

AMENDED RATE ORDER AND REGULATIONS GOVERNING WATER
AND SANITARY SEWER LINES AND CONNECTIONS

WHEREAS, Harris County Municipal Utility District No. 500 (the "District") is in the process of constructing a water, sewer and storm drainage system to provide service to residential and commercial establishments within the District (the "System"); and

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

WHEREAS, the District has been asked by the State Legislature to adopt and implement a program of water conservation aimed at reducing the consumption of water, reducing the loss or waste of water and improving efficiency in the use of water; and

WHEREAS, it is the District's intent to establish rates for service from the District's System that will encourage sound management of the District's water usage and conservation practices by Users within the District; and

WHEREAS, the escalating rates for increased water usage herein adopted by the District are intended to promote conservation and efficient management of the District's water resources; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 500 THAT:

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

- A. "Single Family Residential User" or "SFR" - means any user of the District's System that consists of one residence designed for use and occupancy by a single family unit.
- B. "Non-Single Family Residential User" - means a Commercial User or a Multi-Family Residential User.
- C. "Commercial User" - means any user of the District's System other than a Single Family Residential User, a Mixed Use Quality of Life Venue User, a Multi-Family Residential User, a Public Space User, or a Non-Taxable User, including, but not limited to, any User of the District's system that consists of a commercial establishment.

- D. "Mixed Use Quality of Life Venue User" - means any User of the District's System that consists of a mixed use facility that provides amenities beneficial to the quality of life of the residents of the District, including an outdoor entertainment venue, outdoor play space, and trails or sidewalks facilitating connectivity to community trails and recreation facilities.
- E. "Multi-Family Residential User" - means any User of the District's system that consists of a residence designed for use and occupancy by more than one single family unit.
- F. "Public Space User" - means any user of the District's System for public or homeowner association esplanades, lakes, recreational areas or green spaces ("Public Spaces").
- G. "Non-Taxable User" - means any user of the District's System other than a Single Family Residential User that is exempt from ad valorem taxation by the District under the State Property Tax Code, including, but not limited to, any User of the District's system that consists of a school or place of worship.
- H. "Person" - includes an individual, corporation organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.
- I. "Property owner" - means a person who owns property within the District.
- J. "User" - means any user of the District's System.

Section 2: Tap and Inspection Fees.

- A. Single Family Residential Users. Prior to connection to the District's System, a tap fee for water service as set forth herein plus the costs of the necessary service lines and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs") shall be paid to the District to cover the cost of making said connection and the cost of providing the water meter. In the case of a 5/8" water meter, the tap fee shall be \$950. In the case of a 3/4" water meter, the tap fee shall be \$1,100. In the case of a 1" water meter, the tap fee shall be \$1,400. In the case of a water meter larger than 1", a tap fee equal to the District's actual cost for installation of the tap and meter, plus 100% (not to be less than \$1,500.00) shall be paid to the

District. The District's operator will notify the User of the Installation Costs.

B. Non-Single Family Residential Users.

Commercial User: Prior to connection to the District's System, a tap fee for water service shall be paid to the District equal to two (2) times the District's actual cost of installing the tap and meter plus the costs of the necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs"). The District's operator will notify the User of the Installation Costs.

Multi-Family Residential User: Prior to connection to the District's System, a tap fee for water service shall be paid to the District equal to two (2) times the District's actual cost of installing the tap and meter plus the costs of the necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs"). The District's operator will notify the User of the Installation Costs.

Mixed Use Quality of Life Users: Prior to connection to the District's System, a tap fee for water service shall be paid to the District equal to the District's actual cost of installing the tap and meter plus the costs of the necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs"). The District's operator will notify the User of the Installation Costs.

C. Non-Taxable Users. Non-taxable Users shall pay a tap fee for water service equal to the District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements affected by the installation (as determined by the District's operator, together with the District's consultants) plus the District's actual cost of the facilities necessary to provide District services to the Non-Taxable User that are financed or to be fully or partially financed by the District's tax bonds (as determined by the District's consultants and approved by the Board of Directors) (the "Non-Taxable User Installation Costs"). The District's operator, together with the District's consultants, will determine the Non-Taxable User Installation Costs, which will then be approved by the Board of Directors and be sent to the User.

- D. Public Space User. All Public Space Users shall be required to have meters installed, which shall be installed by the District's operator. A user requesting a water or sanitary sewer tap for Public Spaces shall pay a tap fee equal to the District's cost to install the sanitary sewer and water tap and water meter.
- E. Irrigation Systems. Prior to connection to the District's water system, a tap fee for irrigation systems that have been authorized by the District and that are to be used solely for the purpose of providing irrigation water to landscaped areas within the District shall be paid to the District. The tap fee for irrigation systems shall be equal to the tap fee for water service for the applicable category of User. All such connections to the District's water system shall be made by a representative of the District.
- F. Fire Lines. For any User that is required to construct a fire line, prior to connection to the District's System, a tap fee for water service shall be paid to the District equal to the District's actual cost of installing the tap plus the costs of the necessary service line connected to the District's meter or the meter vault assembly, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs"). The District's operator will notify the User of the Installation Costs. All fire lines shall be required to have a meter or a detector check meter vault assembly, which shall be provided and installed by the District at the District's cost.
- G. Sewer Connection Inspection. All connections to the District's sewer system shall be made in accordance with the provisions of the Rules and Regulations Governing Water and Sanitary Sewer Lines and Connections. All connections to the District's sewer system shall be inspected by the District's operator or its subcontractor prior to being covered in the ground. In the event a sewer connection is made and covered without such inspection, water service at such location shall be terminated and shall not be allowed until an approved sewer connection inspection has been performed. An inspection fee of \$50 per Single Family Residential connection; two (2) times the District's actual cost per Non-Single Family Residential connection; and two (2) times the District's actual cost per Non-Taxable connection shall be paid to the District. If a sewer connection fails the inspection, an additional inspection at the same inspection fee is to be paid to the District prior to reinspection.
- G. Pre-Construction Inspection. All builders or contractors for property owners within the District must contact the operator, prior to starting any work on property within the District, to do an inspection to verify District

facilities. If any District facility is either damaged or cannot be located, the operator will make necessary repairs or locate and make visible such facility at the expense of the District. A copy of the inspection will be given to the builder's or contractor's representative. After the inspection and any necessary work is completed, the builder or contractor will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the Final Site Survey. The cost for each inspection is \$50 for Single Family Residential Users and two (2) times the District's actual cost for all other Users.

- H. Post-Construction Inspection. After construction has been completed on the property, but before service is transferred to a User, the District's operator will conduct a Final Site Survey to reinspect the water tap, meter and all other District facilities on the property for a fee of \$50 for Single Family Residential Users and two (2) times actual cost for Non-Single Family Residential Users and Non-Taxable Users. (The \$50 fee shall be collected at the time the tap fee is paid.) In connection with the above inspection or any other time, the property owner, builder or contractor will be held responsible for any damages or adjustments to District facilities or other conditions that might reasonably be expected to cause damage to District facilities, and the cost of correcting such conditions, repairing, adjusting or relocating the facilities (the "Backcharges"). Such charges are payable immediately and shall be paid before service shall be initiated to a User. If any re-inspections of the facilities are required to ensure that the District's facilities are repaired, relocated or adjusted, a fee of \$50 for Single Family Residential Users and two (2) times the District's actual cost for Non-Single Family Residential Users and Non-Taxable Users shall be charged for each such re-inspection before service will be transferred to a subsequent User. Payment of the Backcharges, or any inspection or re-inspection fees, shall be made on or before the 30th day after the date of the invoice for said charges. The District may withhold the provision of service to the property or to other property owned by any User, property owner, builder or contractor who has failed to timely pay the Backcharges or any inspection or re-inspection fee, including specifically the provision of additional taps; provided, however, the District shall follow the notification procedures set forth in this Rate Order prior to withholding the provision of service.

I. Builder Responsibilities.

- (1) Street Cleaning. The builder and developer will be responsible for ensuring that the street in front of their lots stays free from the accumulation of trash, sediment, dirt, and all other debris. Street

cleaning will be done by street scraping or by using a vacuum sweeper. Washing sediments into the sewer inlets is prohibited by the District and the EPA.

- (2) Concrete Wash-Out Site. Each builder will provide a single, dedicated concrete wash-out site on one of the builder's reserved lots, for use during construction. The site selected will be reviewed with the District and developer, and an identification sign must be erected on the site by the builder prior to use.

The builder will clean and maintain the site as necessary and is responsible for the proper and legal disposal of concrete. Silt fencing must be installed along the curb in front of the wash-out site as well as an access pad.

The builder will inform its subcontractors of the location and purpose of the concrete wash-out site.

- (3) Other Builder Responsibilities. The builder is responsible for observing all signs and for enforcing the District's Rate Order with all employees, suppliers, and subcontractors. Builders are responsible for conducting regular inspections of their erosion control measures to insure they are functioning properly.
- (4) Failure to Comply. Failure of a builder to comply with these builder responsibilities will be considered a violation of this Rate Order and will subject the builder to penalties in this Rate Order. Further, the District, at its sole option, may perform or have performed any of the builder's responsibilities and backcharge the builder for the cost. Failure to timely pay a backcharge will subject the builder to termination of service in accordance with this Rate Order or withholding of taps in accordance with this Rate Order.

- J. Grease Trap Inspection. For each grease trap installed, there shall be charged a monthly flat rate inspection fee of \$75. If the operator is required to reinspect the grease trap, such reinspection shall be charged at the same \$75 rate.

Section 3: Regulatory Assessment. Pursuant to the Texas Water Code, each user of the District's water and sanitary sewer system is hereby assessed a charge of one-half of one percent of the District's charge for water and sewer service. This assessment is included in the rate schedules listed below and will be forwarded to the Texas Commission on Environmental Quality, as required by the Texas Water Code, and used to pay costs and expenses incurred in its regulation of water districts.

Section 4: Account Set Up Fee. A non-refundable fee of \$25 shall be charged for each new account in order to cover the District's costs of setting up such account. A fee of \$25 shall be charged by the District to cover the expense to the District for the transfer of water and sewer service from the initial User to each subsequent User. Such fee shall be paid prior to service being initiated and shall be in addition to the security deposit required in this Rate Order.

Section 5: Security Deposit.

- A. Any final payments due to the District upon termination of service will be deducted from the security deposit and all remaining funds in the account will be distributed by the Bookkeeper to the User after the disbursement of said funds has been approved by the Board.
- B. A deposit of \$150 shall be charged to all new Single-Family Residential Users in the District. A deposit equal to the estimated monthly bill, as determined by the District's operator, shall be required of all Multi-Family Residential Users. A deposit equal to two times the estimated monthly utility bill, as determined by the District's operator, shall be required of all other Users in the District. Such sums shall be required prior to service being initiated and shall be held by the District as a deposit to assure prompt payment of all charges for utility service. No interest will be allowed on such deposits.
- C. A \$2,000 deposit shall be required of each builder prior to any water taps being made for such builder in the District. Said deposit shall be refunded by the District upon written request by a builder; provided, however, that all or a portion of the deposit shall be forfeited as a penalty in the event that any provision of this Order or the District's Rules and Regulations Governing Sewer House Lines and Sewer Connections, as may be amended from time to time, is violated. The deposit described herein may be applied by the District to the cost of repair of any damage caused to District property by the builder or builder's agent, whereupon it will be the builder's responsibility to reinstate the original amount of the deposit

prior to the District's operator making any additional water taps for said builder.

Section 6: Water and Sewer Rates.

- A. Single Family Residential User Fees. After initial occupancy, each Single Family Residential User within the District shall be charged for service on a monthly basis according to the volume of water used and in accordance with the following schedule:

<u>Amount of Payment</u>	<u>Water and Sewer Usage</u>
\$22	Minimum monthly charge per SFR connection for water (includes first 7,000 gallons usage)
\$2.25	Water rate per 1,000 gallons metered water for usage between 7,000 gallons and 15,000 gallons
\$2.50	Water rate per 1,000 gallons metered water for usage between 15,000 gallons and 25,000 gallons
\$3.00	Water rate per 1,000 gallons metered water for usage over 25,000 gallons
\$30	Minimum monthly charge per SFR connection for sewer (includes trash pick up)

- B. Builder User Fees. During construction, but before initial occupancy, a builder within the District shall be charged on a monthly basis according to the volume of water used and in accordance with the following schedule:

<u>Amount of Payment</u>	<u>Water and Sewer Usage</u>
\$22	Minimum monthly charge per SFR equivalent connection for water as

determined by the District's engineer
(includes first 7,000 gallons usage)

\$2.25	Water rate per 1,000 gallons metered water for usage between 7,000 gallons and 15,000 gallons
\$2.50	Water rate per 1,000 gallons metered water for usage between 15,000 gallons and 25,000 gallons
\$3.00	Water rate per 1,000 gallons metered water for usage over 25,000 gallons
\$15	Minimum monthly charge per SFR equivalent connection for sewer as determined by the District's engineer

- C. Commercial User, Mixed Use Quality of Life Venue User, and Non-Taxable User. After initial occupancy, each Commercial User, Mixed Use Quality of Life Venue User, and Non-Taxable User within the District, including each unit occupied by a separate business or enterprise, including separate establishments within a single building, shall be charged for service on a monthly basis according to the volume of water used and in accordance with the following schedule:

<u>Amount of Payment</u>	<u>Water and Sewer Usage</u>
\$25	Minimum monthly charge per SFR equivalent connection for water as determined by the District's engineer* (includes first 7,000 gallons usage)
\$2.50	Water rate per 1,000 gallons metered water for usage between 7,000 gallons and 15,000 gallons
\$3.00	Water rate per 1,000 gallons metered water for usage between 15,000 gallons and 25,000 gallons
\$3.50	Water rate per 1,000 gallons metered water for usage over 25,000 gallons
\$25	Minimum monthly charge per SFR equivalent connection for sewer as determined by the District's engineer (includes first 7,000 gallons usage)
\$2.50	Sewer rate per 1,000 gallons metered water between 7,000 gallons and 15,000 gallons
\$3.00	Sewer rate per 1,000 gallons metered water between 15,000 gallons and 25,000 gallons
\$3.50	Sewer rate per 1,000 gallons metered water over 25,000 gallons

* Each year in January, the District's operator will review and adjust the number of Single Family Residential Equivalent connections for each Commercial User and Mixed Use Quality of Life Venue User.

D. Multi-Family Residential User: During construction of and prior to initial occupancy Multi-Family Residential Users shall be billed for water and sewer service at

the rate for Commercial Users as stated above. After initial occupancy, but during the first 6 months of occupancy the single family user shall be charged for service on a monthly basis according to the number of multi-family residential units as determined by the following table:

1st month 15% multiplied by the total number of units

2nd month 30% multiplied by the total number of units

3rd month 45% multiplied by the total number of units

4th month 60% multiplied by the total number of units

5th month 75% multiplied by the total number of units

6th month 90% multiplied by the total number of units

Beginning in the 7th month after initial occupancy each Multi-Family Residential User within the District shall be charged for service on a monthly basis according to the number of multi-family residential units and the volume of water used.

<u>Amount of Payment</u>	<u>Water and Sewer Usage</u>
\$15	Minimum monthly charge per unit for water (includes first 5,000 gallons usage per unit)
\$2.25	Water rate per 1,000 gallons metered water for usage between 5,000 gallons and 15,000 gallons per unit
\$2.50	Water rate per 1,000 gallons metered water for usage over 15,000 gallons per unit
\$15	Minimum monthly charge per unit for sewer (does not include trash pick-up)

- E. Public Space User. Water service will be provided to public esplanades, lakes, recreational areas or green spaces ("Public Spaces") within the District at a rate of \$2.15 per 1,000 gallons of water usage per month. In order to promote conservation of the District's water supply, however, Public Space users will pay an increased rate to be set by the District if the

District determines that the Public Space user's water usage is excessive, inefficient, and/or wasteful.

- F. West Harris County Regional Water Authority ("WHCRWA") Fee. The WHCRWA assesses a fee to the District for each 1,000 gallons of surface water provided by the WHCRWA to the District, which surface water fee may be amended from time to time. Each User of District water for any purpose, whether builder, Single-Family Residential, Mixed Use Quality of Life Venue User, Multi-Family Residential, Commercial, or any other type of User, shall be billed, in addition to the water rates set forth above, a fee for each 1,000 gallons of potable water delivered to such User in a billing cycle that is equal to 110% of the surface water fee charged by the WHCRWA per 1,000 gallons of water (the "Surface Water Fee").
- G. Irrigation Systems for Commercial Users and Mixed Use Quality of Life Venue User. Metered water connections authorized by the District and established solely for the purpose of providing water to irrigation systems shall be charged for service on a monthly basis according to the volume of water used and in accordance with the following schedule: There shall be no sewer charge for irrigation meters.

<u>Amount of Payment</u>	<u>Water Usage</u>
\$25	Minimum monthly charge per connection for water (includes first 7,000 gallons usage)
\$2.50	Water rate per 1,000 gallons metered water for usage between 7,000 gallons and 15,000 gallons
\$3.00	Water rate per 1,000 gallons metered water for usage between 15,000 gallons and 25,000 gallons
\$3.50	Water rate per 1,000 gallons metered water for usage over 25,000 gallons

Section 7: Maintenance and Repair. It shall be the responsibility of each User to maintain the water and sewer lines from the home or building to the point that the User's lines connect to the District's water and sewer system.

Section 8: Temporary Water Service.

- A. The District's operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon receipt of a written request for temporary water service. Such temporary service shall be supplied only through a District meter installed by the District's operator.
- B. The person applying for temporary water service shall be required to deposit \$1,000 with the District to secure the payment for water supplied by the District and the safe return of the District's meter. Upon receipt of full payment for temporary water used and return of the meter in good condition, the deposit will be returned; provided, however, any damage to the meter or unpaid balances will be paid from the deposit.
- C. The fee for temporary water service shall include: (i) \$200 plus the District's actual costs of installation; plus (ii) \$3.50 per 1,000 gallons of water delivered through the meter; plus (ii) the cost of the meter rental in the amount of \$4 per day or \$120 per month.

Section 9: Plumbing Regulations; Prohibition Against Cross-Connections and Unacceptable Plumbing Practices; Penalty for Violation. Pursuant to Title 30, Chapter 290 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all users of the District's potable water distribution system.

- A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, a User must execute a Service Agreement in the form attached as Exhibit B hereto.
- B. Plumbing Fixtures. A User is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located.
- C. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow prevention device in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

- D. Backflow Prevention Assemblies. All sprinkler systems, spas and pools must have backflow prevention assemblies installed by the User at the User's sole cost and expense. In addition, the District, in its sole discretion, may require a User to install a backflow prevention assembly at any meter(s) servicing such a User's property. The District, in its sole discretion, also may require any User to install other backflow prevention assemblies at any fixture in order to prevent contamination of the District's potable water distribution system or if the User's plumbing system poses a high health hazard. A high health hazard is defined by the Texas Commission on Environmental Quality as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply." If the District determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located, and must be tested and certified at least annually by a recognized backflow prevention assembly tester. A list of certified backflow prevention assembly inspectors can be obtained from the local office of the Texas Commission on Environmental Quality.

The User is responsible for insuring that all backflow prevention assemblies are tested upon installation by a recognized backflow prevention assembly tester. If this test is performed by the District's operator or its subcontractor, the cost will be \$100 for Single Family Residential Users and two (2) times actual cost for Non-Single Family Residential Users and Non-Taxable Users, which is due and payable prior to the test. The User is solely responsible for the cost of this test. If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the User. In that event, service will not be restored until the backflow prevention assembly has been installed and tested and a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" in the form attached hereto as Exhibit C has been provided to the District's operator.

If the District determines that a backflow prevention assembly must be installed for reasons other than to eliminate a serious threat to the District's public water system, the User must install the backflow prevention assembly within five working days after receipt of notice from

the District that such installation is required. In addition, the User must provide the District's operator with a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" within three working days of the installation of the backflow prevention assembly and within three working days of any subsequent repair, maintenance or testing of such assembly. If the User fails to provide the testing certificate within this time, the District, in its discretion, may terminate service to the User pursuant to the terms of this Rate Order. The District's operator will retain such reports for a minimum of three years.

- E. Customer Service Inspections. A customer service inspection is required prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected, or (iii) continues service to a User when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist. The cost of such customer service inspection will be the sole responsibility of the User. The District's operator will perform this inspection at a cost of \$50 for Single Family Residential Users and two (2) times actual cost for other Users. Customer service inspections include an inspection prior to the pouring of a slab, an inspection prior to the installation of sheet rock, and a final plumbing inspection. All fees relating to the customer service inspection shall be paid by the User prior to the inspection, and if the inspection is made in connection with new construction, the fee will be collected with the tap fee. The District's operator and engineer shall determine whether these services duplicate inspections or other services performed by or on behalf of the City, and, if so, shall not perform such inspection or service or assess the resulting fee.

Prior to initiating service to new construction or buildings containing new plumbing fixtures, the District's operator will prepare a signed and dated "Customer Service Inspection Certification" in the form attached hereto as Exhibit A. The District's operator will retain such inspection certifications for a minimum of ten years. If the User requests a copy of the Certificate, the District's operator will provide the User with the Certificate. In connection with the customer service inspection, the User shall allow its property to be inspected by the District's operator during normal business hours for possible cross-connections and other unacceptable plumbing practices which violate this Rate Order. Thereafter, the District's operator or its subcontractors may, at the discretion of the District and/or the District's operator, periodically inspect a User's plumbing system during normal business hours for the purpose of identifying possible cross-

connections and other unacceptable plumbing practices which violate this Rate Order.

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

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

- G. Notice of Unacceptable Plumbing Practices. The District shall notify the User in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the customers' service inspection, the final plumbing inspection, any periodic reinspection, or any other inspection. At its sole cost and expense, the User shall immediately correct any unacceptable plumbing practice on its premises and properly install, test and maintain any backflow prevention device required by the District within two working days of receipt of notice of the improper cross-connection. The User shall provide copies of all testing and maintenance records on such devices to the District within three working days of the testing or maintenance. If the User fails to correct the noted unacceptable plumbing practice, the District may immediately terminate water service or, at the User's sole cost and expense, eliminate the cross-connection or correct the unacceptable plumbing practice.

- H. Plumbing Material Restrictions.

- (1) Prohibition on Use of Specified Materials. In addition to any materials that may be prohibited by the City pursuant to its

regulations, the use of the following plumbing materials are prohibited in any and all improvements connected to the District's water system:

- (a) Any pipe or pipe fitting which contains more than a weighted average of 0.25% lead; and
 - (b) Any solder or flux which contains more than 0.2% lead.
- (2) Customer Service Inspection Certification. Before the District will provide water and sewer service to any new improvement, a fully executed Customer Service Inspection Certification, in the form attached as Exhibit A, signed by a state-licensed plumber must be submitted to the District.
- I. Penalty for Violation. The failure of a User to comply with the terms of this Section will be considered a violation of the Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in this Rate Order, immediately terminate service or, at the User's sole cost and expense, install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the User.

Section 10: Requirements for Service.

- A. Approval of Plans. Before any connection, other than a Single-Family Residential User connection, is made to the District's water, sewer, or drainage system, or before any reconnection is made, the person requesting such connection shall submit to the District's engineer for review and approval the water, sanitary sewer, and drainage plans and specifications for the property for which the connection is sought. Such plans shall clearly show the estimated volumes of water or effluent and the proposed points of connection to the District's system. A copy of such approved plans, with the engineer's approval indicated thereon, shall be submitted to the District's operator. Any modification of such plans shall require reapproval by the District's engineer. The District reserves the

right to require removal of any connection made in violation of this Section.

Section 11: Swimming Pool Inspections and Fee. Swimming pool connections will be made in accordance with the City of Houston Plumbing Code requirements. Every User who plans to construct or install a swimming pool within the District shall notify the District's operator in writing prior to commencing construction of the pool. Upon notification by the User of the intention to construct or install a swimming pool, the User shall pay an inspection fee of \$50. After the notification is received, the District's operator shall ensure that all drains from the swimming pool are connected to the District's sanitary sewer system. After the drains have been installed, the User shall notify the District's operator, who shall make an inspection of all swimming pool drains to verify that the proper connection is made, before service is authorized for said swimming pool.

Section 12: Sewer Regulations. The following regulations apply to all Users of the District's Sanitary Sewer System.

A. Quality of Sewage.

- (1) Domestic Waste. Only ordinary liquid and water-borne human waste and waste from commercial and domestic activities, such as washing, bathing, and food preparation (but excluding without limitation industrial waste), that is amenable to biological treatment and that is discharged from sanitary conveniences of buildings connected to a public sanitary sewer system shall be discharged into the District's sanitary sewer lines. Waste resulting from any process of commerce or industry may not be discharged into the District's sanitary sewer lines except as authorized pursuant to subsection (2) below.
- (2) Commercial and Industrial Waste. All discharges other than waste described in subsection (a) are prohibited unless the user has applied to and received written authorization from the District for such discharge. The applicant must file a statement with the District containing the following information:
 - (a) Name and address of applicant;
 - (b) Type of industry, business, activity, or other waste-creative process;
 - (c) Quantity of waste to be discharged;
 - (d) Typical analysis of the waste;
 - (e) Type of pretreatment proposed; and

- (f) Such other information as the District may request in writing.

The District shall have the right to reject any application for discharge of non-domestic waste into the District's sanitary sewer lines if the District determines in its sole discretion that the proposed discharge may be harmful to the District's sanitary sewer system or the environment. The District also shall have the right in approving any application for the discharge of non-domestic waste to impose any limitations on such discharge that the District determines in its sole discretion to be necessary to protect the District's sanitary sewer system or the environment. Notwithstanding the above, any consent granted under this subsection must be approved by the Director of Public Works of the City of Houston prior to becoming effective.

- (3) National Categorical Pretreatment Standard. If a user is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental Protection Agency under Section 307 of the federal Clean Water Act, the user is prohibited from discharging pollutants into the District's sanitary sewer system in violation of applicable categorical pretreatment standards.
- (4) District Testing; Pretreatment. The District shall have the right to sample and test any user's discharge at the discretion of the District's operator, with no limit as to the frequency of the tests, and to charge the user for the District's cost of such sampling and testing. The District also shall have the right to require pretreatment, at the user's expense, of any discharge of non-domestic waste if the District determines in its sole discretion that pretreatment of such waste is necessary to protect the District's sanitary sewer system or the environment, even if pretreatment is not otherwise required pursuant to subsection (c) above.
- (5) No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's sanitary sewer facilities.

B. Service Lines

- (1) Service line is defined as the sewer line from the foundation of the house or commercial building to the sewer line owned by the District.

- (2) Only one service line connection to the District's sanitary sewage collection system is permitted for each residence or commercial building.
- (3) Only the following types of pipe and fitting materials are approved for constructing service lines. Pipe and fittings in each individual service line will be of identical material.
 - (a) Schedule 40 conforming to ASTM, D-1785 and installed as per section II of these specifications.
 - (b) Six-inch lines and over; polyvinyl chloride (PVC) pressure rated pipe SDR 26 or SDR 21 conforming to ASTM D 3034 with rubber gasket joints conforming to ASTM, F-477 and installed as per section II of these specifications.
 - (c) Ductile-iron pipe conforming to ANSI A21.51 with rubber gasket joints ANSI A21.11, and installed according to manufacturer's recommendations.
- (4) Minimum sizes of service lines shall be as follows:
 - (a) Residential -- 4 inches in diameter.
 - (b) Commercial -- 6 inches in diameter.
- (5) Minimum grades for service lines shall be as follows:
 - (a) 4 inch pipe -- one foot drop per hundred feet (1%).
 - (b) 6 inch pipe -- six inches drop per hundred feet (0.5%).
 - (c) 8 inch pipe -- four inches drop per hundred feet (0.33%).
- (6) Maximum grades for service lines shall be as follows:
 - (a) 4 inch pipe -- two and one-half feet drop per hundred feet (2.5%).
 - (b) 6 inch pipe -- one and one-half feet drop per hundred feet (1.5%).

(c) 8 inch pipe -- one foot drop per hundred feet (1%).

- (7) Construct service lines to true alignment and grade. Warped and sagging lines will not be permitted.

C. Connection of Building Sewer Outlet to Service Lines

- (1) Building tie-on connection will be made directly to the stub-out from the building plumbing at the foundation on all waste outlets.
- (2) Water-tight adapters of a type compatible with the materials being joined will be used at the point of connection of the service line to the building plumbing. No cement grout materials are permitted.
- (3) Existing "wye" and stack connections must be utilized for connection of the service line to the sewer main unless an exception is permitted by the District's operator.
- (4) The physical connection to the sewer main shall be made by use of an adapter of a type compatible with materials being joined. The connection shall be watertight. Portion to be cut out from sewer main shall be circular and available for inspection.
- (5) No connection shall be made into a manhole without approval from the District.
- (6) No sewer lines shall be laid within nine feet of a water line unless the sewer pipe and its couplings shall have a pressure rating of not less than 150 pounds per square inch (psi).

D. Service Line Fittings and Cleanouts

- (1) No bends or turns at any point will be greater than 45 degrees.
- (2) Each horizontal service line will be provided with a cleanout at its upper terminal; and each such run of piping which is more than 90 feet in length will be provided with a cleanout for each 90 feet or fraction thereof, in the length of such piping.
- (3) Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of "wye" branch and end-of-the-line cleanouts, cleanouts will be installed vertically above the flow line of the pipe.

- (4) Cleanout will be made with air-tight mechanical plug.

E. Grease, Lint, and Sand Traps

- (1) Grease traps will be required for dining establishments where food is prepared and served to customers on premises.
- (2) Washateria operations shall require a lint trap.
- (3) Air space above the water line must be vented with four-inch soil pipe if the trap is located inside a building.
- (4) All shopping centers shall provide a grease trap and a sampling well.
- (5) All health care facilities shall provide an acid dilution basin and a sampling well.
- (6) Sand traps will be required for all car washing establishments.

- F. Excluded Flow and Waste. No industrial waste or waste material which is not biologically degradable will be permitted to be discharged into the District's sewage facilities, including mud and debris accumulated during service line installation.

Section 13: Termination and Reconnection of Service.

- A. Monthly Bills and Termination. Charges for service shall be billed monthly. All bills shall be payable on the due date printed on the billing statement. Unless payment of the monthly bill is received on or before the due date printed on the billing statement or unless payment of any Backcharges is received on or before the 30th day after the date of the invoice, such account shall be considered delinquent and interest of ten percent (10%) of the current charges shall be charged. The District may, in its discretion, disconnect service for failure to pay all charges and Backcharges, including interest, by the 50th day after the due date; provided, however, that prior to disconnecting services, the District shall send written notice by United States first class mail to the User or entity at the appropriate address and provide the User or entity with an opportunity to contest, explain or correct the charges, services, or disconnection, at a meeting of the Board of Directors of the District. The written notice

shall inform the User or entity of the amount of the delinquent payment, the date service will be disconnected or additional service withheld if payment is not made, the date, time and place of the next scheduled meeting of the Board of Directors, and of the opportunity to contest, explain or correct the charges, services, or disconnection, by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown on the notice. The date specified for disconnection shall be ten (10) days after the date of the next scheduled meeting of the Board of Directors as shown in the notice and the date for withholding additional service shall be the date of that Board meeting. The notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled meeting of the Board of Directors. A written statement by the District's operator that the notice was so mailed and a certificate of mailing by the United States Postal Service shall be prima facie evidence of delivery of same. If the User or entity appears before the Board in person or in writing, the Board shall hear and consider the matter and inform the User or entity of the Board's determination by sending written notice by United States first class mail to the User or entity at the appropriate address.

- B. Termination for Rate Order Violations. Any person, corporation or other entity who violates any provision of this Rate Order, in addition to being subject to the penalties described in this Rate Order, shall be subject to having service terminated; provided, however, that prior to disconnecting service for violations that do not constitute a hazard to health or safety or endanger the integrity of the District's system, the District shall give written notice by first class mail or otherwise, to such person, corporation or other entity, of the pending disconnection, and shall give such person, corporation or other entity the opportunity to contest, explain or correct the violation of the Rate Order at a meeting of the Board of Directors of the District. Such disconnection shall be in addition to penalties that may be imposed by the District under this Rate Order.
- C. Reconnection. If service to a User is disconnected for nonpayment of a delinquent bill or for any cause legally authorized, a reconnection fee of \$25 for each reconnection, plus an additional security deposit of \$25, payable as provided below, shall be paid prior to service being restored. The maximum amount on deposit per User shall be \$300. Payment of fees and charges under this Section must be in the form of cash, cashier's check, or money order.

- D. Pulled Meter. In the event that the District's operator removes a User's meter due to unauthorized reconnection of service subsequent to its termination by the District, a reinstallation fee of \$25 shall be paid prior to service being restored, which fee is in addition to any other fees imposed.
- D. After-Hours Service Charge. Any User who requests the District's operator to disconnect or reconnect service during non-business hours (i.e. Saturdays and Sundays and after 4:00 p.m. on weekdays) will be charged an after-hours service charge of \$50.

Section 14: Additional Payment Options. Any User may pay the monthly water and sewer bill via the payment options provided through the District and its operator including but not limited to, online check and credit card payments, check and credit card payments processed over the telephone, and other payment options as they become available. Certain payment options are made available through service providers who may charge Users a convenience fee in connection with some payment options. Such convenience fees are the sole responsibility of the User and are separate from any amount owed by the User to the District. Non-payment of any such convenience fee shall subject the User to termination of service in accordance with this Order. If any User payment is refused or returned by the processing financial institution, the District will charge the User a return item fee of \$25.00. Acceptable payment methods for delinquent accounts may be restricted as specified elsewhere in this Order.

Section 15: Returned Check Charge. The District will charge a \$25 fee to any customer for each check given to the District for payment that must be returned for any reason. Payments attempted to be made by a check which is returned shall be considered delinquent unless cash or certified funds are presented to the District for payment within the time period required by the previous section.

Section 16: Easements. Before service is commenced to any User, the person requesting such service shall grant an easement of ingress and egress to and from the meter for such maintenance and repair as the District, in its judgment, may deem necessary.

Section 17: Pressure of Water. The District agrees to use all reasonable efforts to supply to any User adequate pressure of water. The District does not and will not guarantee to any User a specific quantity or pressure of water for any purpose whatsoever. The District is required only to furnish a connection to its System and in no case shall the District be liable for the failure or refusal to furnish water or any particular amount or pressure of water; however, the District shall use reasonable efforts to supply water to all Users at an acceptable minimum pressure.

Section 18: No Free Service. No free service shall be granted to any User for services furnished by the District's System whether such User be a charitable or eleemosynary institution, a political subdivision or municipal corporation, and all charges for service shall be made as required herein.

Section 19: Required Service. No service shall be given from the District's System unless such User agrees to take both water and sewer service, except in those instances where the Board determines that both services are not necessary for the preservation of the sanitary condition of water within the District.

Section 20: Delinquent Letter Fee. A fee of \$5 shall be charged by the District for each notice of delinquency mailed to an account to cover the District's costs associated with such notice.

Section 21: Penalties for Violation. Any person, corporation or other entity who:

- A. violates any Section of this Order; or
- B. makes unauthorized use of District services or facilities; or
- C. causes damage to District facilities by using such facilities in a manner or for a purpose contrary to the purpose for which such facilities were designed; or
- D. uses or permits the use of any septic tank or holding tank within the District without approval from the District; or
- E. violates the District's Regulations Governing Water and Sanitary Sewer Lines and Connections; or
- F. constructs facilities or buildings which are not included in the approved plans for development as set forth in this Rate Order; or
- G. violates the District's Order Adopting Drought Contingency Plan;

shall be subject to a penalty of up to \$5,000 for each breach of the foregoing provisions. Each day that a breach of any provision hereof continues shall be considered a separate breach.

This penalty shall be in addition to the other penalties provided by the laws of the State and to any other legal rights and remedies of the District as may be allowed by law.

Section 22: Out-of-District Service. The Board of Directors shall determine whether to provide any utility service to areas outside of the District and the terms and conditions for such service.

Section 23: Applicability of Rate Order. This Amended Rate Order and all of the provisions herein apply only to utility service to land within the District. The Board of Directors shall determine whether to provide any utility service to areas outside of the District and the terms and conditions for such service.


[EXECUTION PAGE FOLLOWS]

ADOPTED this 4th day of May, 2016.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)

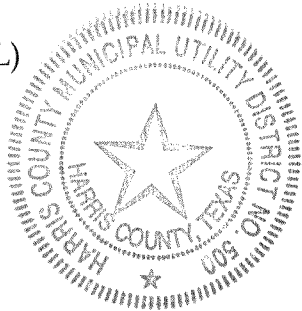


EXHIBIT "A"
Customer Service Inspection Certification

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 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 a weighted average of 0.25% lead exists in private plumbing facilities installed on or after January, 4, 2014.	<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

Title

Date

Registration Number

Type of Registration

License Expiration Date

EXHIBIT "B"
FORM OF SERVICE AGREEMENT

- I. **PURPOSE.** Harris County Municipal Utility District No. 500 (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 to ensure the public health and welfare. Each customer must sign this agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this agreement.
- II. **PLUMBING RESTRICTIONS.** The following unacceptable plumbing practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than a weighted average of 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between Harris County Municipal Utility District No. 500 (the "District") and _____ (the "Customer").
- A. The District will maintain a copy of this agreement as long as Customer and/or the premises is connected to the District's water system.
 - B. Customer shall allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating new water

service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the District's normal business hours.

- C. The District shall notify Customer in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
- D. Customer shall immediately correct any unacceptable plumbing practice on his/her premises.
- E. Customer shall, at his/her expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.
- F. Customer understands and agrees that the District does not guarantee any specific quantity or pressure of water for any purpose whatsoever and that the District is not liable to customer for failure or refusal to furnish any particular amount or pressure of water to Customer at any time.

IV. **ENFORCEMENT.** If 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 Service Agreement shall be billed to Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

ADDRESS: _____

EXHIBIT "C"
Backflow Prevention Assembly Test and Maintenance Report

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

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

NAME OF PWS: _____

PWS I.D. #: _____

LOCATION OF SERVICE: _____

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

☐ Not needed at this address

TYPE OF ASSEMBLY

☐ Reduced Pressure Principle ☐ Pressure Vacuum Breaker
☐ Double Check Valve ☐ Atmosphere Vacuum Breaker

Manufacturer: _____ Size: _____

Model Number: _____ Located At: _____

Serial Number: _____

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

The above is certified to be true.

Firm name: _____

Firm Address: _____

Date: _____

Certified Tester: _____

Cert. Tester No.: _____