

CERTIFICATE
FOR RATE ORDER

I, the undersigned Secretary of the Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas (the "District"), hereby certify as follows:

1. The Board composed as follows:

Susan Ruske, President
Piero Battistini, Vice President
Esther Boyer, Secretary
John A. Gutfranski, Assistant Secretary
Sergio Handal, Director

met in special session, open to the public, on October 1, 2014, at 1300 Post Oak Boulevard, Houston, Harris County, Texas, and all of the members of the Board were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting: A written

RATE ORDER

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

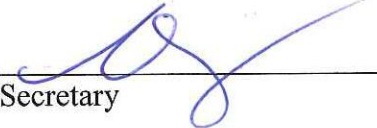
AYES: 5

NOES: 0

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

SIGNED AND SEALED this the 1st day of October, 2014.




Secretary

350787.1

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

RATE ORDER

Dated: October 1, 2014
Effective: January 1, 2015

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RATE ORDER
("Order" or "Rate Order")

WHEREAS, FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, OF FORT BEND COUNTY, TEXAS (the "District"), owns a water, sanitary sewer and storm sewer system designed to serve present and future inhabitants within the District; and

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

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the following conditions should be established for service from and protection of the District's water, sanitary sewer and storm sewer system; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, OF FORT BEND COUNTY, TEXAS, THAT THE FOLLOWING RATE ORDER IS HEREBY ADOPTED: Any Rate Order, and amendments thereto, heretofore adopted by the Board establishing rates for water and sewer service and pertaining to related matters shall be revoked on January 1, 2015, the effective date of this Rate Order.

Section 1. Definitions. For purposes of this Order, in addition to terms defined elsewhere herein, the following words or terms shall have the following meanings:

1.01 "Alternative Payment Services" shall mean one or more programs through which a Customer may pay for water and sanitary sewer services provided by the District, other than a payment by cash, cashier's check, check or money order submitted directly by Customer, and which programs are offered to Customers through third party service providers and coordinated by the District's Operator. These Alternative Payment Services may include one or more of the following or others: (a) check by phone, (b) on-line payment by credit or debit card, (c) on-line bill payment through Customer's bank, and (d) payment by Customers at local retail outlets and (e) automatic monthly debit from Customer's account.

1.02. "Apartment(s)" shall mean dwelling structure(s) containing multiple dwelling units and shall include apartments, townhouses, condominiums and multiplexes.

1.03. "Builder" shall mean any person, firm, corporation or other entity constructing Residential, Apartment or Commercial aboveground improvements within the District.

1.04. "Commercial" shall mean and include any office building, hotel, retail store, clubhouse (excluding a clubhouse at a Park and Recreational facility), warehouse, service station, or other establishment rendering a service or offering a product for sale to the public, and any establishment not generally considered a single-family residence, Apartment or Park and Recreational facility.

1.05. "Commercial Waste" shall mean liquid carried sanitary sewage discharged from Commercial Customer Connections which is properly shredded and amenable to biological treatment and which may contain trace amounts of sand, grit, lubricants and other petroleum products commonly associated with Commercial establishments such as service stations and car wash facilities.

1.06. "Customer" shall mean the person, firm, corporation or other entity which receives District services for a Residential, Commercial, Apartment, Park and Recreational or other structure, whether the owner, renter, builder or lessee thereof. Inasmuch as this Order hereinafter makes it mandatory for each such structure to be connected to the District's System as soon as the District's System becomes operable, the term "Customer" shall mean and include the person, firm, corporation or other entity which requests District services for such structure at the time service becomes available to said structure.

1.07. "Customer Connection" shall mean each separately metered Residential, Apartment, Park and Recreational or Commercial facility that is physically connected to the District's System, whether occupied or not, and where appropriate, shall refer to the point of physical connection of such facility to the District's System.

1.08. "Customer Service Inspection Certification" shall mean the inspection and subsequent certification required to be provided to the District in the instances and in the manner set forth in this Order, and which shall be evidenced by the completion of a form in the form attached to this Order as Exhibit "A".

1.09. "Delinquent Bill" shall mean a bill for water and/or sanitary sewer service and/or other services, penalties and/or other charges of any nature imposed by the District, whether hereunder or pursuant to any Drought Contingency Plan or District order regulating waste, including, without limitation, charges for solid waste collection and disposal services, for which payment in full (including, without limitation, all charges, penalties, additional security deposit as required, and late fees) has not been received before 5:00 p.m. on the twentieth (20th) day after the date of the bill (with respect to a regular monthly bill) or (with respect to delinquent or disconnection notices) before the date and time set forth in a notice from the District at an address specified therein for payment.

1.10. "District's Engineer" shall mean the person, firm or corporation which the District has engaged to provide engineering services for the District.

1.11. "District's Operator" shall mean the person, firm, corporation, municipal corporation or political subdivision with which the District has contracted for operation and maintenance of the District's System.

1.12. "Domestic Waste" shall mean liquid carried sanitary sewage discharged from Residential Customer Connections (including Apartments) which is properly shredded and amenable to biological treatment, which is normally discharged from Residential food preparation and bathroom facilities, and which has biological oxygen demand (5-day) and total suspended solids concentrations not exceeding 200 milligrams per liter.

1.13. "Drainage Facility" shall mean any storm sewer, detention facility, or drainage channel of the District and all extensions and additions thereto, whether now in place or hereafter constructed.

1.14. "Drought Contingency Plan" shall mean any drought contingency or water conservation plan now in effect or hereafter adopted by the District.

1.15. "Fire Line" shall mean a water supply line installed or constructed for the sole purpose of providing water during a fire or other emergency.

1.16. "Health Hazard" shall mean a cross-connection, potential contamination hazard, or other situation involving any substance that could, in the opinion of the District, cause death, illness, or spread of disease, or which has a high probability of causing such effects if introduced into the District's potable drinking water supply.

1.17. "Industrial Waste" shall mean waste other than Commercial Waste and Domestic Waste.

1.18. "Nontaxable Entity" shall mean the owner of any property within the District that is exempt from the payment of ad valorem taxes levied by the District.

1.19. "Irrigation" shall mean a non-consumptive water supply line installed or constructed for the intentional application of water to the ground for purposes of sustained plant growth. Such term does not include facilities to serve Park and Recreational improvements.

1.20. "Park and Recreational" shall mean landscaping in esplanades and green spaces within public rights-of-way or easements dedicated to a public body or non-profit homeowners association, landscaping in recreational areas owned and/or operated by a public body or non-profit homeowners association, and recreational facilities owned and/or operated by a public body or non-profit homeowners association existing primarily for the use and enjoyment of property owners within the District.

1.21. "Residential" shall mean and include only single family residences (including those owned by builders) and shall not include Apartments unless specifically stated herein to the contrary.

1.22. "System", as used herein, shall mean the water and/or sanitary sewer and/or storm sewer facilities of the District and all extensions and additions thereto, whether now in place or hereafter constructed.

Section 2. Initial Connections to the District's System ("Taps").

2.01. Requirement to Connect to the District's System. Each structure within the District requiring water and/or sanitary sewer services shall be physically connected to the District's System as soon as the District has made water and sanitary sewer services available to such structure. It is the policy of the District that all properties within the District shall be physically connected to both the sanitary sewer System and water System of the District. In the event that both water and sanitary sewer services are not available to a property at the time a Customer Connection is applied for, the Board of Directors, in its sole discretion, may permit connection to the water System or sanitary sewer System without requiring connection to both the District's water System and sanitary sewer System upon determination by the District that an acceptable alternative water source or wastewater treatment source is available to such property. If both water and sanitary sewer services do not become available at the same time, and if the District permits connection to the water System or sanitary sewer System without requiring connection to both, the water connection must be made at the time water service becomes available and the sanitary sewer connection must be made at the time sanitary sewer service becomes available.

2.02. Septic System and Private Water Supply Systems. The construction and operation of septic systems and private water supply systems within the District shall be prohibited, unless the prior written consent of the Board of Directors, on terms and conditions deemed acceptable to the Board of Directors in its discretion, is otherwise obtained and satisfactory arrangements are made with all regulatory agencies with jurisdiction over such matters.

2.03. Application for Water and Sanitary Sewer Connections. Each person desiring initial water and sanitary sewer service connections to the District's System shall notify the District's Operator and shall sign and complete an application for such service and pay such fees as established by this Order. The application form may be amended by the District from time to time, as deemed appropriate, without the necessity of an amendment to this Order. No

physical connection to the District's System shall be made until such application has been completed and such fees have been paid. The District will provide water and/or sanitary sewer service following completion of an application as required by this Section, payment of all fees then due pursuant to this Order and compliance with all other applicable requirements of this Order on a first-come/first-serve basis and will not, except as determined by the Board of Directors of the District in its sole discretion, issue utility commitment letters to Builders.

2.04. Tap Fees. The following fees shall be collected from the applicant by the District's Operator before physical connection is made to the District's System (which fees shall include the meter and meter box and installation thereof):

- | | | |
|-----|--|--|
| (a) | 5/8" Residential connection | \$650.00 |
| (b) | 3/4" Residential connection | \$750.00 |
| (c) | 1" Residential connection | \$1,000.00 |
| (d) | 1-1/2" Residential connection | \$3,000.00 |
| (e) | 2" Residential connection | \$4,200.00 |
| (f) | Nonstandard Residential connection (other than 5/8", 3/4", 1", 1-1/2" or 2" water tap), Commercial and Apartment Connections | District's cost of installation and materials, plus 200% of such costs. |
| (g) | Nontaxable Entity connection | District's cost of installation and materials, plus \$0.03 per square foot of land area, as reflected by the plat or other legal description of the tract to be served provided that the total of all such amounts shall not be greater than |

actual costs to the District for such work and for all facilities that are necessary to provide District services to the tract and that are financed or are to be financed in whole or in part by tax-supported bonds of the District.

- (h) Fire Line Connection District's cost of installation and materials.
- (i) Park and Recreational Connection District's cost of installation and materials.

2.05. Policies Governing Initial Connections

(a) Certification. Subject to the provisions of Section 2.01 hereof, physical connection shall not be made to the District's System until the District's Engineer has certified that the System is operational. Continuous water service shall not be provided to any Customer until (i) an acceptable sanitary sewer connection (except as to water service only Customers) has been made; (ii) all inspections required pursuant to Section 2.06 hereof have been performed; (iii) any deficiencies or damages noted during said inspections have been corrected and/or paid for; and (iv) a properly completed Customer Service Inspection Certification has been provided to the District.

(b) Availability of Access. Upon application for Customer Connection, the applicant shall grant an easement of ingress and egress to and from the water meter for such installation, maintenance and repair as the District, in its judgment, may deem necessary. Physical connection will not be made when, in the opinion of District's Engineer or the District's Operator, the work area is obstructed by building materials and debris or the work area is not completed to finished grade. When sidewalks, driveways

or other improvements have been constructed prior to application for Customer Connection, such application shall be construed and accepted as a waiver of any claim for damages to such improvements resulting from the reasonable actions of the District's Operator relative to the installation of the Customer's connection to the District's System.

(c) Property of District. All meters, fittings, boxes, valves and appurtenances installed shall remain the property of the District.

(d) Connections by District Operator. Physical connection to the District's water System shall be made by the District's Operator unless specified otherwise by the Board of Directors of the District. Physical connection to the District's sanitary sewer System shall be made in accordance with the District's Policy Governing Sewer House Lines and Sewer Connections and in accordance with Section 2.06 hereof. No person, other than the properly authorized agents of the District, shall be permitted to make any connection to the District's water System, except for emergency fire-fighting purposes, or make any repairs or additions to or alterations in any meter, box, tap, pipe, cock or other fixture or appurtenance connected with the water service, or any manhole, main, trunk or appurtenance of the District's sanitary sewer or storm sewer System except by the written permission of the Board of Directors of the District.

(e) Submission of Plans for Commercial and Apartment Customer Connections. Each applicant for a Commercial or Apartment Customer Connection or an applicant with an existing Commercial or Apartment Customer Connection that has proposed changes to and/or construction within its site that would provide for an additional connection to its respective system, shall, not less than thirty (30) days prior to the requested connection date or thirty (30) days prior to the proposed change and/or construction date, as applicable, submit to the District's Engineer or other party designated by the Board of Directors of the District, the following information:

(1) Engineering plans (three sets for District purposes) signed and sealed by a Registered Professional Engineer of the State of Texas indicating

details of building water distribution and sanitary sewer collection facilities, materials to be used and the location, size and number of proposed connections to the District's System or applicant's existing system, as applicable;

(2) The legal description of the land to be served by the District's System and a copy of the recorded plat of same; and

(3) A general description of the type of proposed Commercial establishment (including Apartments) and, if applicable, a description of the special measures taken in order to prevent any possible Industrial Waste and/or unauthorized Commercial Waste from entering the District's sanitary sewer System.

In recognition of the District's obligation to protect and maintain public health, the District's Engineer or other party designated by the Board of Directors of the District shall review the information presented and may approve or reject the application, request that further information be submitted prior to approval of the application, or require modifications to be made to the plans, including without limitation, requiring the installation of backflow preventors, grease traps, grinders, sampling wells, and/or pretreatment units as may be deemed necessary or appropriate for the protection of the District's System. The Customer shall be responsible for payment of all costs in connection with the review of said information. Customer shall be notified in writing as to the basis for rejection of its application. Failure to construct the facilities in accordance with approved plans shall constitute a basis for denial of District services or a basis for removal or suspension of District services, as applicable. If the application information is not timely provided, the District shall not be held responsible for delays in the installation of water and sanitary sewer connections or the provision of District services. Payment of tap fees to the District's Operator prior to the approval of plans shall not be considered approval of said plans or approval for connection to the District's System or applicant's existing system, as applicable. Any unauthorized physical

connection to the District's System or applicant's existing system, as applicable, may be removed without notice at the expense of the person or firm causing such connection to be made.

(f) Builder Damage Deposit. Upon first application for a Customer Connection, the applicant (whether property owner, builder or other) (the "Applicant") shall pay a damage deposit in the amount of \$500.00 (which deposit shall apply to all connections of such Applicant, whether one or more) (the "Builder Deposit"). The Builder Deposit is to secure the payment of costs to repair any District facilities damaged by the Applicant or other parties during the construction of the house, building or other improvement on the applicable property, including repairs necessary as a result of a failure to maintain proper storm water control and erosion and pollution prevention measures ("Builder Damages"), and is in addition to the security deposit to secure payment of service charges required to be paid by builders for each address pursuant to Section 3.01 of this Order. The applicant shall be held responsible for any Builder Damages and shall reimburse the District for all costs incurred in repairing the Builder Damages.

After inspection by the District's Operator, the District may utilize the Builder Deposit to pay for any repairs to the District facilities made necessary by the Applicant's construction activities. If the Builder Deposit is not sufficient to pay for such Builder Damages, the Applicant shall pay such outstanding balance due. No additional connections to the District's System shall be permitted relative to any Applicant who has a Delinquent Bill for Builder Damages. If Applicant is building more than one house, building or other improvement with the District, the Builder Deposit shall remain at \$500.00 at all times, and if the District utilizes a portion or all of the Builder Deposit to repair Builder Damages, the Applicant shall pay to the District the amount(s) necessary to again have a \$500.00 Builder Deposit.

The District shall refund any remaining Builder Deposit upon completion of the last house, building or other improvement to be constructed within the District by the Builder, final inspection by the District's Operator, and payment by the Applicant of all fees, charges and damages due to the District under this Rate Order or otherwise, and any remaining amount can be applied to any outstanding fee, charge, tax, etc. owed by the Builder to the District. No interest will be paid by the District on the Builder Deposit.

(g) Swimming Pool and Hot Tub Connections. Every Customer who constructs or installs a swimming pool or hot tub within the District shall notify the District's Operator prior to connection of same to the District's facilities and shall pay an inspection fee of \$50.00. For purposes of this Order, a swimming pool is defined as a pool having a capacity in excess of 10,000 gallons. After the notification, the Customer constructing or installing said swimming pool or hot tub shall ensure that any and all drains from the swimming pool or hot tub are connected to the District's sanitary sewer system, and it shall be a violation of this Order to drain a swimming pool or hot tub into the District's storm drainage system. After the drains have been installed and prior to backfilling of the area, the applicant shall notify the District's Operator, who shall make an inspection of any and all swimming pool or hot tub drains before water service is authorized for said swimming pool or hot tub.

(h) County Development Permit. In addition to all other preconditions to making an initial physical connection to the District's System contained in this Order, an initial physical connection to the District's System shall not be made until the District's Operator has received written evidence that Fort Bend County has issued a Development Permit for the property to be connected to the District's System.

2.06. Inspections.

(a) Sanitary Sewer Inspections. A sanitary sewer inspection fee of \$38.00 for Residential Customer Connections and \$85.00 for Commercial, Nontaxable Entity and

Apartment Customer Connections, payable at the time of application for connection to the District's System, shall be charged by the District for inspection of each sanitary sewer physical connection and service line. A fee of \$55.00 shall be charged by the District for each grease trap, sampling well or pretreatment unit installation inspection, which installation inspection fee shall be in addition to the monthly fee set forth in Section 3.05 hereof. Sanitary sewer connections and service lines shall be inspected for strict compliance with the District's "Rules and Regulations Governing Sewer House Lines and Sewer Connections." Customer shall notify the District's Operator prior to any such connection being made. Customer shall again notify the District's Operator after the physical connection has been made and such District's Operator shall inspect and approve the connection prior to backfilling of the area and prior to the commencement of sanitary sewer service. Installations which fail to conform to said rules will be denied. Customer shall be notified in writing as to the basis for such denial. After noted deficiencies have been corrected, a sanitary sewer connection reinspection shall be made upon payment to the District of a reinspection fee of \$38.00 for Residential Customer Connections and \$85.00 for Commercial, Nontaxable Entity and Apartment Customer Connections. If subsequent reinspections are required before the sanitary sewer connection and service lines are found in compliance with the District's rules, an additional sanitary sewer reinspection fee of \$38.00 for Residential Customer Connections and \$85.00 for Commercial, Nontaxable Entity and Apartment Customer Connections shall be charged for each such reinspection.

(b) Customer Service Inspection Certification. Prior to the District providing continuous water service to (i) any new construction; (ii) any existing Customer Connection when the District, in its sole discretion, has reason to believe that a cross-connection or potential contamination hazards exist; or (iii) any existing Customer Connection after any material improvement, correction or addition to the private water distribution facilities, a properly completed Customer Service Inspection Certification

shall be provided by the Customer to the District. "Continuous" water service, with respect to new construction, shall be deemed to commence upon the transfer of service from the builder of a building, residence, or other establishment to the initial occupant or user thereof.

For Residential Customer Connections, the District's Operator shall perform the inspection and provide the necessary certification, and the District shall charge the Customer a fee of \$100.00.

For Commercial (including Apartment) Customer Connections, the District's Operator shall perform the inspection and provide the necessary certification, and the District shall charge the Customer a fee of \$120.00.

Customer shall be charged the same applicable fee set forth above for any reinspection required.

Should a Customer fail to provide to the District a properly completed Customer Service Inspection Certification, water service to such Customer will be terminated by the District and service shall not be restored by the District until the required Customer Service Inspection Certification form is provided.

(c) Inspection of District Facilities. In accordance with applicable rules of the Texas Commission on Environmental Quality, any person desiring water and sanitary sewer services from the District must notify the District's Operator prior to making any improvement or starting any construction on property within the District if such improvement, construction or equipment used in connection therewith will be within or in close proximity to easements, rights-of-way or property where District facilities are located. The District's Operator shall inspect each property or location at which the improvement or construction is to take place prior to commencement of same to verify the location and condition of District facilities on the property. Upon receipt of instructions from the contractor or builder that construction of the facility or improvement is complete and prior to the transfer of the account to the subsequent

Customer, the District's Operator shall make a final inspection of the water tap, meters and all other District facilities located on or around the property in question to verify the condition of such facilities. If damage to any District facilities is found, the District's Operator will repair such facilities and the builder or contractor will be responsible for payment of all costs incurred prior to the initiation of services to the property. A total fee of \$50.00 shall be charged by the District to cover the costs of such inspections, which fee will be due and payable at the time the tap fee is paid. Additionally, the District shall have the option to deduct any repair costs from the Builder Deposit, as set out in Section 2.05 hereof, and/or hold any additional connections by such Builder into the District's system, until such time as all repair costs associated with said damages have been paid by the Builder.

2.07. Temporary Water Service. 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 service 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 \$25.00 for costs of installation, plus \$2.50 per 1,000 gallons of water delivered through the meter plus all applicable Regulatory Assessments and Fees, as set forth in Section 3.11 hereof. Temporary water service may be supplied outside the area of the District only with the express authorization of the Board of Directors of the District.

Section 3. Rates and Fees for Water and Sanitary Sewer Services, Solid Waste Collection and Disposal Services and Street Lighting. Each prospective Customer desiring water and sanitary sewer service and solid waste collection and disposal services shall be required to

provide appropriate information in order to obtain such service and shall pay an application fee. Solid waste collection and disposal services are provided to every Residential Customer at no additional charge. The District does not provide solid waste collection services to Commercial or Apartment Customers. Street lights are provided within the boundaries of the District at no additional charge to Customers. Such street lights shall be located within public utility easements or public rights-of-way, and the particular location and number of such street lights within public utility easements or public rights-of-ways is in the sole discretion of the District.

3.01. Application Fee and Security Deposit. A non-refundable application fee of \$20.00 shall be charged for each Customer application, including for applications to transfer service from a builder to a non-builder Customer. Each Customer shall pay the applicable security deposit as follows:

(a) Each Residential Customer which owns the home at the address to be serviced, including builders (as evidenced by a copy of the deed or other proof of ownership acceptable to the District which shall accompany the application for services) \$ 75.00

(b) In addition, each Residential Customer, including Builders, whose bill becomes a Delinquent Bill, shall pay an additional deposit of \$50.00 (which deposit shall be in addition to any prior deposit if such Customer has previously paid a security deposit, up to a maximum deposit of \$175)

(c) Each Residential Customer which rents the home at the address to be serviced (a copy of the lease or rental agreement shall be submitted with its application for services) \$100.00

(d) In addition, each Residential Customer, including Builders, whose bill becomes a Delinquent Bill, shall pay an additional deposit of \$50.00 (which deposit shall be in addition to any prior deposit if such Customer has previously paid a security deposit, up to a maximum deposit of \$200)

(e) Non-Taxable Entity \$100.00

- | | | |
|-----|--|--|
| (f) | Commercial Customers served by a separate meter. | A deposit equal to 200% of the charges to such Customer as determined by the District's engineer utilizing City of Houston criteria regarding usage, or \$75.00, whichever is greater |
| (g) | Each Apartment unit served by a separate meter. | \$ 50.00 |
| (h) | Commercial Customers whether served by a separate meter and Apartments served by a master meter. | A deposit equal to 200% of the estimated total monthly service charges to such Customer, as determined by the District's engineer utilizing City of Houston criteria regarding usage, or \$75.00, whichever is greater |

Such deposits are solely to secure the payment of charges established by this Order. Any Residential Customer who has, as of the effective date of this Rate Order, been a Residential Customer of the District for not less than three years, and who has not been sent a notice of delinquency within the three years preceding the effective date of this Rate Order, shall receive a refund of the security deposit, if any, previously paid by such Residential Customer to the District. In addition, any Residential Customer who does not receive a refund of security deposit pursuant to the provisions of the previous sentence, and any Residential Customer who shall be required to pay a security deposit to the District pursuant to the provisions of this Rate Order, shall receive a refund of the security deposit upon the expiration of the later to occur: (i) the date that is three years from and after the date Residential Customer made such deposit or (ii) the date that is three years from and after the date the District last forwarded to the Residential Customer a notice that such Residential Customer's account is a delinquent account, provided such notice was given after the effective date of this Rate Order. The District's Board of Directors shall

refund such security deposits to those Residential Customers that are eligible to receive such refunds once each quarter of each calendar year. Upon final termination of service, such deposit shall be credited against amounts owed to the District and any balance refunded to the Customer within forty-five (45) days after termination of service. The District shall not be required to pay interest to the Customer on such security deposit. Further, any Customer whose service is terminated pursuant to Section 4.02 hereof shall pay such deposit (if such Customer has not previously paid a security deposit) or any deficiency in the deposit as a result of application of the deposit to a Delinquent Bill before the Customer's service is restored. No service shall be restored until such fees and deposits have been received by the District in collected funds. Notwithstanding the foregoing, the District shall have the right, but not the obligation, at its sole discretion, to apply all or any portion of such security deposit without notice to the Customer to offset the amount of a Delinquent Bill that remains unpaid for more than thirty (30) days after becoming a Delinquent Bill. If the District applies the security deposit prior to termination of service, Customer shall be required to pay a replacement security deposit in accordance with this Section 3.01. Customer's failure to timely pay a replacement security deposit shall result in Customer's bill becoming a Delinquent Bill. Furthermore, nothing contained herein shall prevent the District from applying a Customer's security deposit on file with the District in accordance with 11 U.S.C. Section 366(c)(4) or any successor provision or any other applicable section of the federal Bankruptcy Code or applicable provision of state law.

3.02. Monthly Rates for Residential Water Service. The following rates per month, or any part thereof, shall be charged for Residential water service furnished by the District to each Customer Connection in every instance in which a different charge is not expressly and clearly provided for herein:

- (a) Minimum monthly charge for up to 5,000 gallons of water metered \$20.00
- (b) For each 1,000 gallons of water metered over 5,000 gallons to

	10,000 gallons	\$ 1.00
(c)	For each 1,000 gallons of water metered over 10,000 gallons to 15,000 gallons	\$ 1.25
(d)	For each 1,000 gallons of water metered over 15,000 gallons	\$ 1.50
(e)	During construction and prior to initial occupancy a single family residential Builder shall be charged a monthly flat rate of \$11.00 for water service ("Single Family Residential Builder Rate")	

3.03. Monthly Rates for Residential Sanitary Sewer Service. The following rate per month, or any part thereof, shall be charged for Residential sanitary sewer service furnished by the District to each Customer Connection in every instance in which a different charge is not expressly and clearly provided for herein:

(a) Monthly Flat Rate	\$34.32
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; provided, however, that said rate shall not be charged to a Customer Connection which is installed for use for an irrigation system only and which does not discharge waste into the Sanitary Sewer System of the District.

(b) Single Family Residential Builder Rate	\$10.00
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3.04. Monthly Rates for Commercial Water Service. The following rates per month, or any part thereof, shall be charged for Commercial water service furnished by the District to each Customer Connection in every instance in which a different charge is not expressly and clearly provided for herein:

(a)	Minimum monthly charge for up to 5,000 gallons of water metered	\$20.00
(b)	For each 1,000 gallons of water metered over 5,000 gallons to 10,000 gallons	\$ 1.00
(c)	For each 1,000 gallons of water metered over 10,000 gallons to 15,000 gallons	\$ 1.25

- (d) For each 1,000 gallons of water metered over 15,000 gallons \$ 1.50

3.05. Monthly Rates for Commercial Sanitary Sewer Service. The following rates per month, or any part thereof, shall be charged for Commercial sanitary sewer service furnished by the District to each Customer Connection in every instance in which a different charge is not expressly provided for herein:

- (a) Minimum monthly charge for up to 10,000 gallons of water metered \$28.50
- (b) For each 1,000 gallons of water metered over 10,000 gallons \$ 0.85
- (c) For each grease trap installed, there shall be charged a monthly flat rate inspection fee of \$50.00
(Any reinspection required shall be charged at the same rate)

; provided, however, that said rate shall not be charged to a Customer Connection which is installed for use for an irrigation system only and which does not discharge waste into the Sanitary Sewer System of the District.

3.06. Monthly Rates for Water Service to Apartments. The following rates per month, or any part thereof, shall be charged per unit for water service to Apartment units served by separate meters:

- (a) Minimum monthly charge for up to 5,000 gallons of water metered \$15.00
- (b) For each 1,000 gallons of water metered over 5,000 gallons to 10,000 gallons \$ 1.00
- (c) For each 1,000 gallons of water metered over 10,000 gallons to 15,000 gallons \$ 1.25
- (d) For each 1,000 gallons of water metered over 15,000 gallons \$ 1.50

Apartment units served by a master meter shall be charged as follows: The total number of gallons metered shall be divided by the number of apartment units to determine the average usage per unit. The average usage per unit shall be rounded up to the nearest 1,000 gallons for purposes of computing the amount to be charged hereunder. The rates specified above shall then be applied to such average usage to determine the charge per unit. The charge per unit shall then be multiplied by the applicable number of Apartment units to determine the total amount to be charged. Notwithstanding the foregoing, during the first three months after the date of initial connection to the District's System of Apartment units serviced by a master meter, the customer shall be charged for water usage at the rate of \$0.85/1,000 gallons. Beginning the first day of the next billing period after the third month, the following percentage of Apartment units planned ultimately to be served by such meter will conclusively be deemed to be completed and habitable and billing will be in accordance with the rates set forth above with each unit deemed completed and habitable being considered as one unit:

<u>Months After Tap</u>	<u>Percentage Habitable</u>
4	30%
5	50%
6	70%
7	90%
8 and thereafter	100%

3.07. Monthly Rates for Sanitary Sewer Service to Apartments. The following rates per month, or any part thereof, shall be charged per unit for sanitary sewer service to Apartment units served by separate meters:

Monthly Flat Rate:	\$15.00
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Apartment units served by a master meter shall be charged as follows: The rates specified above shall be multiplied by the applicable number of Apartment units to determine the total amount to be charged. Notwithstanding the foregoing, during the first three months after the date of initial connection to the District's System, of Apartment units served by a master meter, the charge for sanitary sewer service shall be deemed to be included in the charge for

water service set forth in Section 3.06. Beginning the first day of the next billing period after the third month, the above-described schedule of habitability shall apply and billing will be in accordance with the rates set forth above, calculated by multiplying the applicable number of Apartment units times the flat rate for sanitary sewer service. Each Apartment unit shall be considered as one unit.

3.08. Monthly Rates for Water Service to Park and Recreational Facilities. The following rate per month, or any part thereof, shall be charged for Park and Recreational Facilities water service furnished by the District in every instance in which a different charge is not expressly and clearly provided for herein:

\$1.00 per 1,000 gallons of water metered

; provided, however, that Park and Recreational Facilities owned and operated by the District shall be exempt from payment of said rates.

3.09. Monthly Rates for Sanitary Sewer Services to Park and Recreational Facilities. The following rate per month, or any part thereof, shall be charged for Park and Recreational Facilities sanitary sewer service furnished by the District in every instance in which a different charge is not expressly and clearly provided for herein:

\$1.00 per 1,000 gallons of water metered

; provided, however, that said rate shall not be charged to a Customer Connection which is installed for use for an irrigation system only and which does not discharge waste into the Sanitary Sewer System of the District; and further provided, however, that Park and Recreational Facilities owned and operated by the District shall be exempt from payment of said rates.

3.10. Monthly Rates for Irrigation Service:

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|-----|---|--------|
| (a) | For each 1,000 gallons of water metered to 10,000 gallons | \$1.00 |
| (b) | For each 1,000 gallons of water metered over 10,000 gallons to 15,000 gallons | \$1.25 |
| (c) | For each 1,000 gallons of water | |

	metered over 15,000 gallons to 20,000 gallons	\$1.50
(d)	For each 1,000 gallons of water metered over 20,000 gallons	\$1.75

3.11. Regulatory Assessments and Other Fees. The regulatory assessments and other fees imposed pursuant to this Section 3.11 shall be billed and collected in the manner set forth in this Rate Order and all Customers of the District shall be subject to penalties and/or termination of service for failure to pay said regulatory assessments and fees when due in the manner set forth herein.

(a) Texas Commission on Environmental Quality Assessment. The water and sanitary sewer service rates set forth above in Sections 3.02 through 3.10, inclusive and the rate for temporary water service in Section 2.07, include a regulatory assessment equal to one-half of one-percent of the charge for water and/or sewer service, as provided by Section 5.701(n), Texas Water Code, as amended.

(b) North Fort Bend Water Authority Fee. The District lies within the boundaries of the North Fort Bend Water Authority (the "Authority") and is subject to groundwater reduction plan fees imposed by the Authority for each 1,000 gallons of water pumped from the District's water well(s) and for all surface water delivered from the Authority to the District. In order to collect from the District's Customers sufficient funds to pay the Authority's groundwater reduction plan fees, the District hereby imposes a fee of \$2.94 for each 1,000 gallons of water billed to each Customer of the District pursuant to this Rate Order, which fee shall be added to each Customer's bill. In addition, any surcharge imposed on the District by the Authority pursuant to the Authority's Drought Contingency Plan, as it may be amended from time to time, shall be converted to a charge per each 1,000 gallons of water, as necessary, and shall be charged to each Customer for each 1,000 gallons of water billed to the Customer pursuant to this Rate Order, and be added to each Customer's bill. The water and sanitary sewer service rates set forth above in Sections 3.02 through 3.10, inclusive, do not include the fee imposed hereunder.

(c) Fees Associated with Alternative Payment Services. Alternative Payment Services which may be offered by the District are provided merely as a convenience to Customers and such services may be discontinued by the District at any time in its sole discretion. Customer's use of any alternative payment services does not relieve Customer of the obligation to ensure that payment is timely received by the District and the provisions of this Order, including, without limitation, Section 4 hereof, shall apply to any Delinquent Bill. All Alternative Payment Services are administered by third-party service providers and certain fees for use of the services may apply. With the exception of any automatic monthly debit program which the District may adopt, such fees are set by and charged to the Customer by the service providers rather than by the District. For any such automatic monthly debit program, a fee of \$1.00 per debit transaction processed by the District shall be charged to the Customer as a pass-through fee. Customer shall be provided notice of any applicable fees by the service providers for Alternative Payment Services prior to the time of payment and Customer shall be solely responsible for the payment of same. Any applicable service fees paid by Customer shall be in addition to the total amount owed to the District as reflected on Customer's bill.

3.12. Drought Contingency Plan. The water and sanitary sewer rates set forth above in Sections 3.02 through 3.10, inclusive, and the rate for temporary water service in Section 2.07 do not include any additional fees or charges imposed by the District during any drought response stage pursuant to the Drought Contingency Plan. Any such additional fees and charges, and any penalties under the Drought Contingency Plan, shall be billed and imposed by the District in accordance with the Drought Contingency Plan and shall be in addition to fees or charges under this Order, unless otherwise set forth in the Drought Contingency Plan.

3.13. Bulk Rates. The water and sanitary sewer service rates set forth above shall not be construed to prevent the District from furnishing water and/or sanitary sewer service to any Customer at a bulk rate if deemed advisable by the District, with such rate to be determined on a case by case basis.

3.14. Policies Governing Services.

(a) No Reduced Rates or Free Service; Service Subject to Compliance with Laws and Agreements. All Customers receiving services from the District shall be subject to the provisions of this Order and shall be charged the rates established in this Order, and no reduced rate or free service shall be furnished to any Customer; provided, however, this provision shall not prohibit the District, upon good cause shown, from establishing reasonable classifications of Customers for which rates differing from the rates stated herein may be adopted. Failure to comply with (i) all applicable regulations and laws regarding service, including, without limitation, the requirement that a plat of the property to be served be recorded prior to service, and (ii) any agreement between the District and the Customer, including, without limitation, a utility commitment, shall be considered a violation of this Order and may result in termination of service and/or assessment of penalties in accordance with the terms hereof.

(b) Entitlement. Customers are not guaranteed a specific quantity or pressure of water or specific capacity in sewer facilities for any purpose whatever; in no instance shall the District be liable for failure or refusal to furnish water or any particular amount or pressure of water or to provide capacity in sewer facilities, to collect solid waste or to purchase, install, operate, and maintain street lighting.

(c) Unauthorized and Extraordinary Waste. The water and sewer service rates established herein are applicable for ordinary Domestic Waste normally considered to have a biological oxygen demand (five day) and total suspended solids of 200 milligrams per liter. Customers discharging, whether intentionally or unintentionally, non-Domestic Waste into the District's System will be assessed additional charges as established by District based on the volume and concentration of the proposed waste, as well as costs of remediation and/or repairs to the System occasioned as a consequence of such discharge, in addition to any other penalties set forth herein and in any order regulating waste heretofore or hereafter adopted by the District. Customers proposing to discharge or

discharging certain Commercial Waste, including Commercial Waste from food processing or other food handling establishments, will be required to install garbage grinders and may be required to install grease traps or pretreatment units when so ordered by the District following the evaluation of the effects of high concentrations of organics on the System. Customers which are required to install garbage grinders, grease traps or other types of pretreatment units shall maintain same in good working condition, which shall include, but not be limited to, regular cleaning. The District shall have the right to inspect such pretreatment units, and, in order to protect the District's facilities, reserves the right, if Customer has failed to do so, to perform the required maintenance at Customer's expense and/or to discontinue service to Customer. The District's current waste discharge permit prohibits the introduction of Industrial Waste into the System. All Customers of the District's sanitary sewer System shall be subject to the terms and conditions of any order regulating waste heretofore or hereafter adopted by the District, pursuant to the terms of which the District may establish rates and charges to produce revenues to pay such additional costs incurred by the District in connection with such Industrial Waste. Further, the District shall have the right to terminate service to any Customer which violates any such order regulating waste in accordance with Section 4.02 hereof and the penalties specified in Section 6 hereof shall apply, in addition to any other penalties or other charges specified in such order or herein. The District's Operator shall have rights of ingress and egress to Customer's property in order to carry out the provisions of this Section.

(d) Plumbing Regulations. The following plumbing regulations are pursuant to Texas Commission on Environmental Quality regulations and Section 1417 of the federal Safe Drinking Water Act, as amended by the federal Reduction of Lead in Drinking Water Act enacted on January 4, 2011 (and effective January 4, 2014), and any Environmental Protection Agency regulations adopted thereunder and are applicable to

all Customers of the District. The stricter of the standards in the above shall be met, notwithstanding anything below to the contrary:

(i) No direct connection between the District's water System and a potential source of contamination shall be permitted; potential sources of contamination shall be isolated from the District's water System by an air gap or an appropriate backflow prevention device in accordance with applicable Texas Commission on Environmental Quality requirements and/or as otherwise required by the District in its reasonable discretion;

(ii) No cross connection between the District's water System and any private water system shall be permitted, and any potential threat of cross connection shall be eliminated at the service connection by the installation of an air gap or a reduced pressure-zone backflow prevention device;

(iii) No connection which allows water used for condensing, cooling or industrial processes, or water from any other system of nonpotable usage over which the District does not have sanitary control to be returned to the District's water System shall be permitted;

(iv) No pipe or connection which allows water to be returned to the public drinking water supply is permitted;

(v) The use of pipes, pipe fittings, plumbing fittings, and fixtures that contain more than a weighted average of 0.25 percent lead, or solders and flux that contain more than 0.2 percent lead is prohibited for installation or repair of the District's water supply System and for installation or repair of any plumbing in any Residential or Commercial facility providing water for human consumption and connected to the District's water supply System. This requirement may be waived for leaded joints that are necessary for repairs to cast iron pipe; and

(vi) Notwithstanding anything to the contrary contained herein, the District reserves the right to inspect each Customer's property at any time for

possible cross connections and other potential contamination hazards in violation of this Order, including, without limitation, irrigation and swimming pool connections. The Customer shall, upon receipt of notice from the District, immediately correct any potential contamination hazard existing on his premises to prevent possible contamination of the District's water System. The existence of a serious threat to the integrity of the District's water System shall be considered sufficient grounds for immediate termination of water service. Water service will be restored only when the source of potential contamination no longer exists, or when sufficient additional safeguards have been taken to protect the District's water System from contamination, and a Customer Service Inspection Certification confirming the correction of a potential contamination hazard has been submitted to the District. The District shall not be required to follow the procedures set forth in Section 4.02 hereof when terminating water service to a Customer under this Section 3.14(d). However, the Customer shall be subject to the same charge for restoration of service terminated pursuant to this Section 3.14(d) as is set forth in Section 4.02 hereof.

(e) Backflow Prevention Requirements. No water connection from the District's System shall be allowed to any Customer Connection where the District, in its sole discretion, has reason to believe that an actual or potential contamination hazard exists unless the District's System is protected from contamination. The following backflow prevention requirements are applicable to all Customers of the District:

(i) Backflow prevention assemblies shall be installed, tested and maintained, at the Customer's expense, at any Customer Connection in accordance with applicable Texas Commission on Environmental Quality requirements and/or as otherwise required by the District in its reasonable discretion.

The use of a backflow prevention device at the service connection shall be considered additional backflow protection and shall not negate the use of backflow prevention on the internal hazards of any Customer Connection as outlined and enforced by applicable Texas Commission on Environmental Quality regulations and/or local plumbing codes.

(ii) All backflow prevention assemblies installed at any Customer Connection shall be tested upon installation by a recognized backflow prevention assembly tester (pursuant to Texas Commission on Environmental Quality regulations) and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against a Health Hazard must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

(iii) The District's Operator shall install and test any backflow prevention assembly required to be installed at any Customer Connection pursuant to this Order, and shall complete and retain in the District's files for recordkeeping purposes an original Backflow Prevention Assembly Test and Maintenance Report ("Test Report"), in the form attached to this Order as Exhibit "B". The District shall charge the Customer for the District's actual cost of the labor, materials and installation of the backflow prevention assembly and the initial test thereof, and the District's cost for each annual test performed on such assembly.

(f) Proration of Certain Bills. Customers receiving water and/or sanitary sewer services from the District for a period of less than a full calendar month shall be entitled to a proration of the monthly charge for such services, provided the Customer's usage for such period does not exceed the minimum monthly usage set forth therein. In the event the Customer's actual usage during such period exceeds the minimum monthly usage, the Customer's bill shall be calculated in the manner set forth in the applicable Sections establishing rates for service.

Section 4. Method of Payment; Delinquency in Payment; Penalty; Discontinuation and Termination of Service. Except as set forth in Section 4.01 below, all payments made under this Rate Order shall be subject to and in accordance with procedures adopted by the District's Operator as to acceptable forms of payment, which may, at the District's Operator's discretion, include one or more of the following: cash, check, money order, or cashier's check, or an Alternative Payment Service.

4.01. Penalty for Failure to Pay Bill Before Delinquency. A charge of ten percent (10%) of the amount of the Customer's bill shall be added to the Customer's bill when such Customer has failed to pay any bill before it becomes a Delinquent Bill. A charge of \$10.00 shall also be added to a Customer's bill for each written notice of delinquency sent to a Customer. (A separate charge of \$10.00 shall be imposed for the notice left on a Customer's front door.) If a Customer's bill, or any part thereof, becomes a Delinquent Bill, the Delinquent Bill, plus the penalty thereon and all other charges imposed by the District shall be immediately due and payable. Prior to termination of service, a Delinquent Bill, plus the penalty thereon and all other charges imposed by the District shall be payable by either cash, cashier's check, or money order presented at the office of the District's Operator or by use of an Alternative Payment Service, subject to and in accordance with procedures adopted by the District's Operator as to acceptable forms of payment. Following termination of service, a Delinquent Bill, plus the penalty thereon, all other charges imposed by the District, and any required deposit, shall be payable only by either cash, cashier's check, or money order presented at the office of the District's Operator, subject to and in accordance with procedures adopted by the District's Operator as to acceptable forms of payment. All such amounts shall be paid in full prior to the restoration of water service where service has been terminated because of a Customer's failure to pay a bill before it became a Delinquent Bill. A charge of \$30.00 shall be imposed for each notice forwarded to a Customer as a result of a Customer's payment, (whether made by check or via one or more Alternative Payment Services) being returned by a bank or other third-party payor for any reason. In addition, should a payment (whether by check or via one or more

Alternative Payment Service) have been returned by a bank or other third-party payor then the returned payment shall be replaced with either money order or cashier's check, or, if accepted by the District's Operator, cash, all subject to and in accordance with procedures adopted by the District's Operator as to acceptable forms of payment presented at the office of the District's Operator. This provision shall apply regardless of whether Customer's bill is a Delinquent Bill at the time the payment is returned.

4.02. Termination of Service. The District shall have the right to terminate service and cut off the supply of water to a Customer and/or a Customer's access to the District's sanitary sewer System at any time after its bill becomes a Delinquent Bill or upon violation by the Customer of any order regulating waste heretofore or hereafter adopted by the District. The Customer shall, by written notice mailed to the Customer's address as reflected in the records of the District, be notified of the delinquency or violation and the date on which service shall be terminated if the account (including delinquent charges and penalty) is not paid in full or the violation corrected, which date shall not be less than five (5) days from the date such notice is sent. With respect to a delinquent bill, such notice shall state the place and time at which the account may be paid, the method by which it must be paid as set forth in Section 4.01 above, and that any errors in the bill may be corrected by contacting the billing company, whose telephone number shall also be given in such notice. All notices of termination shall state that the Customer has the right to appeal such termination to the Board of Directors of the District. The notice shall also be left by the District's Operator on the front door at the address to which the service in question was provided at least twenty-four (24) hours prior to the time at which service shall be terminated. If the delinquent account (including any non-delinquent portion thereof), including penalty and all other charges then due and owing, has not been paid in full or the violation corrected by the proposed termination date, service shall then be discontinued unless otherwise agreed by the Board of Directors of the District. A charge of \$30.00 shall be imposed for the restoration of service discontinued pursuant to this section.

4.03. Discontinuing Service Upon Request of a Customer. Whenever a Customer of the District requests that water and sewer service be temporarily discontinued, Customer shall notify the District's Operator at least two days prior to the time that such service discontinuation is desired. A charge of \$30.00 shall be made for discontinuation of service and a charge of \$30.00 shall be made for restoring water service (between 8 a.m. and 4 p.m.) when such service is discontinued and restored at the request of the Customer and the Customer is not delinquent in the payment of any bill at the time of either request.

Section 5. Damage to District Facilities; Tampering.

5.01. Damage to and Tampering With Meters and/ or Drainage Facility and Appurtenances. No person other than a duly authorized agent of the District shall connect or otherwise direct flow to any Drainage Facility or open any meter box, repair, alter, adjust, remove, make connections or additions to, restore service when terminated for any reason under this Rate Order, or in any other way take any action which affects any 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 Customer whose meter, meter box, service line or other System appurtenance has been tampered with or altered in any way, or who has reconnected service which was terminated by the District or who has connected or otherwise directed flow to a Drainage Facility. In addition to the disconnection and reconnection fees charged under Section 4.02 of this Order and any penalties assessed under Section 6 of this Order, the District shall assess (i) a fee of \$250.00 for the removal and reinstallation of a meter under this Section 5.01, (ii) any repair costs incurred by the District hereunder to Customer, and (iii) a damage fee of \$50.00.

5.02. Right to Repair. In recognition of the District's obligation to protect and maintain the public health, the District reserves the right to repair damage to the District's System and/or Drainage Facility and appurtenances without prior notice, and to assess against Customer such costs, including attorneys' fees, and such penalties as are provided in this Order

or otherwise provided by law or legally available to the District, in addition to those charges necessary to repair the portion of the System and/or Drainage Facility so damaged.

5.03. Obstructions. After a water meter has been set, the Customer shall at all times keep the area in, around and upon the meter and box and District easements and property under Customer's control free from rubbish or obstructions of any kind. Failure to keep the meter and box and District easements and property under Customer's control free from rubbish or obstructions may result in disconnection of water services and/or the assessment of charges necessary to remove said obstructions. Customers are prohibited from introducing material into the District's sanitary sewer System which would cause obstruction of said System. In the event that an inspection by the District's Engineer or District's Operator reveals damage to the sanitary sewer System resulting from a Customer's failure to prevent obstructions from entering said System, the District reserves the right to immediately and without notice remove the obstruction. Any District costs for removal of obstructions, including the cleaning of grease traps or other pretreatment units, plus a District administration fee of fifty percent (50%) of said costs, shall be assessed to Customer. The District's Operator shall have rights of ingress and egress to Customer's property in order to carry out the provisions of this Section.

Section 5.04. Storm Sewer System and Drainage Facility; Builder Responsibilities.

- (a) The use of any Drainage Facility within the District is limited solely to storm waters. No other liquids or solids, including but not limited to, drainage from swimming pools or hot tubs, grass or yard clippings, trash, construction materials, concrete, oils or grease, shall be introduced into a Drainage Facility within the District. Failure to maintain proper storm water quality control measures and proper storm water pollution prevention measures, as applicable, in accordance with this Order, federal and state law, and federal, state, and local regulations, shall constitute a violation of this Order and be subject to penalties as set forth herein. It shall be a violation of this Order to introduce unauthorized material, whether liquid or solid, into a Drainage Facility within the District and the District

reserves the right to assess such penalties as provided in this Order to any person, corporation, or other entity who makes such unauthorized use of a Drainage Facility within the District.

(b) **Street Cleaning.** The Builder shall be responsible for ensuring that the street in front of its lots or commercial sites remains free from the accumulation of trash, sediment, dirt and all other debris. Street cleaning will be performed by street scraping or by using a vacuum sweeper.

(c) **Concrete Wash-Out Site.** Each Builder shall provide a single, dedicated concrete wash-out site on one of its lots or commercial sites for use during construction. The site selected must be approved by the District and developer from whom the lots or commercial sites were purchased prior to use, and an identification sign must be erected on the approved site by the Builder.

The Builder shall clean and maintain the site as necessary and shall be 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 the access pad. The Builder shall be responsible for conducting regular inspections of its stormwater pollution prevention measures to ensure they are functioning properly.

The Builder shall inform its subcontractors of the location and purpose of the concrete wash-out site.

(d) **Other Builder Responsibilities.** The Builder shall be responsible for observing all signs posted by the District and ensuring compliance with this Rate Order by all employees, suppliers and subcontractors.

(e) **Failure to Comply.** In addition to other remedies and/or penalties provided in this Order, the District, at its sole option, may perform or have performed any of the Builder's responsibilities and charge the Builder for the cost thereof. Failure by

the Builder to timely pay any such charge, or to comply with this Section, will subject the Builder to termination of service or withholding of taps.

Section 6. Penalties for Violation; Attorney's Fees and Court Costs. Any person, corporation or other entity who:

- (1) violates any section of this Order or any order regulating waste heretofore or hereafter adopted by the District, including the Waste Order; or
- (2) makes unauthorized use of the System, a Drainage Facility or District services or facilities including any trespass onto District sites, including but not limited to, the site of a Drainage Facility; or
- (3) violates the District's Rules and Regulations Governing Sewer Lines and Sewer Connections or any other rules or regulations of the District;

shall be subject to a civil penalty of not less than \$50.00, and in no event to exceed \$10,000, for each breach of the foregoing provisions. Each day that a breach continues shall be considered a separate breach. The amount of any penalty levied by the District pursuant to this Section 6 shall be established by the District's Board of Directors after reasonable notice to the violator and a public hearing relative to such matter before the Board of Directors.

Penalties levied under this Section 6 shall be in addition to such other penalties as are provided in this Order or any order regulating waste or Drought Contingency Plan heretofore or hereafter adopted by the District, any other penalties provided under the laws of the State of Texas, and any other right of recovery that the District may have for damages or otherwise under applicable law. Notwithstanding the foregoing, in no event shall the District levy a penalty that is in excess of the jurisdictional limit of the justice court as provided by Section 27.031, Texas Government Code, as amended. In addition to the enforcement provisions set forth in this Order, the provisions of this Order, including any penalties levied hereunder, may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover reasonable fees for attorneys, expert witnesses and other costs

incurred by the District before the court. The amount of attorney's fees shall be fixed by the court.

Section 7. Appeal. Any determination by District's Operator or District's Engineer or authorized agent of the District or any dispute regarding the terms and provisions of this Order may be appealed to the Board of Directors of the District which shall conduct a hearing on the matter. All appeals shall either be submitted by Customer in writing or presented by Customer in person to the Board of Directors of the District at its regular meeting. In order to maintain service during the pendency of any such appeal in connection with fees or charges assessed hereunder, Customer shall pay the undisputed portion of all amounts, including service charges, penalties and other charges, due and payable to the District. Any amounts which are paid by the Customer and subsequently determined by the Board of Directors not to have been due shall be refunded to the Customer or credited against future bills, at the discretion of the District. The District's Operator and/or attorney shall provide Customer with information regarding appeals and hearing procedures upon Customer's request.

Section 8. Amendments. The District's Board of Directors has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

Section 9. Severability. The provisions of this Order are severable, and if any provision or part of this Order or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Order and application of such provision or part of this Order shall not be affected thereby.

The President or Vice-President is authorized to execute and the Secretary or Assistant Secretary is authorized to attest this Order on behalf of the Board and the District.

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Passed and adopted this 1st day of October, 2014.

ATTEST:

/s/ ESTHER BOYER
Secretary

/s/ SUSAN RUSKE
President

(SEAL)

350716.1

EXHIBIT "A"

Service Inspection Certification Form

Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas

District's I.D. #:

Location of Service _____

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

	<u>Compliance</u>	<u>Non-Compliance</u>
(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 TCEQ regulations and the provisions of the District's Rate Order.	<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, pipe fitting, plumbing fitting or fixture 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"/>

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

Service line Lead Lead Free Copper PVC Other
Solder Lead Lead Free Solvent Weld Other

I recognize that this document shall become an official record of Fort Bend County Municipal Utility District No. 35, of Fort Bend County, Texas and that I am legally responsible for the validity of the information I have provided.

Signature of Inspector

Registration Number

Title

Type of Registration

Date

EXHIBIT "B"

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 District for recordkeeping purposes.

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, OF FORT BEND COUNTY, TEXAS

DISTRICT IDENTIFICATION NO.:

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 psid Did not Open <input type="checkbox"/>	_____ psid Leaked <input type="checkbox"/>
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"/>		

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	_____ psid

Testing 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.: _____

Firm Phone No.: _____

Date: _____