$$\frac{\text{Total number of gallons used}}{\text{Total number of units in project}} \times 85\%$$

- E. The District shall pay a monthly fee to the NFBCRWA as required by law. All Consumers receiving water from the District shall be charged an amount equal to the then current NFBCRWA pumpage fee plus 10% per 1,000 gallons of water used to cover the administrative expenses and charges associated with the NFBCRWA's pumpage fees charged against the District. The Operator shall list the NFBCRWA assessment on the Consumer's bill as a separate line item and shall collect the NFBCRWA assessment in addition to other charges.
- F. Public Space Irrigation

The following rates per month shall be charged for water service furnished by the District through meters to each separate connection in every instance in which a different charge is not expressly and clearly provided for elsewhere herein.

For first 7,000 gallons of water used	\$2.75
For each 1,000 gallons of water used from 7,001 to 15,000	\$1.43
For each 1,000 gallons of water used from 15,001 to 40,000	\$1.87
For each 1,000 gallons of water used from 40,000	\$2.09

**METHOD OF PAYMENT FOR WATER AND SEWER SERVICE
AND ASSOCIATED FEES**

Section 5.1 Method of Payment and Associated Fees.

- A. The District shall take the following forms of payment for 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 Consumer 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 defined in Subsection 1.1 D of this Order.

Section 5.2 Returned Checks. A \$30.00 charge will be charged to the Consumer's account for any check returned by the bank. Any amounts due on an account which have been paid with a check that has been returned by the bank must be paid in full by cash, cashier's check or money order, including all late charges and returned check charges to be taken out within 24 hours from the day the Operator hangs a notice on the Consumer's door or otherwise notifies the Consumer that the check has been returned by the bank.

**ARTICLE VI
METERS**

Section 6.1 Title, Tampering, Maintenance, Setting.

- A. Title to all water meters and appurtenances, including the meter boxes enclosing same, shall vest in the District.
- B. No person other than a duly authorized agent of the District shall open the meter box or tamper or in any way interfere with the meter or box.
- C. The District will maintain, repair and replace all meters and appurtenances in connection therewith at its cost.
- D. All meters shall be set by employees or agent of the District.

Section 6.2 Meters and Boxes To Be Free From Rubbish and Obstructions. After a meter has been set, the Consumer shall at all times keep the space occupied by the meter and the box free from rubbish or obstructions of any kind.

**ARTICLE VII
ENFORCEMENT OF THIS ORDER ESTABLISHING WATER**

AND SEWER RATES, RULES AND REGULATIONS

Section 7.1 Enforcement.

- A. Pursuant to Section 54.206, Texas Water Code, the Rules and Regulations shall be recognized by the Courts of the State of Texas as if they were penal ordinances of a city.
- B. Pursuant to Section 49.004, Texas Water Code, enforcement of the penalties set forth below may be by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office is located.
- C. Any and all of the following remedies may be employed by the District to abate and prevent any violation of the provisions of these Rules and Regulations:
 - 1. Discontinuance of water service.
 - 2. Disconnection and sealing of sanitary sewer connection.
 - 3. In accordance with Texas Water Code Section 49.004, as amended, the Board hereby imposes the following civil penalties for breach of any rule of the District: The violator shall pay the District twice the costs that the District has sustained due to the violation not exceeding \$10,000 per offense as set forth in the Texas Government Code Section 27.031, as amended. Each day of such violation shall be deemed a separate offense. A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorneys' fees shall be fixed by the court.
 - 4. A Consumer found in violation of these Rules and Regulations shall be liable to the District for all expenses borne by the District including laboratory fees, legal fees, engineering fees and other costs incurred by the District in establishing the violation and resolving the cause of the violation.
 - 5. A Consumer found in violation of these Rules and Regulations who causes or contributes to a violation by the District's Sanitary Sewer Collection System of effluent parameters shall be liable to the District for all expenses borne by the District, including legal and engineering fees related to any lawsuit filed by federal, state, or local authorities regarding

violations by the District of effluent parameters applicable to the District's Sanitary Sewer Collection System.

Section 7.2 Penalties.

- A. Civil Penalties. In accordance with Texas Water Code Section 49.004, as amended, the Board hereby imposes the following civil penalties for breach of any rule of the District: The violator shall pay the District twice the costs that the District has sustained due to the violation not exceeding \$10,000 per offense as set forth in the Texas Government Code Section 27.031, as amended. Each day of such violation shall be deemed a separate offense. A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorneys' fees shall be fixed by the court.

Section 7.3 Notice of Violation.

- A. In the event any Consumer or person shall violate any of the provisions of this Order, other than a delinquent bill as defined in Subsection 1.1(D) above, the Board shall notify such person in writing at the address on the District's billing records, if any, by certified mail, return receipt requested, and by regular mail of such violation, and the notice shall contain the following:
1. notice of the nature of the violation;
 2. notice of the potential penalty for the violation; and
 3. date, time and location of the District's next Board Meeting, at which meeting such person will be entitled to present all evidence in his possession with respect to the violation.

The Notice shall be mailed not later than ten (10) days prior to the meeting.

- B. The decision of the District with respect to the violation and penalty amount shall be final.

Section 7.4 Non-Waiver. The failure, on the part of the District, to enforce any section, clause, sentence or provision of this Order shall not constitute a waiver of the right of the District to later enforce any section, clause, sentence or provision of this Order.

Section 7.5 Validity.

- A. All provisions of the District's orders or regulations in conflict herewith are hereby repealed. The validity of any section, clause, sentence or provision of this Order shall not affect the validity of any other part of this Order, which can be given effect without the invalidated part or parts.
- B. The District's President is authorized to execute and the District's Secretary to attest this Order on behalf of the District.

EXHIBIT "A"
SERVICE INSPECTION CERTIFICATION

Name of PWS _____
PWS I.D. # _____
Location of Service _____

I, _____, upon inspection of the private plumbing 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 state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes	<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 device 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 8.0% lead exists in private plumbing 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 plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>
(6) No plumbing fixture is installed which is not in compliance with a state approved plumbing code.	<input type="checkbox"/>	<input type="checkbox"/>

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service lines Lead Copper PVC Other Solder Lead Lead
Free Solvent Weld Other I recognize that this document shall become a permanent record of the
aforementioned Public Water System and that I am legally responsible for the validity of the information I have
provided.

Signature of Inspector

Registration Number

Title

Type of Registration

Date