

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

### Resolution for Adoption of Order Establishing Policy and Rates for Water, Sewer and Solid Waste Collection Service

The Board of Directors ("Board") of Harris County Municipal Utility District No. 1 ("District") met at the Board's regular meeting place on February 10, 2009 with a quorum of directors present, as follows:

Doug Caldwell, Jr., President  
Raymond Kelley, Secretary  
Greg Vratil, Director  
Donald L. Gustafson, Director

and the following absent:

Craig C. Young, Vice President

when the following business was transacted:

The order set out below ("Order") was introduced for consideration of the Board. It was duly moved and seconded that said Order be adopted; and, after due discussion, said motion carried by the following vote:

Ayes: All directors present.

Noes: None.

The Order thus adopted is as follows:

Any order and amendments thereto heretofore adopted by the Board of the District providing for policy or rates for water, sewer and/or solid waste collection service for customers within the District is hereby revoked upon the effective date of this Order.

The Order hereinafter set forth shall become effective on February 10, 2009.

**ORDER ESTABLISHING POLICY AND SETTING  
RATES FOR WATER, SEWER AND SOLID WASTE COLLECTION SERVICE**

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

WHEREAS, the District has contracted to provide solid waste collection service to the present and future inhabitants within the District; and

WHEREAS, it is necessary that fees, charges, and conditions be established for the provision of water, sewer and solid waste collection services; and

WHEREAS, the Board has concluded that the following conditions should be established for the District's provisions of such services; therefore,

BY IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1 THAT:

**ARTICLE I**

**General Provisions**

**Section 1.1 Definitions**

For purposes of this Order, the following words or terms shall have the following meanings:

a) "BOD and TSS" as used in this Order shall mean biological oxygen ambient and total suspended solids, respectively.

b) "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 a single-family residence.

c) "Consumer" shall mean the occupant of a residential, commercial or industrial structure within the area of the District, whether the owner, renter or lessee thereof.

d) "Cross Connection" shall mean a physical connection or other arrangement through which a potable water system may be contaminated by back siphonage or backflow.

e) "Delinquent Bill" shall mean a bill for water, sewer and/or solid waste collection service which has not been paid within twenty (20) days after the date of the bill for the preceding month's service.

f) "Industrial users" shall mean any establishment or Consumer discharging "industrial wastes" into the District's system.

g) "Industrial waste" shall mean any liquid, freeflowing waste, including cooling water, resulting from any industry or commercial establishment identified in the Standard Industrial Classification Manual, Bureau of the Budget 1972, Office of Management and Budget, as amended and supplemented, this being an official U.S. Government publication and having its force of law under the following divisions: (a) Division A--Agriculture, Forestry and Fishing, (b) Division B--Mining, (c) Division D--Manufacturing, (d) Division E--Transportation, Communications, Electric, Gas, and Sanitary Services, and (e) Division I--Services.

h) "Nontaxable Entity" shall mean an entity which is exempt from ad valorem taxation under Chapter 11, Texas Tax Code, as amended.

i) "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.

j) "Residential Connection" shall mean and include any single family residence, townhouse, or multiplex (other than apartments), when such is separately metered.

k) "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.

l) "Solid Waste" shall mean rubbish, trash, kitchen and household waste, ashes, paper, food containers and grass clippings, leaves, and small brush trimmings.

m) "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.

n) "Unacceptable Plumbing Practices: shall mean those practices not accepted by or which are in violation of the Southern Standard Plumbing Code, the Uniform Plumbing Code, or the National Standard Plumbing Code.

o) "Unauthorized Usage" shall mean the intentional or unintentional receiving of water and/or sewer service from the District without making prior application, as required herein; or the reestablishment of water or sewer service by someone other than a duly authorized District representative.

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 District is only to furnish a connection with its water system and is in no case to be 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) 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. All water Consumers shall allow their property to be inspected for possible cross-connections and other Unacceptable Plumbing Practices. The District shall notify the Consumer in writing of any cross-connection or other unacceptable plumbing practice which

has been identified during an initial inspection or any periodic reinspection. The Consumer shall immediately correct any unacceptable plumbing practice on its premises.

c) Continuous efforts shall be made by the District to locate unauthorized connections or taps, possible interconnections between privately owned water systems and the public water system, and other Unacceptable Plumbing Practices. As Unacceptable Plumbing Practices are located, they shall be eliminated so as to prevent possible contamination of the water supplied by the District.

d) The District shall consider the existence of a health hazard as identified in 30 Texas Administrative Code § 290.47 (i), or other serious threat to the integrity of the water supplied by the District, to be sufficient grounds for immediate termination of water service to Consumers who may be vulnerable to possible water supply contamination. If terminated under such circumstances, water service shall be restored by the District when it determines that such health hazard or other source of potential contamination no longer exists, or when the health hazard or other contamination source has been isolated from the District's water supply system in accordance with 30 Texas Administrative Code § 290.44 (h). The District is not required to follow the provisions of Section 2.3 when terminating water service under this Section 1.4d).

e) The District may invoke the procedure described in Section 2.3 of this Order to discontinue water service to a Consumer in the event such Consumer 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, to correct or remove any unauthorized connection, tap, plumbing or other condition found to be contributing to or causing contamination of the District's water supply.

f) All tampering with District meters, taps or other District facilities, Unauthorized Usage of water or sewer service, and illegal discharges into the District's sanitary or storm sewer systems are prohibited. In addition to any of the foregoing, the District may bill and collect from any Consumer who violates the terms of this section any costs or expenses incurred by the District as a result of such violation. Any fees or penalties assessed pursuant to this section shall be in addition to the fees required for the restoration of service.

## Section 1.5 Plumbing Restrictions

The following Unacceptable Plumbing Practices are prohibited by State regulations and the District:

- 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 8.0% 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% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- f) No plumbing fixture shall be installed which is not in compliance with a State approved plumbing code.
- g) To ensure that neither cross-connections nor other Unacceptable Plumbing Practices are permitted, each new Consumer and each Consumer whose service has been suspended or terminated and is proposed for reconnection must sign a copy of the Service Agreement attached hereto as Exhibit "A" prior to commencement of service by the District.

## Section 1.6 Plumbing material restrictions; Customer Service Inspection Certifications

No new connections to the District's water system shall be made unless (a) a customer service inspection has been made by the District's operator and (b) a Customer Service Inspection Certification in the form attached hereto as Exhibit "B" has been completed and submitted to the District. Such an inspection and certification also shall be required at any existing service location when the District has reason to believe that cross-connections or other Unacceptable Plumbing Practices exist, or after any material improvement, correction or addition

to the private plumbing facilities. The District shall retain copies of properly completed certifications on file for a minimum of ten (10) years. The Consumer shall be charged a fee of \$100.00 per inspection. If a customer service inspection is made at the District's direction because the District has reason to believe that Unacceptable Plumbing Practices exist, the Consumer shall not be charged for the inspection unless Unacceptable Plumbing Practices are found. Customer service inspection certifications for new construction shall be submitted to the District before continuous service to the connection is provided, preferably at the same time that the tap fee is paid, and the District shall not transfer the account from the builder to the initial occupant until it has received the certificate. Certifications for inspections in all other instances (when the District has reason to believe Unacceptable Plumbing Practices exist or after a material change to private plumbing facilities has been made) shall be submitted to the District no later than ten (10) days after the inspection has been completed.

**Section 1.7 Backflow Prevention Devices**

a) In the event that the District, in its sole discretion, requires a Consumer to install a backflow prevention device in order to prevent possible contamination of the District's water supply, the Consumer shall, at its own expense, properly install, test and maintain according to Commission rules such backflow prevention device, and shall provide all testing and maintenance records to the District. If the Consumer fails to comply with the requirements of this Section, the District may, at its option, either terminate service in accordance with the provisions of Section 2.3 of this Order, or, the District may properly install, test and maintain such backflow prevention device and bill the Consumer all expenses relating thereto.

b) All backflow prevention assemblies that are required according to 30 Texas Administrative Code §§ 290.44 (h) and 290.47 (i) shall be tested upon installation by a recognized backflow prevention assembly tester and shall be certified to be operating within specifications. Further, backflow prevention assemblies installed to provide protection against health hazards as defined in 30 Texas Administrative Code § 290.38 must be tested and certified at least annually by a recognized backflow prevention assembly tester. If tested by the Operator, the District shall charge the Consumer the District's actual costs incurred for each backflow prevention assembly tested. For each assembly tested, a signed and dated original Test Report in

the form attached hereto as Exhibit "C" must be completed by the recognized backflow prevention assembly tester and submitted to the District.

c) The District must retain for a minimum of three (3) years such test reports and maintenance records submitted to it under subsections a) and b) of this section.

Section 1.8 Plumbing code

The District hereby adopts by reference as the District's plumbing code the Uniform Plumbing Code, a nationally recognized set of rules governing plumbing practices.

Section 1.9 Monitoring Plan

a) Legal Authority and Purpose The District shall implement a chemical and microbiological monitoring plan (the "Monitoring Plan") in accordance with the requirements of 30 Texas Administrative Code, Chapter 290, Subchapter F, Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Supply Systems, effective September 13, 2001 ("Subchapter F"); the federal Safe Drinking Water Act, 42 United States Code § 300f et. seq.; and the Primary Drinking Water Regulations promulgated by the United States Environmental Protection Agency.

b) Monitoring Plan

(1) The District's operator is authorized and directed prepare and carry out the Monitoring Plan as required by the applicable rules and regulations of the Texas Commission on Environmental Quality ("Commission") or any successor governmental agency thereof.

(2) In accordance with 30 Texas Administrative Code § 290.121 (b), the Monitoring Plan shall identify all sampling locations, describe the sampling frequency, and specify the analytical procedures and laboratories that the District will use to comply with the monitoring requirements of Subchapter F.

(3) The Operator shall maintain a copy of the current Monitoring Plan at each treatment plant and at a central location and shall update the Monitoring Plan in accordance with the rules of the Commission.

(4) Public water systems such as the District that treat groundwater that is not under the direct influence of surface water or that purchase treated water from a

wholesaler must submit a copy of their Monitoring Plan to the Commission's public drinking water program upon the request of the Commission's Executive Director. Failure to maintain an up-to-date Monitoring Plan is a monitoring violation.

## ARTICLE II

### Commencement and Termination of Service

#### Section 2.1 Connection to District's system

Each structure within the District must be connected to the system of the District as soon as the District has made available to such structure plant and line capacity to serve same. If both water and sewer services do not become available at the same time, the consumer may connect to the water system at the time water service becomes available and to the sewer system at the time sewer service becomes available.

#### 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 \$25 shall be made for discontinuing and \$25 for restoring such service when the service is discontinued or restored at the consumer's request and the consumer is not delinquent in 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) at any time after a consumer's bill becomes delinquent as defined in Subsection 1.1d) above;
  - (2) upon the occurrence of an event described in Subsection 1.4e), 1.7a), or 6.4b) of this Order;
  - (3) to prevent or discontinue conduct which interferes with the orderly provision of utility service by the District or the implementation of any provision or requirement of this Order; or

(4) to abate any condition in connection with the District's facilities which in the opinion of the Board is harmful to the health, safety or welfare of District Consumers or the public.

b) Except for termination of service upon the occurrence of an event described in Subsections 1.4d) or 5.1b) of this Order, 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) Delivery of the notice shall be considered complete upon deposit of the notice in the United States mail, addressed to the consumer at his last known mailing address.

(3) The notice shall include:

(a) a statement that service will be terminated;

(b) the date of termination; and

(c) the reason for termination.

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

(d) 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 (Operator's name, address and telephone number) 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 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 the District's operator.

(2) The designated representative is authorized to receive and consider consumer objections presented in accordance with Subsection 2.3b)(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 of District.

d) Hearing before Board of District:

(1) In the event a consumer objection is referred to the Board pursuant to Subsection 2.3c)(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 charge 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. The Consumer shall also be required to increase the deposit with the District equal to the amount set forth in this Order.

**Section 2.4 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. A non-refundable application fee of \$25.00 shall be paid by each person desiring installation upon execution of an application. Further, a non-refundable transfer fee of \$25.00 shall be paid upon transfer of an account into a new name.

The installation of water meters with connections of more than two inches shall be covered by separate agreements.

**Section 2.5 Request for residential sewer and solid waste collection service**

Every person requesting sewer and solid waste collection 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 2.6 Deposit to secure payment**

A person requesting water and/or sewer and solid waste collection service from the District shall post a deposit with the District of \$75.00 for each residential connection to the District's system and a deposit of 2 ½ times the average monthly bill for commercial connections. Builders shall pay a deposit in the amount of \$75.00. The deposit required hereunder shall be increased \$25.00 following each incident of termination of service for failure to pay a delinquent bill. The total deposit shall not exceed \$250.00. Such deposit is 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 2.7 Facility inspections**

a) Prior to starting any construction or improvement on a lot or tract in the District, the builder shall contact the Operator to arrange an inspection ("Pre-Construction Inspection") to verify the location and condition of District facilities on and in the vicinity of the lot or tract on which the construction or improvement will be built. At the time of the Pre-Construction Inspection, if any District facility has been damaged or cannot be located, the Operator will make necessary repairs to or locate such facilities at the expense of the District. A copy of the Pre-Construction Inspection report will be given to the builder. After the Pre-Construction Inspection has been performed and any necessary work has been completed, the

builder will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the inspections described in b) below.

b) After construction has been completed on the lot or tract, but before service is transferred to or initiated for a Consumer, the Operator will conduct an inspection ("Post-Construction Inspection") to verify the location and condition of District facilities on and in the vicinity of the lot or tract on which the construction or improvement has been built. The builder will be held responsible for any damages or adjustments to or relocations of District facilities found to be necessary as a result of the Post-Construction Inspection and shall pay the cost of repairing, adjusting or relocating the facilities before service will be transferred to or initiated for a Consumer. The Operator may conduct any re-inspections as necessary to ensure that the District's facilities are repaired, adjusted or relocated, and the builder shall pay the fee for any such re-inspections before service will be transferred to or initiated for a Consumer. The District may withhold service to the lot or tract or to other property owned by any builder who has failed to pay the District for any other repairs, adjustments, relocations or re-inspection fees, including specifically the provision of additional taps to such builder.

c) The total fee for the Pre-Construction and Post-Construction Inspections described in Section 2.7 a) and b) shall be \$100.00, which is due at the time the tap fee is paid. If any re-inspections are required, a fee of \$35.00 shall be paid for each such re-inspection.

### ARTICLE III

#### Tap Charges

##### Section 3.1 Residential water tap charges

a) The following charge shall be made for every residential (including duplex) tap or 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: \$750.00

b) The following charge shall be made for every 1-inch residential (including duplex) tap or connection to the District's water distribution system, which charge shall include the meter and meter box and the installation thereof: \$900.00

c) For connections of over 1 inch, the District will establish tap charges by separate order or agreement.

d) All tap charges shown above shall be paid when application for the tap or connection is made, and the request for service shall be held in abeyance until such charges have been paid.

### Section 3.2 Residential sewer tap inspection fee

After the completion of a sewer tap as provided in Section 2.5, and the inspection thereof by the District's operator, the person requesting such sewer tap shall pay an inspection fee of \$35.00 per sewer tap.

### Section 3.3 Commercial water and sewer tap charges

a) The following charge shall be made for every commercial tap or connection to the District's water, sanitary sewer or drainage facilities, other than a tap or connection for a Consumer which is a Nontaxable Entity: actual and reasonable costs to the District for construction, installation and inspection of the tap or connection to District water, sanitary sewer or drainage facilities, plus 200% of the aforementioned costs.

b) The following charge shall be made for every tap or connection to the District's water, sanitary sewer or drainage facilities by a Consumer which is a Nontaxable Entity: actual costs to the District for construction, installation and inspection of the tap or connection to the water, sanitary sewer or drainage facilities, including all necessary service lines and meters. In addition, the District may charge to any Consumer which is a Nontaxable Entity an amount not to exceed the costs for all facilities that are necessary to provide District services to such Nontaxable Entity and that are financed or are to be financed in whole or in part by tax-supported bonds of the District.

c) A deposit in the amount of the estimated costs of construction, installation and inspection of the tap or connection shall be paid when application for the tap or connection is made. The balance of the tap charges in Sections 3.3a) or b) above, as appropriate, shall be paid prior to commencement of service at the tap or connection, and the request for service shall be held in abeyance until such charges have been paid.

ARTICLE IV  
Rates for Service

Section 4.1 Monthly rates for water service

a) 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 5,000 gallons of water used	\$16.00
Each 1,000 gallons of water used from 5,001 to 10,000 gallons	\$1.25
Each 1,000 gallons of water used from 10,001 to 15,000 gallons	\$1.50
Each 1,000 gallons of water used from 15,001 to 20,000 gallons	\$2.00
Each 1,000 gallons of water used over 20,000 gallons	\$2.50

b) The minimum monthly charge shall be \$16.00 for which 5,000 gallons of water may be used. Until a meter is installed, the minimum amount shall be charged each month.

c) 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:

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

Section 4.2 Monthly rates for sewer and solid waste collection service

a) The following rates per month shall be charged for sewer and solid waste collection service furnished by the District in every instance in which a different charge is not expressly and clearly provided for herein:

For first 50,000 gallons of water used	\$23.50
For each 1,000 gallons of water used over 50,000 gallons	\$0.50

b) The minimum monthly charge shall be \$23.50. Until a meter is installed, the minimum amount shall be charged each month.

c) The following monthly rate shall be charged for sewer (only) service to apartment projects:

For each apartment unit: \$23.50

**Section 4.3 Temporary Water Service and Deposit**

Withdrawal of water from flushing valves or fire hydrants or other appurtenances of the District's System without prior approval of the District, except for emergency fire-fighting purposes, is prohibited. The District's Operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water within the area of the District. Such temporary service shall be provided only through a District meter installed by the District's Operator. The applicant for temporary water service shall be required to post a deposit of \$750.00 which shall secure the payment for water supplied by the District, the installation fee, the safe return of the District's meter and fire hydrant wrench, and the cost of repair of any damage by a user of the hydrant. The fee for temporary water service shall be \$100.00 for costs of installation, plus \$2.00 per 1,000 gallons of water delivered through the meter plus the North Harris County Regional Water Authority fee.

**Section 4.4 Monthly rates to builders for water and sewer service to unoccupied residences**

The following rates shall be charged to builders for water and sewer service to unoccupied residences connected to the District's system: \$35.00

**Section 4.5 No reduced rates or free service**

All consumers receiving water and/or sewer and solid waste collection 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 such consumer.

Section 4.6 Penalty for failure to pay bill before delinquent

A charge of ten percent (10%) of the amount of the consumer's bill shall be added thereto when such bill has become delinquent as "delinquent" is defined in Subsection 1.1d) of this Order.

Section 4.7 Regulatory assessment

The District shall assess and collect from each customer that receives retail water and/or sewer service from the District a regulatory assessment equal to 0.5% of the District's charges for such water and/or sewer service. The District shall not list the regulatory assessment as a separate item on customer utility bills, but the District shall instead deduct the amount of such regulatory assessments from the water and sewer service revenues assessed and collected pursuant to this Order for utility bills rendered on or after September 1, 1991. The District shall remit such regulatory assessments to the Texas Commission on Environmental Quality in the manner required by law.

ARTICLE V

Meters

Section 5.1 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, tamper with or in any way interfere with the meter, meter box, service line or other water and/or sewer system appurtenance. The District reserves the right to immediately and without notice remove the meter or disconnect water service to any Consumer whose meter has been tampered with, to assess repair charges to such Consumer plus a damage fee of \$150.00, and pursuant to Section 7.1 below, to impose a penalty.

c) The District shall maintain, repair and replace all meters and appurtenances in connection therewith at its cost.

d) All meters shall be set by employees or agents of the District.

Section 5.2 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 VI

Industrial Wastes

Section 6.1 Supervision

If the District or its designated representative determines that a discharge or a proposed discharge into the District's sewer system may adversely affect the District's sewer system or receiving waters, or create a hazard to life or health, or create a public nuisance, the District may require:

- 1) Discontinuation of the discharge into the District's sewer system in its entirety by voluntary action of the discharger or termination of service by the District;
- 2) Pretreatment to an acceptable condition for discharge into the District's sewer system;
- 3) Control over the quantities and rates of discharge; and/or
- 4) Waste surcharge payments sufficient to compensate the District for the cost of handling and treating the waste.

If pretreatment or control is required by the District, it shall review and approve the design and installation of the equipment and processes in conformity with all applicable laws and regulatory requirements. Any person responsible for discharges requiring such pretreatment or control facilities shall provide and maintain such facilities in effective operating condition.

Section 6.2 Traps

Discharges requiring a trap include, but are not limited to, grease, oil, sand or flammable waste. Any person responsible for a discharge requiring a trap shall, as required by the District, 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 sampling, cleaning and inspection, and maintain the trap in effective operating condition.

Section 6.3 Sampling, testing, inspection, right of entry

The District or its duly authorized agent or representative may enter at reasonable times any lands or premises served or proposed to be served by the District's sewer system for the purposes of carrying out and determining compliance with the provisions hereof. Sampling and testing shall be conducted in accordance with customarily accepted methods, reflecting the effects of constituent wastes upon the District's sewer system and the existence of hazards to health, life, limb, or property.

Any Consumer proposing to discharge any waste other than domestic waste from residential property shall make application to the District for a determination by the District's engineer as to whether pretreatment will be required. The Consumer will be advised as to the quantity and quality of discharge that will be permitted. If the nature of the discharge changes following approval, re-application will be required.

Section 6.4 Maintenance and inspection of grease traps

(a) In order to protect the District's ability to properly treat the waste produced in the District, the District shall have the right to inspect all grease traps operated within the District or pursuant to a contract with the District. Inspection shall be performed by the operator monthly. If the operator finds a grease trap that is not being properly cleaned and monitored, the operator shall give written notice to the Consumer or responsible party of failure to maintain the grease trap. If the Consumer or responsible party has not cleaned the grease trap within 48 hours of receipt of notice from the operator, the operator may take the necessary action to clean the grease trap and shall bill the Consumer or responsible party for the cost of such service. Notwithstanding the foregoing, the District may proceed as provided in Section 5.1 to insure proper grease trap maintenance. Charges for grease trap inspection, sampling and analysis shall be as follows:

Grease Trap Inspection	\$50.00
Grease Trap Re-Inspection Fee	\$50.00
Sampling	\$20.00
Lab analysis	Cost + 15%

(b) The District may invoke the procedure described in Section 2.3 of this Order to discontinue water service to a tract or establishment in the event the owner or proprietor

of said tract or establishment either (1) refuses to permit an inspection pursuant to this Section, or (2) fails, within seven days after receiving written notice issued by the operator, the Board of Directors or other duly authorized representative of the District, to pay a bill for the inspection and/or cost of cleaning the owner's or proprietor's grease trap.

**Section 6.5 Waste surcharge payments**

Waste surcharge payments pursuant to Section 5.1 shall be calculated in accordance with this Section.

The following averages shall apply for normal domestic sewage:

Biochemical Oxygen Demand (BOD)	=	200 ppm
Total Suspended Solids (TSS)	=	200 ppm

The formula for determining the charge for other than domestic wastes is as follows:

The sum of the actual BOD + TSS divided by the normal BOD + TSS (200 + 200 = 400) is the charge factor. The charge factor will be multiplied by the rate for sanitary sewer service to obtain the charge for other than domestic wastes. In no event shall the charge factor be less than 1.0.

**ARTICLE VI**

**Enforcement**

**Section 7.1 Penalties**

Pursuant to the authority granted by §§ 49.004 and 54.205, Texas Water Code, as amended, it is hereby declared and ordered that the Board may levy reasonable civil penalties, payable to the District, for the breach or violation of any requirement or rule herein stated, which penalties shall not exceed the jurisdiction of a justice court as provided in § 27.031, Texas Gov't Code, currently, up to \$5,000.00, for each violation or each day of a continuing violation. The District may bring an action to recover the penalty in a district court in the county where the violation occurred. Such penalties shall be in addition to any other penalties provided by the laws of the State of Texas. Further, in any suit to enforce its rules, the District shall seek to recover reasonable fees for attorneys, expert witnesses and other costs incurred by the District before the court. Notice of the rules and penalties set forth herein shall be published once a week for two

(2) consecutive weeks in one or more newspapers with general circulation in the area in which the District is located.

## ARTICLE VIII

### Miscellaneous

#### Section 8.1 North Harris County Regional Water Authority levy of fee

The Harris-Galveston Coastal Subsidence District has adopted disincentive fees based on well pumpage to encourage water users in north Harris County to convert from groundwater supplies to surface water supplies. The North Harris County Regional Water Authority was created by the 1999 Texas Legislature pursuant to House Bill 2965 in order to assist water districts located in north Harris County convert to surface water supplies. The North Harris County Regional Water Authority is authorized by state law to assess fees to water well owners, including the District, based on the amount of groundwater withdrawn from their wells. In addition to the charges set forth herein, the District shall assess to its customers an additional fee equal to the fee charged by the North Harris County Regional Water Authority plus 10%.

#### Section 8.2 Savings

If any word, phrase, clause, paragraph, sentence, part, portion or provision of this Order or the application thereof to any person or circumstance shall ever be held by a court of competent jurisdiction to be invalid or unconstitutional, the remainder of this Order shall nevertheless be valid, and the Board declares that this Order would have been adopted without such invalid or unconstitutional word, phrase, clause, paragraph, sentence, part, portion or provision.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The president or vice president is authorized to execute and the secretary or secretary pro tempore to attest this Order on behalf of the Board and the District.

Passed and adopted, this February 10, 2009.

DOUG CALDWELL, JR.

---

President

ATTEST:

RAYMOND KELLEY

Secretary

## EXHIBIT "A"

### HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

#### SERVICE AGREEMENT

I. **PURPOSE.** Harris County Municipal Utility District No. 1 (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 are in place to provide this protection. The District enforces these restrictions which 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 water system 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 8.0% 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.

III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the District and the undersigned 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 undesirable plumbing practices. These inspections shall be conducted by

the District or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the District's normal business hours.

C. The District shall notify the Customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately correct any undesirable plumbing practice on his premises.

E. The Customer shall, at his expense, properly install, test on an annual basis, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.

**IV. ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

DATE

\_\_\_\_\_  
CUSTOMER'S SIGNATURE

\_\_\_\_\_  
NAME

\_\_\_\_\_  
SERVICE ADDRESS

\_\_\_\_\_  
MAILING ADDRESS

\_\_\_\_\_  
TELEPHONE NUMBER

**EXHIBIT "B"**  
**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 8.0% 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"/> |

I further certify that the following materials were used in the installation of the private water distribution facilities:

Service lines	Lead	<input type="checkbox"/>	Copper	<input type="checkbox"/>	PVC	<input type="checkbox"/>	Other	<input type="checkbox"/>
Solder	Lead	<input type="checkbox"/>	Lead Free	<input type="checkbox"/>	Solvent Weld	<input type="checkbox"/>	Other	<input type="checkbox"/>

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.

Remarks:

Signature of Inspector \_\_\_\_\_

Registration Number \_\_\_\_\_

Title \_\_\_\_\_

Type of Registration \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT "C"**

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the public water supplier for record keeping purposes:

**BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT**

NAME OF PWS: \_\_\_\_\_  
 PWS I.D. # \_\_\_\_\_  
 MAILING ADDRESS \_\_\_\_\_  
 CONTACT PERSON \_\_\_\_\_  
 LOCATION OF SERVICE: \_\_\_\_\_

The backflow prevention assembly detailed below has been tested and maintained as required by TCEQ regulations and is certified to be operating within acceptable parameters.

**TYPE OF ASSEMBLY**

- |   |  |
|---|--|
| <input type="checkbox"/> Reduced Pressure Principle | <input type="checkbox"/> Reduced Pressure Principle-Detector     |
| <input type="checkbox"/> Double Check Valve         | <input type="checkbox"/> Double Check-Detector                   |
| <input type="checkbox"/> Pressure Vacuum Breaker    | <input type="checkbox"/> Spill-Resistant Pressure Vacuum Breaker |

Manufacturer \_\_\_\_\_ Size \_\_\_\_\_  
 Model Number \_\_\_\_\_ Located At \_\_\_\_\_  
 Serial Number \_\_\_\_\_

Is the assembly installed in accordance with manufacturer recommendations and/or local codes? \_\_\_\_\_

	Reduced Pressure Principle Assembly			Pressure Vacuum Breaker	
	Double Check Valve Assembly		Relief Valve	Air Inlet	Check Valve
	1st Check	2nd Check		Opened at ____ psid	Held at ____ psid
Initial Test	Held at ____ psid Closed tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Held at ____ psid Closed tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at ____ psid Did not open <input type="checkbox"/>	Did not Open <input type="checkbox"/>	Leaked <input type="checkbox"/>
Repairs and Materials Used					
Test After Repair	Held at ____ psid Closed Tight <input type="checkbox"/>	Held at ____ psid Closed Tight <input type="checkbox"/>	Opened at ____ psid	Opened at ____ psid	Held at ____ psid

Test gauge used: Make/Model \_\_\_\_\_ SN: \_\_\_\_\_ Calibration Date: \_\_\_\_\_  
 Remarks: \_\_\_\_\_

The above is certified to be true at the time of testing.

Firm Name \_\_\_\_\_ Certified Tester \_\_\_\_\_

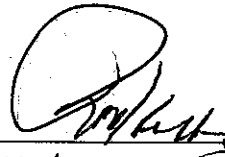
Firm Address \_\_\_\_\_ Cert. Tester No. \_\_\_\_\_ Date \_\_\_\_\_

Firm Phone # \_\_\_\_\_  
 \* TEST RECORDS MUST BE KEPT FOR AT LEAST THREE YEARS  
 \*\* USE ONLY MANUFACTURER'S REPLACEMENT PARTS

I, the undersigned secretary of the Board of Directors of Harris County Municipal Utility District No. 1, hereby certify that the foregoing is a true and correct copy of the Order establishing policy and rates for water, sewer and solid waste collection service for the District, adopted by said Board at its regular meeting of February 10, 2009, together with excerpts from the minutes of said Board's meeting on that date showing the adoption of said Order, as same appear of record in the official minutes of the Board on file in the District's office.

I further certify that said meeting was open to the public, and that notice thereof was posted in compliance with the provisions of Tex. Gov't Code Ann. § 551.001 et seq.

Witness my hand and the official seal of said District this Feb 10, 2009.



Secretary

