

ORDER BY SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT  
ESTABLISHING UTILITY RATES AND ADOPTING RULES AND REGULATIONS  
RELATING TO THE ADMINISTRATION OF ITS UTILITY SERVICES AND  
ESTABLISHING PENALTIES FOR VIOLATION OF THOSE RULES AND REGULATIONS

As Amended  
July 21, 2010  
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**SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT**

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The board of directors (“Board”) of Southern Montgomery County Municipal Utility District (“District”) met at the Board’s regular meeting place on July 21, 2010, with a quorum of directors present, as follows:

|                  |                |
|------------------|----------------|
| Kerry Masson     | President      |
| Bruce Harrison   | Vice President |
| Albert H. Newton | Secretary      |
| Christine Stebel | Treasurer      |
| Terry Davis      | Director       |

when the following business was transacted:

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

Ayes: All directors present.

Noes: None.

The order thus adopted is as follows:

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

The order hereinafter set forth shall become effective on August 1, 2010.

ORDER BY SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT  
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RELATING TO THE ADMINISTRATION OF ITS UTILITY SERVICES AND  
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WHEREAS, Southern Montgomery County Municipal Utility District of Montgomery County, Texas, (hereafter "District") owns a water and sewer system; and,

WHEREAS, Section 49.212, Texas Water Code, authorizes the District to adopt and enforce all necessary charges, fees, or rentals, in addition to taxes, for providing the District facilities or service, as well as a deposit for any service or facilities furnished by the District; and,

WHEREAS, Section 54.205, Texas Water Code, authorizes the District to adopt and enforce reasonable rules and regulations concerning the administration of its utility facilities; and,

WHEREAS, Section 49.004, Texas Water Code, authorizes the District to set penalties for the breach of any rule of the District, which penalties shall not exceed the jurisdiction of a justice court as provided in Section 27.031, Texas Government Code; and,

WHEREAS, Section 54.206, Texas Water Code, states that after the required publication, these rules shall be recognized by the courts as if they were penal ordinances of a city; and,

WHEREAS, Section 54.207, Texas Water Code, provides that the Board shall publish in a newspaper once a week for two consecutive weeks a substantive statement of the rules and the penalty for their violation; and,

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the following fees, charges, rules, regulations, and penalties are necessary for the safe and efficient management of the District's utility facilities; Now, therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY, TEXAS, THAT, FROM THIS DATE FORWARD:

The following fees, charges, rules, regulations, and penalties are hereby adopted pursuant to Article XVI, Section 59, Texas Constitution and Chapters 49 and 54, Texas Water Code:

Section 1: Definitions. As used in this Order, special terms shall be defined as stated in Appendix A hereto.

## Section 2: Water & Sewer System Extension and Connection General Requirements.

### A. Water and Sewer Extensions

Cross connections between the District's utility systems and any well, septic tank, or private system are prohibited. All customers located within the District boundaries are required to connect to water and sewer facilities once they are installed in front of property unless previous arrangements have been made with the District. The District shall notify the property owner that lines have been installed in front of property and connection to the system will be required within one year of notification. Property owner shall disconnect from any private system and the District Operator shall inspect all plumbing to verify no cross connections exist. Property owner shall be responsible for meeting all requirements of this rate order and paying all tap fees, impact fees and inspection fees prior to obtaining service.

The Utility Systems Manager will be responsible for the approval of design of all water, and sanitary sewer extensions planned within the District that is to be owned or maintained by the District. Developers within the District are advised to coordinate the design of paving and drainage systems with the Utility Systems Manager. The cost for any water or sewer extensions must be borne by the developer, including engineering fees, without reimbursement from the District. The developer shall make a request for extension of the District's utilities with the District Board of Directors. This request shall include preliminary sketches of layouts of the proposed improvements. The Utility Systems Manager shall be advised of the proposed improvements and shall review the proposed extensions with the District Engineer for adequacy of design with respect to the District's existing utilities.

The District Engineer shall be responsible preparing water and wastewater plans, obtaining approvals from governing agencies and construction observation of water and wastewater facilities only. The developer shall be responsible for the preparation of paving, drainage, Storm Water Quality Management Plans (SWQMP), and Storm Water Pollution Prevention Plans (SWPPP). The Utility Systems Manager shall review and approve the developer's plans for conformance to EPA guidelines, City of Houston, Montgomery County and Montgomery County Drainage District No. 6. The developer shall also provide the Utility Systems Manager three (3) copies of the approved plans by all governing agencies at the pre-construction meeting. A copy of the District's minimum SWQP and SWPPP guidelines will be provided prior to the commencement of design phase services by the developer's engineers.

### B. Service Connections

All connections to the District's water and sanitary sewer systems shall be made in accordance with this Order and the District's Rules and Regulations, and all current applicable building permit and subdivision platting requirements. Applications for District services to any lot or parcel of land will not be approved until the owner or developer has provided the Utility Systems Manager a copy of the previously recorded plat or the owner or the developer of the

land has obtained approval of the Planning Commission of the City of Houston of a plat to the extent required by statute which has been duly recorded in the Map and Plat Records of Montgomery County, Texas, and otherwise complies with the rules and regulations of the Planning Department of the City of Houston. No District services may be initiated to any lot or parcel of land except through public water lines and sanitary sewers duly approved by the Utility Systems Manager, City of Houston and Montgomery County, Texas nor will District services be initiated until suitable storm sewer(s), roadside drainage ditches, and watercourse(s) exist in sufficient capacity to handle the storm water from any lot or parcel of land desiring service. Adequacy of capacity of drainage facilities including easements shall be determined and approved by the City of Houston, Montgomery County Engineer's Office, or Montgomery County Drainage District No. 6. and evidence of same delivered to the Utility Systems Manager.

***Connections to the District's water and sanitary sewer systems shall be made by the District Operator unless specified otherwise by the Board of Directors of the District. No person, other than the properly authorized agents of the District, shall be permitted to tap or make any connection with the mains or distribution piping of the District's water system, or make any repairs or additions to or alterations in any meter, box, tap, pipe, cock or other fixture connected with the water service or any manhole, main, trunk or appurtenance of the District's sanitary sewer system except by the written permission of the Board of Directors of the District.***

### Section 3: System Extensions.

Should the Board of Directors decide that it is feasible to extend the District's utilities for a particular project, then the Utility Systems Manager shall request from the District Engineer a preliminary summary of anticipated engineering fees associated with the project. The developer shall be advised of these fees, as outlined in the Engineer's contract with the District, which fees shall include an estimate of the required surveying costs (if required) associated with the project. The developer shall deposit with the District, the estimated engineering fees, including surveying costs for the design and approval phase of the project. Upon receipt of this amount, the Utility Systems Manager shall notify the District Engineer, in writing, of receipt of these fees. The District Engineer shall be instructed to begin design of these utility extensions and shall coordinate his design with the design of the developer's paving and storm sewer improvements. The remaining engineering fees for construction observation shall be billed and collected from the developer prior to commencing construction.

If water and sewer extensions are part of a roadway extension or new subdivision, the District Engineer shall include his plans with the developer plans for the approval process. If only water and sewer extensions are required, after completion of the design, the District Engineer will submit the plans to all governing agencies for review and approval. Once approval is received, the District Engineer will assist the developer in obtaining bids from contractors qualified in the construction of water and wastewater facilities.

Once the developer has received the bids, the District Engineer will submit to the Board of Directors for their approval, a bid tabulation and recommendation letter. The District has the right to approve award of the contract to any contractor in the manner provided by Texas Water

Code §49.273. After award has been approved by the District, the District Engineer will schedule a pre-construction meeting to be held on-site prior to the start of construction to review District requirements and set the time for a notice to proceed.

### Construction Requirements for Subdivision Development and Acceptance

Field observation for construction of the water and wastewater facilities will be monitored by the District Engineer and paid for by the developer. The developer shall deposit with the District inspection fees estimated by the District Engineer to cover construction observation and engineering services during construction. Any unused fees will be returned upon final acceptance of the project by the Utility Systems Manager. Any construction observation fees due by the developer will be paid prior to the District providing service. The District will not be responsible for providing a field observer for drainage and paving items. All requests for information or change orders shall be submitted to the District Engineer for review and approval. The developer will contract with an independent materials testing laboratory at the developer's expense to provide backfill compaction tests for water and wastewater facilities. Copies of the test reports will be provided to the District Engineer. At the end of each month, the Contractor will submit a pay request containing all items constructed to date for the District Engineer's approval.

At the completion of construction activities, a final inspection will be scheduled with the District and Contractor. The Contractor must demonstrate that the following items have been provided or installed prior to the final inspection:

1. Sanitary sewer service laterals must be marked with a 4" x 4" post painted orange or a 6" PVC pipe 4 feet long embedded a minimum of 2 feet in the ground. Where curb and gutter streets are provided, the contractor must make a "v" notch in the curb ½ inch deep painted orange to signify location of the lateral.
2. Blue reflectorized buttons must be placed 6-inches off the centerline of the street on the side of a flushing valve.
3. All gate valve boxes must be painted blue. Where curb and gutter streets are provided, the Contractor shall make a "v" notch in the curb ½ inch deep painted blue to signify location of the valve.
4. A minimum of 2 adjustment rings for all wastewater manholes must be provided.
5. Manhole inflow preventor must be provided.
6. All influent and effluent wastewater lines inside manholes must be sealed.

The Developer must submit to the Utility Systems Manager the following items prior to issuance of a certificate of completion:

1. Two blackline copies of the recorded plat and subdivision plans.
2. Two blackline copies of the street address plat.
3. Payment of all District fees including, impact fees (if applicable) for all platted lots in the subdivision. Impact fees for each reserve will be paid for at the time of application for service according to Section 6.

4. Payment of all outstanding engineering fees associated with the plan review and construction of the water and wastewater facilities.
5. An electronic file (AUTOCAD) of the subdivision overall showing all water and wastewater facilities, street rights-of-way, lot lines and numbers, block numbers, reserve numbers, easements, drainage channels, and any other information as requested by the District Engineer or Utility Systems Manager.
6. Mylar copy of construction plan set (24" x 36" maximum size sheets) showing as constructed information labeled "RECORD DRAWINGS". Developer shall also include scanned electronic (.pdf) file of same on CD ROM disk.
7. Maintenance bond, letter of credit, cash deposit or other acceptable financial guaranty in the amount listed on Appendix C that assures the District will have funds available at the expiration of one year after the certificate of completion to repair any deficiencies noted during the one-year inspection described below.

After all the above items have been submitted and deficiencies from the final inspection corrected to the Utility Systems Manager's and District Engineer's satisfaction, the District Engineer will issue a certificate of completion signifying the acceptance date of the facilities. The Contractor will warranty the system for a period of one year from this date. One month prior to the end of the warranty period, a re-inspection will be scheduled. Any deficiencies found as a result of faulty construction shall be repaired at the Contractor's expense. Any damage to the facilities must be repaired at the Developer's/Builder's expense, and District will be entitled to use the financial guaranty to make such repairs and bill Developer/Builder for any deficiency.

#### Section 4: Re-development - Additions, Re-modeling and Demolitions

The developer or property owner shall notify the Utility Systems Manager prior to any Re-development of property serviced by the District. The following conditions for service to a Re-development shall apply:

1. Additions, Modifications or Re-modeling – The property owner or developer shall notify the District of any existing residential or commercial structures to be modified for a different use. If the existing structures to be modified, re-modeled or expanded will include new plumbing between the structure and service connection or require a new service tap (sewer or water), the property owner or developer shall have plans prepared by a registered professional engineer and submitted to the District according to Section 6. If the modifications to the existing structure will not require a new plumbing or service tap, the property owner or developer shall submit a copy of the modified floor plans to the District and complete a new service application. The Utility Systems Manager shall determine if additional impact fees will be assessed for the new addition or re-modeling according to the projected new use of the property, and the assignment of capacity will be reviewed annually by the District in accordance with Section 6.
2. Demolitions – The property owner or developer shall notify the District prior to removing an existing structure (residential or commercial) that is connected to the District's facilities. A demolition inspection fee shall be paid to the District according to Appendix "C". The property owner shall locate the existing sewer service connection at

the property line, cut and plug the pipe and leave the trench open for the District Operator to inspect. After approval by the Operator, the hole shall be filled and location of the end of pipe marked for future reference. Water service to the property shall be terminated until all procedures for new development have been met according to Section 6.

#### Section 5: Separate Water Meters Required.

Water meters are property of the District and shall be placed within the public right-of-way or within a suitable easement adjacent to a public right-of-way in front of the unit to be served, located as directed by the District Operator.

##### A. Residential Connections.

Each single-family home shall have a separate meter and shall be considered a separate connection for the purposes of determining connection and inspection fees.

##### B. Commercial connections.

All commercial connections shall have at least one master meter per building or project and the owner of said building or project shall be billed at the commercial rates set forth in Appendix C hereto.

##### C. Fire Protection System Connections.

Residential or Commercial customers may install metered fire protection systems. All fire protection systems will be connected directly to the District's water distribution system via separate meter. The connection will be made by the District and extended to the property line. The owner will be responsible for all tap fees and installing a check valve after the meter. Systems 4" and larger will be required to install a vault with meter and check valves at or near the property line or in the building and provide a bacteriological test showing that no coliforms are present before receiving service. Meter and check valves within the building must be accessible by the District for inspection. Residential customers installing fire protection systems will have their account designation converted to a commercial customer once the system is installed and operational.

#### Section 6: Connection Standards, Procedures, and Review Fee.

##### A. Commercial Connections

Commercial connectors must file at the District office detailed site and construction plans and completed service applications for water and sanitary sewer. Commercial connectors must file a review fee pursuant to the schedule set forth in Exhibit C attached hereto with the District office. The Utility Systems Manager shall review these documents to determine if they are compatible with the District's water and sanitary sewer systems and in compliance with the District's Rules and Regulations. In addition, the review will indicate any system or plant improvement required to service said commercial connection, the cost of same, and the time needed to construct same.

All property must have drainage plans for development to accommodate storm water run off in accordance with current City of Houston, Montgomery County Drainage District No. 6, The Woodlands, Texas Department of Transportation or Montgomery County Engineer's Policy.

The Utility Systems Manager will issue, in writing to the District Board of Directors, a statement as to what improvements to the District's system, including additional easements, will be necessary to accommodate the project and the approximate cost for constructing same. The applicant will be advised, in writing, that he must finance without reimbursement from the District, the cost, including engineering, as a prerequisite to receiving the requested service. The Utility Systems Manager will assign capacity to the commercial connections, based on single-family equivalent connections. Such assignment shall be reviewed by the District annually. If the District finds and determines that the commercial connection has used more than the capacity assigned to it, the District shall have the right to refuse to provide services for the amount in excess of the capacity reservation or to charge all applicable fees associated with additional capacity.

**B. Fire Protection System Connectors (existing residential or commercial structures)**

Fire protection systems connectors being installed within an existing residential or commercial structure must file with the Utility Systems Manager one copy of the building interior piping plan and three (3) copies of the site plan showing all existing topographic features including water and sewer systems and proposed fire protection system connections to the building and District water system. Fire protection connectors must file a review fee pursuant to the schedule set forth in Exhibit C attached hereto with the District office. The Utility Systems Manager shall review these documents to determine if they are compatible with the District's water system and in compliance with the District's Rules and Regulations. The Utility Systems Manager will issue a written statement to the owner as to what will be necessary to accommodate the fire protection system and the cost of tap and installation fees.

**C. Residential Connectors**

A permit must be obtained from the District at the time tap fees are paid and prior to beginning construction of new residence. A permit shall be purchased at least four weeks prior to date tap is required. The owner or his representative shall obtain the required applications and submit them along with the Inspection/Damage deposit, sanitary sewer inspection fee, and Pre-Construction and Post-Construction Inspection fees according to Appendix C, and a site plot plan

prepared by a registered professional land surveyor. The Utility Systems Manager shall review these documents to determine if they are compatible with the District's water and sanitary sewer systems and in compliance with the District's Rules and Regulations. If approved, the District will issue a utility permit for construction. The owner or representative shall follow all requirements for residential taps as outlined under Section 11.B.

#### Section 7: Drainage Requirements.

**STRUCTURE FINISHED FLOOR** - No structure shall have a finished floor elevation less than twelve inches above the crown of the road or top of road curb as determined at the highest point of the road adjacent to the property on which the structure is located. The lowest finished floor elevation of any structure shall be eighteen (18) inches above the 100-year flood elevation as determined by then current FEMA maps if the property is located in the 100-year flood plain. The owner or developer shall provide a copy of the letter for map amendment approval from FEMA before building in the flood plain.

**CULVERTS** - No culverts shall be installed along any public roads except those sized by a registered engineer based on the ultimate development anticipated to occur upstream of the culvert. The drainage calculations and engineer's statement certifying to the adequacy of the culvert size based on Montgomery County standards shall be presented to the Montgomery County Engineer's office for their review and approval prior to release of Damage/Inspection Deposit. Culverts shall be constructed in accordance with Montgomery County requirements and the requirements of any other applicable jurisdictions including The Woodlands and Montgomery County Drainage District No. 6.

#### Section 8: Petitions for Annexation.

Anyone that desires to have land annexed into the District will be required to follow the procedure outlined below:

1. The landowner must request in writing at the District office that his property be considered for annexation to the District.
2. If the request is received at least ten days prior to the next Board meeting, the request will be placed on the agenda.
3. The landowner/developer will attend the Board meeting where the request is considered. He should bring the following items: map or plat showing location of the property; architectural renderings of the proposed development; cost estimate of the buildings and facilities and taxable value of development; and, construction timetable.
4. The Board may direct the Utility Systems Manager and/or District Engineer to prepare a feasibility study on the project. The Board will review the feasibility study after it is completed. The Board has the discretion to approve or deny any request for annexation, regardless of the outcome of the feasibility study.

5. Prior to preparing the feasibility study, the landowner/developer must deposit funds with the District for the engineering and legal costs involved in the Annexation request according to the schedule set forth in Appendix C hereto. If the District's cost of processing the feasibility study exceeds the deposit, then the landowner/developer must pay the balance of these costs before the feasibility study will be considered is approved by the District.

6. If the applicant wishes to proceed with the annexation process and the Board so authorizes, he shall file a valid Petition for Annexation prepared in accordance with Sec. 49.301 or Sec. 49.302, Texas Water Code. Prior to the District preparing annexation documents, the land owner/developer must deposit funds with the District for the engineering and legal costs according the schedule set forth in Appendix "C". If the District's costs of processing the annexation exceed the deposit, then the land owner/developer must pay the balance of these costs before the annexation will be considered by the District. Petitions under Section 49.301 must be signed by all land owners and all lien holders of the property. All petitions must be accompanied by evidence of the petitioner's ownership (deed, etc.) of the land petitioned for annexation, certification as to whether there are any registered voters living on the property to be annexed, and a certificate from the Central Appraisal District stating that the property to be annexed is on the tax rolls in the name of the petitioner for annexation and any other information required by the District's attorney or engineer. All petitions shall provide that the applicant will underwrite the cost of the facilities for the project as determined by the District Engineer and that the property will be subject to District taxation after annexation for all outstanding District debt and the District's maintenance tax, and that the petitioner agrees to the issuance of any voted but unissued bonds of the District.

The Petition for Annexation will then be scheduled for hearing before the Board pursuant to the Texas Water Code.

#### Section 9: Water and Sewer Tap Fees.

Tap fees as set forth in Appendix C of this Order shall be received by the District before any connection is initially made to the District's water or sanitary sewer system.

In addition to the tap fees described above, if a previous developer has been required to construct an oversized utility line, an additional tap fee (line access fee) will be charged equal to the applicant's pro rata share of the oversizing plus interest per annum as provided in the developer's contract with the District so that reimbursement can be made to the developer in accordance with terms of the contract between the District and the developer. The applicant's pro-rata share will be based upon the Utility Systems Manager capacity calculations.

#### Section 10: Impact Fees.

Impact fees are charged by the District to recover the cost of water and sewer capacity as set forth in Appendix C of this Order. All property within the District boundaries which is not platted according to City of Houston platting requirements before November 14, 1990, must pay an impact fee prior to making any new connection to the District's water or sewer system; this fee has been designated as "Impact Fee I," and was approved by the Texas Commission on Environmental Quality by its Order dated December 6, 1990. This Impact Fee was based on the cost of the District's existing water and sewer facilities at the time the Commission approved the fee and was designed to help recover the costs of those existing facilities.

Property annexed into the District after November 12, 1997, is subject to a different impact fee, which has been designated as "Impact Fee II," and is payable as set forth in Appendix C of this Order. Impact Fee II was approved by the District in compliance with Section 395.0515, TEXAS LOCAL GOVERNMENT CODE, and is designed to help finance expansions to the District's existing water and sewer facilities as they are needed.

Any platted property will also be charged the impact fee when its existing committed use is changed to a use which requires a greater amount of water and sewer capacity than the original use; such impact fee will be charged for new capacity requirements less the capacity requirement of the original committed use as determined by the Utility Systems Manager.

#### Section 11: Water and Sewer Tap Procedures and Sewer Installation Inspections.

All connections to the District's sewer system shall be made in accordance with the District's Rules and Regulations. No sewer plumbing shall be covered in the ground before a representative of the District has inspected the connection. A sewer inspection fee, payable with the water and sewer tap fee, must be paid in accordance with the schedule set forth in Appendix C attached hereto. After the sanitary sewer connection is inspected and approved, the applicant shall be notified, in writing, by the District's inspector. If the connection or sewer lead is covered before the District's inspection, then it must be uncovered for the District's inspector before the connection can be authorized. Expansions of service lines after the original inspections are completed require additional permits and inspections.

Each builder of a home or commercial establishment within the District shall provide an Inspection/Damage deposit as outlined in Appendix C, and the deposit shall not bear interest and shall be refunded to each builder 90 days following the completion of the builder's home building program or commercial construction within the District. The cost of any repairs, location or adjustment of waterworks or sanitary or storm sewer lines or appurtenances of the District necessitated by actions of the builder or its agents or contractors shall be billed by the District to the builder/developer responsible for construction of the project. The schedule of prices for repairs is further outlined in Appendix C. If at any time a builder is delinquent in paying such bills for repairs or any other bill of the District for water or sanitary sewer service for 60 days or more, or is responsible for outstanding bills equal to or in excess of the Inspection/Damage Deposit, the District may (a) notify the builder that no additional taps will be made for such builder, (b) may transfer the Inspection/Damage deposit or any part thereof to its operating fund to pay such bills and (c) may require that such deposit be replenished by such

amount transferred or require that an additional Inspection/Damage deposit be made by the builder before allowing the installation of additional taps for such builder.

A. Procedure for Obtaining Commercial Water and Sewer Taps.

A permit and a Commitment Letter must be obtained from the District office and a Pre-Construction Inspection as described in 4] below must be completed prior to starting construction of any commercial building. Applications for service must be filled out by the owner prior to starting any commercial construction. This application will be used by the District for planning purposes. Commercial establishments starting construction without a Commitment Letter will be denied service.

1] The owner or his representative shall obtain the required service application forms and the Engineer's checklist from the District office along with the required amount for the Inspection/Damage deposit and Utility Systems Manager review fee, as outlined in Appendix C hereto, made payable to the District. The owner or his representative will complete the required forms and return them along with the required deposit to the Utility Systems Manager. Upon receipt of the application fee, request forms and the Inspection/Damage Deposit, the Utility Systems Manager will proceed with his review of the site plans and plat.

2] The owner must have site plans prepared by a registered professional engineer of the State of Texas and submit four (4) sets of plans and a copy of the recorded plat to the District Engineer for review and approval. Additionally, plans will require approval from all other governmental entities having jurisdiction over the project, including but not limited to Montgomery County Drainage District No. 6, City of Houston, Texas Department of Transportation and Montgomery County Engineer's Office. Plans shall include all information as indicated on the Engineer's checklist and will not be reviewed until all information is submitted.

3] The Utility Systems Manager will review and issue to the Board of Directors a written statement of recommendations (commitment letter) as to the necessary improvements to accommodate the project to be considered by the Board of Directors at a regular meeting. The Utility Systems Manager shall, upon receiving the Board's approval, stamp the submitted drawings. Drawings not stamped and approved by the Utility Systems Manager are not valid. Drawing approval is valid for one year from the date of Board approval. Contractor must begin construction within six (6) months of receiving Board approval or commitment is void, and the owner or representative must re-submit plans and application and pay new application fees.

4] After Board approval, the Utility Systems Manager will make a determination of the required tap, central capacity reservation fee, installation, and inspection fees to obtain ties to the District facilities. The Utility Systems Manager will calculate the required tap, central capacity reservation, installation, and inspection fees and notify the owner or his representative in writing of the amounts. Additionally, prior to commencement of site construction, the Utility Systems Manager will perform an on the ground Preconstruction Inspection of adjacent District facilities with the owner's contractor and the District Operator. The purpose of this survey will be to verify the location and condition of District facilities on and in the vicinity of the lot or tract on which the construction or improvement will be built. The owner's contractor will be responsible

for maintaining these facilities in the condition found at the time of this inspection. At the time of the Pre-Construction Inspection, if any District facility has been damaged or cannot be located, the Operator will make necessary repairs to or locate such facilities at the expense of the District. A copy of the Pre-Construction Inspection report will be given to the owner's contractor. After the Pre-Construction Inspection has been performed and any necessary work has been completed, the owner will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the Post-Construction Inspection described in 7] below.

5] The Owner or his representative will forward the required tap, central capacity reservation, installation, and inspection fees to the District.

6] Upon receipt of the tap, central capacity reservation, installation, and inspection fees, the Contractor shall provide 24-hour notice to the District Operator that he is ready for an inspection of the sewer facilities.[Inspections are performed only on normal working days M-F excluding holidays] The Contractor must cover the sewer line within 24 hours after the Operator has completed the sewer tap inspection and indicated to the builder that the tap is satisfactory. Upon acceptance of the sewer lines and District's receipt of all items listed in the conditions for service, the Operator will schedule the water system tap to be installed within ten (10) working days. Temporary water service (for construction purposes only) will be provided through the new meter until all requirements for permanent service according to this rate order are met. Temporary services may be terminated at any time during construction for failure to pay water bill or violations to the rate order.

7] Upon completion of the project by the Contractor but before service is transferred to or initiated for a Consumer, the Utility Systems Manager will perform an on the ground Post-Construction Inspection of all adjacent District facilities. The purpose of the Post-Construction Inspection is to verify the location and condition of District facilities on and in the vicinity of the lot or tract on which the construction or improvement has been built. The builder will be held responsible for any damages or adjustments to or relocations of District facilities and adjacent private facilities that affect the provision of District services found to be necessary as a result of the Post-Construction Inspection and shall pay the cost of repairing, adjusting or relocating the facilities before service will be transferred to or initiated for a Consumer. A punch list of repairs and adjustments to the District's facilities will be prepared by the Utility Systems Manager and submitted to the Operator. The Operator will make all repairs and adjustments to the District's facilities and the builder shall pay for all costs associated with the repairs or adjustments before service will be transferred to or initiated for a Consumer. The District may withhold service to the lot or tract or to other property owned by any builder who has failed to pay the District for any other repairs, adjustments, relocations or re-inspection fees, including specifically the provision of additional taps to such builder.

8] The Contractor shall complete and submit all required plumbing exhibits/certifications and file them with the District Manager. Customer service deposits and plumbing exhibits/certifications shall be filed with the District prior to opening of business or within ten (10) working days of the post-inspection date, whichever occurs first. Temporary construction water service will be

terminated if customer service deposits and exhibits/certifications are not received within the ten (10) day period.

9] Upon receipt of the customer deposit, plumbing exhibits/certifications and payment of all engineering inspection fees, the District Manager will recommend to the Board of Directors refund of the Inspection/Damage deposit to the owner or his representative less costs of repairs to the District facilities, if any, or any other action which may be appropriate.

#### B. Residential Sewer Tap Inspection Procedure.

1] Prior to commencement of site construction, the Utility Systems Manager will perform an on the ground Pre-construction Inspection of adjacent District facilities with the owner's contractor and the District Operator and a Preconstruction Inspection as described below must be completed. The purpose of this Inspection will be to verify the location and condition of District facilities on and in the vicinity of the lot on which the home will be built. The owner's contractor will be responsible for maintaining these facilities in the condition found at the time of this inspection. At the time of the Pre-Construction Inspection, if any District facility has been damaged or cannot be located, the Operator will make necessary repairs to or locate such facilities at the expense of the District. A copy of the Pre-Construction Inspection report will be given to the owner's contractor. After the Pre-Construction Inspection has been performed and any necessary work has been completed, the owner will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the Post-Construction Inspection described in 2] below.

2] No sewer lines shall be backfilled until approved. At the time the sewer line is complete and ready for inspection the Contractor shall notify the District Operator 24-hours prior to completion of the line, that he is ready for an inspection of the sewer facilities. The builder must cover the sewer line within 24 hours after the Operator has completed the sewer tap inspection and indicated to the builder that the tap is satisfactory. Upon completion of the project by the Contractor but before service is transferred to or initiated for a Consumer; the Utility Systems Manager will perform a Post-Construction Inspection of all adjacent District facilities. The purpose of the Post-Construction Inspection is to verify the location and condition of District facilities on and in the vicinity of the lot on which the home has been built. The builder will be held responsible for any damages or adjustments to or relocations of District facilities and adjacent private facilities that affect the provision of District services found to be necessary as a result of the Post-Construction Inspection and shall pay the cost of repairing, adjusting or relocating the facilities before service will be transferred to or initiated for a Consumer. A punch list of repairs and adjustments to the District's facilities will be prepared by the Utility Systems Manager and submitted to the Operator. The Operator will make all repairs and adjustments to the and the builder shall pay for all costs associated with the repairs or adjustments before service will be transferred to or initiated for a Consumer. The District may withhold service to the lot or tract or to other property owned by any builder who has failed to pay the District for any other repairs, adjustments, relocations or re-inspection fees, including specifically the provision of additional taps to such builder.

3] Swimming Pool: Prior to construction, a permit for swimming pool connections must be obtained from the District Office. **Pools may not be drained into the sanitary sewer system.**

## Section 12: Temporary Water Service.

The District Operator is authorized to make a temporary connection to any flushing valve upon request for temporary water service within the area of the District. Such temporary service shall be supplied only through a District meter installed by the District Operator. The applicant for temporary water service shall be required to post a deposit which shall secure the payment for water supplied by the District, the installation fee, the safe return of the District's meter and flushing valve wrench, and the cost of repair of any damage by a user of the valve, all as set forth in Appendix C hereto. No temporary water service shall be supplied outside the area of the District except by written permission of the Board of Directors of the District.

## Section 13: Penalty for Violation of the Order or the District's Rules and Regulations.

The penalty for each and any violation of this Order or the District's Plumbing Code, including, but not limited to, any unauthorized water or sewer connection to the District's system, shall be a fine not to exceed the jurisdiction of a justice court as provided in § 27.031, Texas Gov't. Code, currently up to \$5,000 for each violation. Each day a violation continues shall be deemed a separate offense. Publication of the legal notice of this Order as required by law shall constitute constructive notice to all persons. Such penalties shall be in addition to any other penalties provided by the laws of the State of Texas. Further, in any suit to enforce its rules, the District shall seek to recover reasonable attorneys' fees, expert witness fees, and other costs incurred by the District before the court.

## Section 14: Maintenance and Repair.

Each person or entity connecting to the District's water or sewer lines shall maintain at their own expense all service lines to the point of connection to the District's water and sewer system. Should said lines not be properly maintained, the District, after giving notice, shall have the right to enter upon the property, repair said lines, and invoice the cost of the repairs to the person or entity connecting to the District's water or sewer system.

## Section 15: Wastewater Grease/Lint Trap Inspections.

Where a trap is required pursuant to Section 2.11 of the District Plumbing Code, the District Operator will conduct regular inspections of the trap on a monthly basis until the customer has passed the inspection criteria for three months in succession. Once the customer has achieved compliance as aforementioned, regular inspections will be conducted on a quarterly basis until the trap has passed said inspection for a period of one year. Once the trap has achieved full compliance for one year, the District may extend the regular inspection interval to six months in its discretion upon application by such customer.

Customers will be responsible for maintaining records of manifest for the hauling of the trap waste and will make those records available to the District Operator during each inspection. Failure to provide said records constitutes an inspection failure.

In addition to the regular inspections described above, the District reserves the right to make unscheduled inspections, and there shall be no charge to the customer for unscheduled inspections. Failure to allow an unscheduled inspection constitutes an inspection failure.

After an inspection failure, the operator will reinspect at least once each week until compliance is achieved, then return to a regular monthly inspection schedule until the subject trap complies with inspection criteria for twelve months in succession.

For each regular inspection and reinspection, there will be a charge at the rate set forth in Appendix C of the District's Rules and Regulations.

#### Section 16: Solid Waste Collection and Disposal and Recyclable Material Collection Services.

The District shall provide solid waste collection and disposal and recyclable material collection services at curbside to each residential connection and light commercial connection that receives water and sanitary sewer service from the District. No separate billing shall be made for solid waste collection and disposal and recyclable material collection service provided by the District.

Solid waste shall be collected from each separate residential and light commercial connection on Monday and Thursday after 7:00 a.m. except holidays, including New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In the case of holidays, service will resume on the next regularly scheduled collection day.

Solid waste will be collected by the Garbage Contractor at the street on each collection day. Solid waste must be properly packed in bags or containers customarily used as a residential trash container weighing no more than 40 pounds. Tree trimmings and branches cut in lengths not to exceed four (4) feet, securely tied in easily handled bundles weighing no more than 40 pounds will be collected. No tree stumps or limbs over three (3) inches in diameter or longer than four (4) feet will be picked up. No more than 15 bags, containers or bundles each service day will be picked up. Boxes from new move-ins must be broken down in order to be collected. Bulk items such as old furniture and appliances will be collected on the second collection day of the week with a limit of two (2) items per week. Freezers and refrigerators will be picked up only if certification that the Freon has been properly removed and recycled is provided. Waste materials from the construction, repair, remodeling and demolition of buildings, concrete, bricks, batteries, tires, lumber, fence boards, roofing materials, tree stumps, automobile bodies or large machine parts, hazardous waste, and explosive materials will not be collected.

Recyclable material collection shall begin effective December 1, 2008. Recyclable material will be collected by the Garbage Contractor on the second collection day of the week except for holidays listed above. Recyclable material must be placed in a recyclable container and segregated from the remainder of the solid waste. One initial recyclable container will be provided by Garbage Contractor at no cost to each residential and light commercial connection but will remain the property of Garbage Contractor. The customer will be responsible for payment for lost, damaged or additional recyclable containers. Recyclable containers must be placed at a location accessible to Garbage Contractor, not to exceed three (3) feet from the curb

or edge of the street and must not be located in a manner that will block driveways or mailboxes or otherwise inhibit proper service from being provided. Garbage Contractor will provide periodic notices to customers identifying specific acceptable recyclable materials. Only those recyclable materials listed in such notices will be collected by Garbage Contractor.

#### Section 17: Deposits.

Deposits as set forth in Appendix C attached hereto shall be required of all connectors to the District's system before service to the connection begins.

#### Section 18: Water and Sewer Rates.

Charges for water, sewer, solid waste collection and disposal and recyclable material collection services shall be billed bi-monthly. Rates for services are hereby established as set forth in Appendix C attached hereto. Unless payment is received before the twentieth (20th) day after the date of such statement, such account shall be considered delinquent and the penalty charge as set forth in Appendix C attached hereto shall be assessed against the account. The District reserves the right to alter such rates from time to time as permitted by Section 54.204, Texas Water Code.

#### Section 19: Termination.

##### A. Termination of service upon request of Consumer

Whenever a customer of District water temporarily abandons the structure being served and no longer wishes to be furnished with water, he shall notify the District's operator at least two (2) days prior to the time he desires such service discontinued. A charge as outlined in Appendix C shall be made for discontinuing and as outlined in Appendix C for restoring such service when the service is discontinued or restored at the Consumer's request and the Consumer is not delinquent in payment of any bill at the time of either request. Whenever a customer of District water requests temporary termination of service after hours or on weekends for damage or repairs to the service line or the plumbing, a charge as outlined in Appendix C shall be made for the temporary termination of service.

##### B. Termination of service upon initiative of District

- 1) The District may terminate water service to a tract:
  - (a) at any time after a Consumer's bill becomes Delinquent as outlined in Section 18;
  - (b) upon the occurrence of an event described in Plumbing Code §2.09.A., Plumbing Code § 3.04.C., Plumbing Code § 3.07.F., Section 26, or Section 28;
  - (c) to prevent or discontinue conduct which interferes with the orderly provision of utility service by the District or the implementation of any provision or requirement of this Order; or
  - (d) to abate any condition in connection with the District's water, sewer or drainage facilities which in the opinion of the Board is harmful to the health, safety or welfare of District Consumers or the public.

2) Except for termination of service upon the occurrence of an event described in Section 26, Section 28, or Plumbing Code § 3.04.C., notice to the Consumer shall be made as follows:

(a) Within three (3) days after the date of delinquency, the District will send a postcard to the Consumer providing an additional five (5) working days to pay the delinquency. If payment is not received after five (5) days, a notice shall be delivered to the Consumer at least five (5) days prior to termination of a Consumer's service pursuant to this Section advising the Consumer of termination of service pursuant to this Section.

(b) Delivery of the notice shall be considered complete upon deposit of the notice in the United States mail, postage prepaid, addressed to the Consumer at his last known mailing address. Consumers who are sent such notice will be assessed a Notice Fee as outlined in Appendix C.

(c) The notice shall include:

- (i) a statement that service will be terminated;
- (ii) the date of termination; and
- (iii) the reason for termination.

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

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

Please be advised that if there is a mistake in our invoice or the referenced account is not in fact delinquent, the order to terminate service can be rescinded. Please contact the District office if there is a mistake in our invoice or if payment has already been made so that the order to terminate service may be rescinded. If you believe that there has been an error but the general manager is unable to adjust your bill, your service will not be terminated until the District's Board considers the matter. You will be notified of the time, date and place of the meeting at which the matter will be considered, and you may present your objection to the Board at that time.

3) Adjustment of bill by designated representative:

(a) The District's designated representative for purposes of this Section is the District's General Manager.

(b) The designated representative is authorized to receive and consider Consumer objections presented in accordance with Subsection 19.B.2)(c)(iv) and to make adjustments in a Consumer's billing to correct clerical errors or other billing irregularities.

(c) The designated representative is not required to make an adjustment in any particular case; any Consumer objection received pursuant to this Section and

not adjusted by the designated representative to the satisfaction of the Consumer shall be referred for a hearing in a meeting of the Board of District.

4) Hearing before Board of District:

(a) In the event a Consumer objection is referred to the Board pursuant to Subsection 19.B.3)(c), the termination of service shall be held in abeyance until further order of the Board.

(b) The Consumer shall be given notice, at least seventy-two (72) hours in advance, of the time, date, and place of the meeting at which the Board will consider the Consumer objection.

(c) At such meeting, the Board shall consider all matters set forth by the Consumer and take such action, including termination of service, as it deems advisable.

5) A charge as outlined in Appendix C, together with any delinquent bills, penalties and charges, shall be paid by a Consumer in advance of restoration of service when service has been terminated pursuant to this Section. Such payment shall be paid in cash, cashier's check or money order.

Section 20: Charge for Utility Commitment Letter.

The District shall charge the amount specified in Appendix C to any landowner, developer or other party requesting a utility commitment letter from the District prior to the issuance of such letter. The charge shall defray the District's expenses for legal, engineering and other services required in the preparation of a utility commitment letter and/or other similar or related documents.

Section 21: Collection and Write-Off Final Billings.

When service to a District customer has been terminated due to such customer's moving from or otherwise vacating his residence or place of business, as the case may be, a final billing for such service has been rendered and such final billing has been outstanding and unpaid for one hundred eighty (180) days, then such final billing shall be written off automatically and the District shall determine whether such delinquent final billing shall be submitted to a responsible agency for collection.

Section 22: Easements.

(a) Access Easements. A condition of receiving utility service from the District is that the owner of the property receiving the service shall be deemed to have granted an easement of ingress and egress to and from the meter and any other District fixtures,

pipelines, or other property, for maintenance and repair as the District, in its judgment, may deem necessary.

(b) Sanitary Control Easement for District Water Wells. To prevent contamination of the District's water supply, the following activities are prohibited within a 150 foot radius of the District's water wells:

1. Construction and/or operation of underground petroleum and chemical storage tanks and liquid transmission pipelines, stock pens, feed lots, dump grounds, privies, cesspools, septic tank or sewage treatment drain fields, improperly constructed water wells of any depth and all other construction or operation that could create an unsanitary condition within, upon or across land within a 150-foot radius of the District's water wells. For the purpose of the easement, improperly constructed water wells are those wells which do not meet the surface and subsurface construction standards for a public water supply well.
2. The construction of tile or concrete sanitary sewers, sewer appurtenances, septic tanks, storm sewers and cemeteries are specifically prohibited within a 50-foot radius of the District's wells.
3. The construction of homes or buildings is allowed in the controlled area, provided, however, that all items in nos. 1 and 2 above are recognized and followed.
4. Normal farming and ranching operations are permitted within the controlled area, except that livestock shall not be allowed within 50 feet of the District's wells.

#### Section 23: Plumbing Code.

The District hereby adopts the Plumbing Code set forth in Appendix B attached hereto.

#### Section 24: No Free Service.

No free service shall be granted to any user for services furnished by the District's water and sanitary sewer system whether such user be a charitable or eleemosynary institution, a political subdivision or municipal corporation, and all charges for water and sewer shall be made as required herein.

#### Section 25: Returned Payment Devices.

A charge as set forth in Appendix C attached hereto shall be made on all returned payment devices, including but not limited to check, item, paper, electronic payment or other payment device used as a medium for payment. Further, if the Consumer has delivered three

payment devices to the District which have been returned due to insufficient funds, the District shall have the right to refuse to receive and process any further payment devices from the Consumer, and the Consumer may be required to tender payment with cash, cashier's check or money order.

#### Section 26: Meters.

Title to all water meters and appurtenances, including the meter boxes enclosing same, shall vest in the District. No person other than a duly authorized agent of the District shall open the meter box or tamper or in any way interfere with the meter or box. The District reserves the right to immediately and without notice remove the meter or disconnect water service to any Consumer whose meter has been tampered with, to assess any charges necessary to repair District facilities, and pursuant to Section 13 to impose a penalty. The District will maintain, repair and replace all meters and appurtenances in connection therewith at its cost. All meters shall be set by employees or agents of the District.

After a meter has been set, the Consumer shall at all times keep the space occupied by the meter and the box free from rubbish or obstructions of any kind. The District reserves the right to remove, after request, and notice to remove has been sent, and at no cost to the District, all obstructions, including shrubbery, landscaping or other similar improvements located on a District or public easement which may interfere with the prudent operation, maintenance, and repair of the District's facilities. All consumers who do not remove obstructions after requested to do so by the District and after receipt of a notice to remove obstructions from the District shall be charged for the costs to the District thereof plus 50% for removal of such obstructions.

#### Section 27: Consumers Not Entitled to Specific Quantity or Pressure of Water.

Water consumers are not guaranteed a specific quantity or pressure of water for any purpose whatever, and it is understood that the District is only to furnish a connection with its water system and is in no case to be liable for failure or refusal to furnish water or any particular amount or water pressure.

#### Section 28: Consumers Not Entitled to Render Water, Sewer, Solid Waste Collection and Disposal and Recyclable Materials Collection Services of District.

Water, sewer, solid waste collection and disposal and recyclable materials collection consumers are not entitled to render in any way, directly or indirectly, with or without compensation, water, sewer, solid waste collection and disposal and recyclable materials collection services received from the District to any third party. Provision of services by a consumer to a third party shall be considered sufficient grounds for immediate termination of water service.

Section 29: Supersede Order.

To the extent this Order modifies any prior Orders and Resolutions of the Board concerning rules, regulations, fees and charges for water and sewer services, this Order modifies the prior and shall be effective when notice is published as required by law. To the extent this Order does not modify the prior Orders and Resolutions of the Board concerning rules, regulations, fees and charges for water and sewer services, they are hereby reaffirmed.

Section 30: Severability.

If any provision of this Order or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this Order are declared to be severable.

Section 31: Compliance with Open Meetings Act.

The Board officially finds, determines, and declares that this Order was adopted at a duly called regular meeting of the Board and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the District and on a bulletin board located at a place convenient to the public in the Montgomery County Courthouse for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter hereof has been discussed, considered, and acted upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

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

Passed and adopted, this July 21, 2010.

KERRY MASSON

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President

ATTEST:

ALBERT H. NEWTON

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Secretary

## APPENDIX A DEFINITIONS

- (1) "APARTMENTS" shall mean any building or structure containing an aggregation of three or more separate residential dwelling units.
- (2) "APPROVING AUTHORITY" means the Board of Directors or their duly authorized representative.
- (3) "B.O.D." (Biochemical Oxygen Demand) means the quantity of oxygen by weight, expressed in mg/l, utilized in the biochemical oxidation of organic matter under standard laboratory conditions for five (5) days at a temperature of twenty (20) degrees centigrade.
- (4) "BUILDING SEWER" means the extension from the building drain to the public sewer or other place of disposal (also called the house lateral and house connection).
- (5) "C.O.D." (Chemical Oxygen Demand) means measure of the oxygen consuming capacity of inorganic and organic matter present in the water or wastewater expressed in mg/l as the amount of oxygen consumed from a chemical oxidant in a specific test, but not differentiating between stable and unstable organic matter and thus not necessarily correlating with biochemical oxygen demand.
- (6) "COMMERCIAL CONNECTION" is any connection other than a "RESIDENTIAL CONNECTION" as defined below.
- (7) "CONTROL MANHOLE OR SAMPLING WELL" means a manhole giving access to a building sewer at some point before the building sewer discharge mixes with other discharges in the public sewer.
- (8) "CONTROL POINT" means point of access to a course of discharge before the discharge mixes with other discharges in the public sewer.
- (9) "DISTRICT" means Southern Montgomery County Municipal Utility District, Texas, or any authorized person acting in its behalf.
- (10) "DISTRICT OPERATOR" means the Water and Wastewater Operator of Southern Montgomery County Municipal Utility District, or a duly authorized deputy, agent or representative.
- (11) "ENGINEER" is the person, company or corporation which is under contract with the District to design the District's Water Supply System and Sanitary Sewer Collection System and performs any additional services as set forth in the contract with the District.

(12) "GARBAGE" means animal and vegetable wastes and residue from preparation, cooking and dispensing of food; and, from the handling, processing, storage and sale of food products and produce.

(13) "GARBAGE CONTRACTOR" shall mean the firm and its employees with which the District contracts and may contract for the solid waste collection and disposal and recyclable material collection program in the District.

(14) "HEALTH HAZARD" is a cross-connection, potential cross-connection, or any other situation involving any substance that can cause death, illness, spread of disease, or has a high possibility of causing such effects if introduced into the District's Water Supply System and includes all situations identified in 30 T.A.C. § 290.47(i), as amended.

(15) "HOUSE LINE" is any line from the District's Water Meter to a residential dwelling or commercial building. The House Line is owned and maintained by the property owner of the residential dwelling or commercial building.

(16) "INDUSTRIAL WASTE" means waste resulting from any process of industry, manufacturing, trade, or business from the development of any natural resource, or any mixture of the waste with water or normal wastewater, or distinct from normal domestic wastewater.

(17) "LIGHT COMMERCIAL" means a type of commercial connection which is a retail or light commercial type of business generating no more than one-half (1/2) cubic yard of solid waste per week.

(18) "MILLIGRAMS PER LITER" (mg/l) means the same as parts per million and is a weight-to-volume ratio; the milligrams-per-liter value multiplied by the factor 8.34 shall be equivalent to pounds per million gallons of water.

(19) "NATURAL OUTLET" means any outlet into a watercourse, ditch, lake or other body of surface water or groundwater.

(20) "NORMAL DOMESTIC WASTEWATER" means wastewater excluding Industrial Waste discharged by a person into sanitary sewers and in which the average concentration of total suspended solids is not more than 200 mg/l and B.O.D. is not more than 200 mg/l.

(21) "OPERATOR" is the person, company or corporation which is under contract with the District to operate the District's Water Supply System and Sanitary Sewer Collection System, reports monthly to the District on the operations of the District's Water Supply System and Sanitary Sewer Collection System and performs any additional services as set forth in the contract with the District.

(22) "OVERLOAD" means the imposition of organic or hydraulic loading on a treatment facility in excess of its engineered design capacity.

(23) "PERSON" means any individual and includes any corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership association, or other legal entity.

(24) "pH" means the logarithm (base 10) of the reciprocal of the hydrogen ion concentration.

(25) "PUBLIC SEWER" means pipe or conduit carrying wastewater in which owners of abutting properties shall have the use, subject to control by Southern Montgomery County Municipal Utility District.

(26) "RATE ORDER" shall mean the District's Rules and Regulations which may be amended from time to time.

(27) "RE-DEVELOPMENT" shall mean any modification (change) of use, addition, re-model, or demolition of any existing commercial property, or any residential property to be converted to commercial use and service.

(28) "RECYCLABLE MATERIAL" means any material recovered or diverted from the waste stream for purposes of reuse, recycling or reclamation, as further defined and limited in the District's contract with Garbage Contractor.

(29) "RESIDENTIAL CONNECTION" is a connection which serves a single family residence for ordinary domestic service.

(30) "SANITARY SEWER" means a public sewer that conveys wastewater, and into which storm water, surface water, groundwater, and other unpolluted waters are not intentionally passed.

(31) "SANITARY SEWER COLLECTION SYSTEM" constitutes the underground sanitary sewer lines owned or leased and operated by the District. This system is composed of all interconnecting laterals, mains, and trunk lines with manholes, clean-outs, stacks, tees, and wyes located within the publicly dedicated utility easements within the District. This system is maintained by the District.

(32) "SANITARY SEWER SERVICE LINE" is any line from a residential dwelling or commercial building which connects with the District's Sanitary Sewer Collection System, including any grease traps or other facilities constructed to prevent non-domestic waste from being introduced into the District's Sanitary Sewer Collection System. This service line is owned and maintained by the property owner of the residential dwelling or commercial building.

(33) "SEWER TAP" is the physical connection between the Sanitary Sewer Service Line and the District's Sanitary Sewer Collection System.

(34) "SEWER TAP INSPECTION" is the inspection performed by the District's Operator to assure that the proper materials and connections to the Sanitary Sewer Collection System have been accomplished in accordance with these Rules and Regulations.

(35) "SOLID WASTE" means garbage, rubbish, refuse, sludge and other discarded material, as further defined and limited in the District's contract with Garbage Contractor.

(36) "SLUG" means any discharge of water or wastewater which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four hour concentration or flows of the discharger during operation.

(37) "STANDARD METHODS" means the examination and analytical procedures set forth in the latest edition, at the time of analysis, of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved, and published jointly by the American Public Health Association, the American Water Works Association, and the Water Pollution Control Federation.

(38) "STORM SEWER" means a sewer which carries storm and surface waters and drainage and into which domestic wastewater or industrial wastes are not intentionally passed.

(39) "STORM WATER" means rainfall or any other forms of precipitation.

(40) "SUSPENDED SOLIDS" (SS) means solids measured in mg/l that either float on the surface of, or are in suspension in, water, wastewater, or other liquids, and which are largely removable by a laboratory filtration device.

(41) "TAP FEE" is the fee paid to the District to obtain a water meter for any service connection. The amount of the Tap Fee shall be established in the District's Rate Order and may be modified or changed at any time.

(42) "TO DISCHARGE" includes to deposit, conduct, drain, emit, throw, run, allow to seep, or otherwise release or dispose of, or to allow, permit, or suffer any of these acts or omissions.

(43) "TRAP" means a device designed to skim, settle, or otherwise remove grease, oil, sand, flammable wastes or other harmful substances.

(44) "UNACCEPTABLE PLUMBING PRACTICES" means those practices not accepted by or which are in violation of the Southern Standards Plumbing Code, the Uniform Plumbing Code or the National Standard Plumbing Code.

(45) "UNPOLLUTED WASTEWATER" means water containing no free or emulsified grease or oil; no acids or alkalis; no phenols or other substances producing taste or odor in receiving water; no toxic or poisonous substances in suspension, colloidal state, or solution; no noxious or otherwise obnoxious or odorous gases; not more than an insignificant amount in mg/l each of suspended solids and BOD, as determined by the Texas Department of Water Resources; and color not exceeding fifty (50) units as measured by the Platinum-Cobalt method of determination as specified in Standard Methods.

(46) "UTILITY EASEMENT" is an interest in land, granted by dedication, to the public utility entities, including the District, to install and maintain utilities across, over, or under private land together with the right to enter thereon with machinery, other vehicles and personnel necessary for the maintenance, repair or construction of said utilities.

(47) "WASTE" means rejected, unutilized or superfluous substances in liquid, gaseous, or solid form resulting from domestic, agricultural, or industrial activities.

(48) "WASTEWATER" means a combination of the water-carried waste from residences, business buildings, institutions, and industrial establishments, together with any ground, surface, and storm water that may be present.

(49) "WASTEWATER FACILITIES" includes all facilities for collection, pumping, treating, and disposing of wastewater.

(50) "WASTEWATER TREATMENT PLANT" means any District-owned facilities, devices, and structures used for receiving, processing and treating wastewater and sludges from the sanitary sewers.

(51) "WASTEWATER SERVICE CHARGE" means the charge on all users of the public sewer system whose wastes do not exceed in strength the concentration values established as representative of normal wastewater.

(52) "WATER SUPPLY SYSTEM" is composed of all water lines, valves, valve boxes, flushing valves, blowoff valves, water meters, water meter service lines, and meter boxes located within public rights-of-way or easements owned or leased and operated by the District. This system is maintained by the District.

(53) "WATER METER" is the recording device that registers the amounts of water consumed by each customer of the District. This meter is owned and maintained by the District.

(54) "WATER SERVICE LINE" is any line for a residential dwelling or commercial building, which connects to the District's Water Supply System to the Water Meter. This service line is owned and maintained by the District.

(55) "WATER TAP" is the physical connection of any Water Service Line to the District's Water Supply System, including the installation of the Water Meter. Such connection will be made only by the District's Operator.

(56) "WATERCOURSE" means a natural or man-made channel in which a flow of water occurs, either continuously or intermittently.

APPENDIX B  
PLUMBING CODE  
Effective as of October 21, 2009

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## APPENDIX B PLUMBING CODE

The following provisions shall govern the design, installation and inspection of all connections and taps made to the District's water and sewer system. Only those materials listed below are approved for use in the District. The City of Houston Building Code, as amended, shall govern on method of installation, pipe sizing, fixture count and all general requirements, insofar as it applies to water supply and sewage collection systems, and to the extent that it is not contradictory to this Order. **NOTE: THE DISTRICT'S CODE IS STRICTER THAN THE CITY OF HOUSTON CODE ON CERTAIN ITEMS SET FORTH BELOW AND THE DISTRICT'S CODE SHALL BE ENFORCED REGARDING THOSE ITEMS.**

### SECTION I: GENERAL REQUIREMENTS

#### SECTION 1.01. PLATTING REQUIREMENT.

No connection shall be made to the District's Water Supply System or Sanitary Sewer Collection System unless the tract, parcel, or lot of land to be served by such connection:

- A. was first connected to the District's Water Supply System or Sanitary Sewer Collection System prior to September 1, 1987, or
- B. is part of an area covered by a development plat duly approved and recorded pursuant to Sections 212.0115 and 212.012 of the Texas Local Government Code, as amended, or
- C. is not required to be platted and written certification to that effect, in accordance with Texas Local Gov't. Code Section 212.0115(e) has been presented to the District's Operator.

#### SECTION 1.02. APPROVAL OF PLANS AND SPECIFICATIONS.

Prior to any connection to the District's Water Supply System or Sanitary Sewer Collection System, the plans and specifications for the Sanitary Sewer Service Line and the Water Service Line must be submitted to the Utility Systems Manager for review and approval.

#### SECTION 1.03. DIAMETER OF SERVICE LINES.

- A. Residential service lines shall be sized according to City of Houston Building Code and in no case shall be smaller than 3/4 inch for water or 4 inch for sanitary sewer.

- B. Commercial service lines shall be sized according to City of Houston Building Code and in no case shall be smaller than 1 inch for water and 4 inch for sanitary sewer.

SECTION 1.04. SOLVENT.

Solvent for ABS shall be ASTM Designation D-2235. Solvent for PVC shall be ASTM Designation D-2564. Industrial Polychemical Solvent 793 shall be used for joining PVC to ABS.

SECTION II: SEWER CONNECTION REQUIREMENTS

SECTION 2.01. BUILDING SERVICE LINES.

- A. Waste pipe material shall be of the following material only:
  - 1. Schedule 40 ABS Plastic CS 270 NSF-DWV, ASTM Designation D-2661.
  - 2. Schedule 40 PVC Plastic CS-272 NSF-DWV, ASTM Designation D-2665.
  - 3. For temperatures in excess of one hundred (100) degrees Fahrenheit, Schedule 40 CPVC Plastic, ASTM Designation D-3034 MUST BE USED.
  - 4. Ductile Iron Hub Type Soil pipe Extra Heavy Service weight, ASTM A-74, with Rubber Ring and Gasket or Lead and Oakum joint. "No-Hub" pipe is not permitted below grade.
  - 5. Ductile iron pipe (push on joint) conforming to ANSI A21.51.

SECTION 2.02. GRADE (WASTE LINES).

- A. Minimum grade for four-inch sewer pipe shall be one percent (1%) (one foot drop/hundred feet run), with a maximum grade of 4.25 percent (4.25 foot drop/hundred feet run).
- B. Minimum grade for six-inch sewer pipe shall be 0.7 percent (8.5 inch drop/hundred feet run), with a maximum grade of 2.5 percent (30 inch drop/hundred feet run).

SECTION 2.03. ROAD CROSSING REQUIREMENTS.

- A. Road crossings shall be made in accordance to COH and Montgomery County standards. All governmental permits must be obtained prior to start of construction.
- B. Road bores without casing must be constructed of ductile iron pipe [see 2.01A.4.] or plastic pipe with equal strength of ductile iron pipe (C900, Blue Brute or Vynle Iron).
- C. Road bores with casing must have casing constructed of steel pipe of a minimum of 0.25" sidewall thickness.
- D. Manhole/sampling well may be required on commercial installations per District Engineer review.

SECTION 2.04. REQUIREMENTS FOR MANHOLE INSTALLATION.

- A. Type of manhole:
  - Pre-cast concrete manhole with City of Houston specified ring and lid set to grade in utility easement.
  - Poured in place manhole with City of Houston specified ring and lid set to grade in utility easement.
- B. Location shall be in public utility easement.
- C. Drop manhole: If there is more than two feet difference between the invert of the manhole and the incoming wastewater line, then a drop line shall be installed into the manhole according to City of Houston specifications.
- D. Installation: The Owner or Developer shall be responsible for the installation of the manhole and/or stub out service line.

SECTION 2.05. CONNECTION OF BUILDING STUB-OUTS TO SERVICE LINES.

- A. Building tie-on connections: Building tie-on connections shall be made directly to the stub at the foundation on all waste outlets.
- B. Type of waste connections: Watertight adaptor shall be used at house connections. All other connections shall be solvent weld.
- C. Drain rim: No drain rim shall be installed less than one foot above the top of the nearest manhole.

SECTION 2.06. FITTINGS AND CLEANOUTS.

- A. Bends or turns: No bends or turns at any point shall be greater than 45 degrees.
- B. Installation requirements: Each horizontal drainage pipe shall be provided with a cleanout at its upper terminal; and each such run of piping which is more than 90 feet in length shall be provided with a cleanout for each 90 feet or fraction thereof, in the length of such piping.
- C. Installation: Each cleanout shall be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of two "wye" branch and end-of-line cleanouts, cleanouts shall be installed vertically above the flow line of the pipe.
- D. Air tight plug: Cleanout should be made with air tight mechanical plug.

SECTION 2.07. UNDER SLAB PLUMBING.

Under slab pipe and fittings shall be Cast Iron or Schedule 40 PVC.

SECTION 2.08. COMPLIANCE WITH EXISTING AUTHORITY.

- A. Exceptions: Unless exception is granted by the Approving Authority, the public sanitary sewer system shall be used by all persons discharging wastewater.
- B. Waste discharge: Unless authorized by the Texas Commission on Environmental Quality, no person may deposit or discharge any waste included in subsection "A" of this section on public or private property or into or adjacent to any:
  - 1. natural outlet;
  - 2. watercourse;
  - 3. storm sewer;
  - 4. other area within the jurisdiction of the District.
- C. Suitable treatment: The Approving Authority shall verify prior to discharge that wastes authorized to be discharged will receive suitable treatment within the provisions of laws, regulations, ordinances, rules and orders of federal, state and local governments.

SECTION 2.09. APPROVING AUTHORITY REQUIREMENTS.

- A. Discharges: If discharges or proposed discharges to public sewers may:

1. deleteriously affect wastewater facilities, processes, equipment, or receiving waters;
2. create a hazard to life or health; or
3. create a public nuisance;

the Approving Authority shall require a) the discontinuation of the discharges by voluntary action of the discharger or termination of service by the District; or b) pretreatment to an acceptable condition for discharge to the public sewers, control over the quantities and rates of discharge, and payment to cover the cost of handling and treating the wastes.

- B. Determination: The Approving Authority is entitled to determine whether a discharge or proposed discharge is included under subsection "A" of this section.
- C. Waste rejection: The Approving Authority shall reject wastes when it determines that a discharge or proposed discharge cannot be pretreated.

#### SECTION 2.10. APPROVING AUTHORITY REVIEW AND APPROVAL.

- A. Pretreatment or control: If pretreatment or control is required, the Approving Authority shall review and approve design and installation of equipment and processes. A fee will be charged to cover the cost of said review.
- B. Equipment and processes: The design and installation of equipment and processes must conform to all applicable statutes, codes, ordinances and other laws.
- C. Responsibility for pretreatment: Any person responsible for discharges requiring pretreatment, flow equalizing, or other facilities shall provide and maintain the facilities in effective operating condition at his own expense.

#### SECTION 2.11. REQUIREMENTS FOR TRAPS.

- A. Discharges requiring a trap include:
  1. grease or waste containing grease in amounts that will impede or stop the flow in the public sewers;
  2. oil;
  3. sand;
  4. flammable wastes; and,
  5. other harmful ingredients.

- B. Responsibility: Any person responsible for discharges requiring a trap shall at his own expense and as required by the Approving Authority:
1. provide equipment and facilities of a type and capacity approved by the Approving Authority;
  2. locate the trap in a manner that provides ready and easy accessibility for cleaning and inspection;
  3. maintain the trap in effective operating condition acceptable to the Approving Authority to protect overall Sanitary Sewer Collection System and Wastewater Facilities operation; and,
  4. provide the District with a copy of an ongoing contract with a licensed hauler for regular, routine pumping and disposal of the required trap prior to receiving service from the District and a copy of the canceled checks evidencing payment for such regular pumping and disposal shall be provided to the operator of the District's facilities on a regular basis.

#### SECTION 2.12. REQUIREMENTS FOR CONTROL MANHOLE/SAMPLING WELL.

Responsibility: Any person responsible for discharges through a building sewer carrying Industrial Wastes shall, at his own expense and as required by the Approving Authority:

1. install an accessible control manhole;
2. install meters and other appurtenances to facilitate observation sampling and measurement of the waste;
3. install safety equipment and facilities (ventilation, steps...) where needed; and,
4. maintain the equipment and facilities.

#### SECTION 2.13. SAMPLING AND TESTING.

- A. Sampling method: Sampling shall be conducted according to customarily accepted methods, reflecting the effect of constituents upon the sewage works and determining the existence of hazards to health, life, limb, and property.

(NOTE: The particular analysis involved will determine whether a twenty-four (24) hour composite sample from all outfalls of a premises is appropriate or whether a grab sample or samples should be taken. Normally, but not always, BOD and suspended solids analyses are obtained from 24-hour composites of all outfalls. Where applicable, 16-hour, 8-hour or some other period may be required. Periodic grab samples are used to determine Ph and oil and grease.)

- B. Examination and analyses of the characteristics of waters and wastes required by the ordinance shall be:
  - 1. conducted in accordance with the latest edition of "Standard Methods;" and,
  - 2. determined from suitable samples taken at the control manhole provided or other control point authorized by the Approving Authority.
- C. BOD and suspended solids shall be determined from composite sampling, except to detect unauthorized discharges.
- D. Wastewater of greater than normal strength: The Approving Authority shall determine which users or classes of users may contribute wastewater which is of greater strength than normal domestic wastewater. All users or classes of users so identified shall be sampled for flow BOD, SS and Ph at least annually.
- E. Flow determination: District may select an independent firm or laboratory to determine flow, BOD, and suspended solids, if necessary. Flow may alternately be determined by water meter measurements if no other flow device is available and no other source of raw water is used.

SECTION 2.14. PROHIBITED DISCHARGES.

- A. Discharges: No person may discharge to public sewers any waste which by itself or by interaction with other wastes may:
  - 1. injure or interfere with wastewater treatment processes or facilities;
  - 2. constitute a hazard to humans or animals; or,
  - 3. create a hazard in receiving waters of the wastewater treatment plant effluent.
- B. Industrial waste: No industrial waste will be discharged into the District's system.

SECTION 2.15. CHEMICAL DISCHARGES.

- A. Sewers: No Discharge to Public Sewers may contain:
  - 1. cyanide greater than .01 mg/l;
  - 2. fluoride other than that contained in the public water supply;
  - 3. chlorides in concentrations greater than 250 mg/l;

4. gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas; or,
  5. substances causing an excessive Chemical Oxygen Demand (C.O.D.).
- B. Waters: No Waste or Wastewater Discharged to public waters may contain:
1. strong acid, iron pickling wastes, or concentrated plating solutions whether neutralized or not;
  2. fats, wax, grease, or oils, whether emulsified or not in excess of one hundred (100) mg/l or containing substances which may solidify or become viscous at temperature between thirty-two (32) and one hundred fifty (150) degrees Fahrenheit (0 and 65 degrees Centigrade);
  3. objectionable or toxic substances, exerting an excessive chlorine requirement, to such degree that any such material received in the composite wastewater treatment works exceeds the limits established by the Approving Authority for such materials; or,
  4. obnoxious, toxic or poisonous solids, liquids, or gases in quantities sufficient to violate the provisions of Section 2.15A.
- C. Substance content: No Waste, Wastewater, or other substance may be discharged into public sewers which has a Ph lower than 6.0 or higher than 9.0 or any other corrosive property capable of causing damage or hazard to structures, equipment, and/or personnel at the Wastewater Facilities.
- D. Concentration limits: All Waste, Wastewater, or other substance containing phenols, hydrogen sulfide, or other taste-and-odor producing substances, shall conform to concentration limits established by the Approving Authority. After treatment of the composite wastewater, concentration limits may not exceed the requirements established by state, federal, or other agencies with jurisdiction over discharges to receiving waters.

#### SECTION 2.16. HAZARDOUS METALS AND TOXIC MATERIALS.

- A. Concentrations: No discharges may contain concentrations of hazardous metals other than amounts specified in subsection "B" of this section.
- B. Allowable concentrations: The allowable concentrations of hazardous metals, in terms of milligrams per liter (mg/l), for discharge to inland waters, and determined on the basis of individual sampling in accordance with "Standard Methods" are:

Not to Exceed

| Metal        | Average | Daily Composite | Grab Sample |
|--------------|---------|-----------------|-------------|
| 1. Arsenic   | 0.1     | 0.2             | 0.3         |
| 2. Barium    | 1.0     | 2.0             | 4.0         |
| 3. Cadmium   | 0.05    | 0.1             | 0.2         |
| 4. Chromium  | 0.5     | 1.0             | 5.0         |
| 5. Copper    | 0.5     | 1.0             | 2.0         |
| 6. Lead      | 0.5     | 1.0             | 1.5         |
| 7. Manganese | 1.0     | 2.0             | 3.0         |
| 8. Mercury   | 0.005   | 0.005           | 0.01        |
| 9. Nickel    | 1.0     | 2.0             | 3.0         |
| 10. Selenium | 0.05    | 0.1             | 0.2         |
| 11. Silver   | 0.05    | 0.1             | 0.2         |
| 12. Zinc     | 1.0     | 2.0             | 6.0         |

The allowable concentrations of each of the hazardous metals stated in terms of milligrams per liter (mg/l).

- C. Other: No other hazardous metals or toxic materials may be discharged into public sewers without a permit from the Approving Authority specifying conditions of pretreatment, concentrations, volumes, and other applicable provisions.
  
- D. Prohibited hazardous materials include but are not limited to:
  - 1. Antimony,
  - 2. Beryllium,
  - 3. Bismuth,
  - 4. Cobalt,
  - 5. Molybdenum,
  - 6. Uranylion,
  - 7. Rhenium,
  - 8. Strontium,
  - 9. Tellerium,
  - 10. Herbicides,
  - 11. Fungicides, and
  - 12. Pesticides.

SECTION 2.17. PARTICULATE SIZE.

- A. Particle size: No Person may Discharge garbage or other solids into Public Sewers unless it is shredded to a degree that all particles can be carried freely under the flow conditions normally prevailing in public sewers. Particles greater than one-half (1/2) inch in any dimensions are prohibited.

- B. Garbage grinders: The Approving Authority is entitled to review and approve the installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower (0.76 hp metric) or greater.

SECTION 2.18. STORM WATER AND OTHER UNPOLLUTED DRAINAGE.

- A. Sewers: No Person may discharge to Sanitary Sewers:
  - 1. unpolluted storm water, surface water, groundwater, swimming pools, roof runoff or subsurface drainage;
  - 2. unpolluted cooling water;
  - 3. unpolluted industrial process waters; or,
  - 4. other unpolluted drainage, or make new connections from inflow sources.
- B. The Approving Authority may designate storm sewers and other watercourses into which unpolluted drainage described in subsection "A" of this section may be discharged.

SECTION 2.19. TEMPERATURE.

No person may discharge liquid or vapor having a temperature higher than one hundred fifty (150) degrees Fahrenheit (65 degrees Centigrade), or any substance which causes the temperature of the total Wastewater Treatment Plant influent to increase at a rate of ten (10) degrees Fahrenheit or more per hour, or a combined total increase of plant influent to one hundred ten (110) degrees Fahrenheit.

SECTION 2.20. RADIOACTIVE WASTES.

- A. Radioactive wastes/isotopes: No Person may Discharge radioactive wastes or isotopes into Public Sewers without the permission of the Approving Authority.
- B. Regulations: The Approving Authority may establish, in compliance with applicable state and federal regulation, regulations for discharge of radioactive wastes into public sewers.

SECTION 2.21. IMPAIRMENT OF FACILITIES.

- A. Discharge: No person may discharge into public sewers any substance capable of causing:
  - 1. obstruction to the flow in sewers;

2. interference with the operation of Wastewater Treatment Plant processes, Sanitary Sewer Collection System or Wastewater Facilities; or,
  3. excessive loading of treatment facilities.
- B. Prohibited discharges: Discharge prohibited by this Section include, but are not limited to, materials which exert or cause concentrations of:
1. inert suspended solids greater than 250 mg/l including but not limited to:  
Fuller's earth;  
lime slurries; and,  
lime residues;
  2. dissolved solids greater than 750 mg/l including but not limited to:  
sodium chloride; and,  
sodium sulfate;
  3. excessive discoloration including but not limited to:  
dye wastes; and vegetable tanning solutions; or,
  4. BOD, COD, or chlorine demand in excess of normal Wastewater Treatment Plant capacity.
- C. Discharges to public sewers: No Person may Discharge into Public Sewers any substance that may:
1. deposit grease or oil in the sewer lines in such a manner as to clog the sewers;
  2. overload skimming and grease handling equipment;
  3. pass to the receiving waters without being effectively treated by normal Wastewater treatment processes due to the nonamenability of the substance to bacterial action; or,
  4. deleteriously affect the treatment process due to excessive quantities.
- D. Unpermitted discharges: A Person may not discharge any substance into Public Sewers which:
1. is not amenable to treatment or reduction by the processes and facilities employed; or,

2. is amenable to treatment only to such a degree that the treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.
- E. Regulation: The Approving Authority shall regulate the flow and concentration of Slugs when they may:
1. impair the Wastewater Treatment Plant process;
  2. cause damage to Wastewater Collection Facilities or the Sanitary Sewer Collection System;
  3. incur treatment costs exceeding those for normal wastewater; or,
  4. render the effluent unfit for stream disposal or industrial use.
- F. Solids or viscous substances: No person may discharge into public sewers solid or viscous substances which may violate subsection "A" of this section if present in sufficient quantity or size including but not limited to:
1. ashes;
  2. cinders;
  3. sand;
  4. mud;
  5. straw;
  6. shavings;
  7. metal;
  8. glass;
  9. rags;
  10. feathers;
  11. tar;
  12. plastics;
  13. wood;
  14. unground garbage;
  15. whole blood;
  16. paunch manure;
  17. hair and fleshings;
  18. entrails;
  19. paper products, either whole or ground by garbage grinders;
  20. slops;
  21. chemical residues;
  22. paint residues; or,
  23. bulk solids.

## SECTION III: WATER CONNECTION REQUIREMENTS

### SECTION 3.01. WATER TAP MATERIALS.

Only the following types of pipe and fitting materials shall be approved for the installation of Water Taps, including residential Water Taps and commercial Water Taps:

1. Any meter approved by the City of Houston;
2. Brass curb stops, corp stops, and related fittings manufactured by Ford, Hays or Muller;
3. Polyethylene water service pipe, 3/4" to 2";
4. Cast iron or vinyl iron (C-900) water service pipe, larger than 2";
5. Water main pipe of the type originally installed;
6. Plastic meter box up to 2" meter;
7. Concrete meter box, where traffic use is specified; and
8. Concrete meter vault per City of Houston specifications for 3" and larger meter.

### SECTION 3.02. PLUMBING MATERIALS PROHIBITIONS.

- A. Prohibited Materials. The use of the following materials are prohibited for the installation and repair of the District's Water Supply System; and for the installation and repair of any private plumbing facilities:
1. any pipe or pipe fitting which contains more than 8.0% lead; and
  2. any solder or flux which contains more than 0.2% lead.

This prohibition may be waived for lead joints that are necessary for repairs to cast iron pipe.

- B. Certificate of Compliance. Except for temporary service for construction purposes, no new connections to the District's Water Supply System shall be made unless a state licensed plumber first submits in writing to the District a Certificate of Compliance, as set forth in Exhibit "1" attached hereto, specifying that the new connection complies with the plumbing materials prohibition contained in Section 3.02(A) hereof. The Certificate of Compliance shall be signed by the licensed plumber and submitted to the District after the plumbing is installed. Permanent service will not commence until the Certificate of

Compliance is provided. Temporary service will be terminated if the Certificate of Compliance is not provided in a timely fashion.

### SECTION 3.03. INSTALLATION.

1. Prior to the installation of a Water Tap, a customer must make proper application with the District; must pay to the District all Tap Fees, inspection fees and deposits, as described in the District's Rate Order, and must obtain approval of the Utility Systems Manager of the design of the Water Service Lines and Sanitary Sewer Service Lines.
2. All Water Taps to the District's Water Supply System shall be installed only by the District's Operator.
3. The District's operator shall install Water Taps and set Meters at a location on adjoining property lines, whenever possible, with the Meter box being located in the easement adjacent to the property line and with two Meters per box, where necessary.
4. The District's Operator shall be responsible for all repairs to Water Taps.
5. After installation of the Water Tap, connection of the House Line shall be made at the expense of the customer. (Note: This line shall be tested for leaks since all water recorded through the meter will be charged to the customer.)
6. After connection to the District's Water Supply System, the Water Service Line and the House Line should be thoroughly flushed as to prevent foreign matter from entering the household system.

### SECTION 3.04. CUSTOMER SERVICE INSPECTION CERTIFICATIONS.

- A. A Customer Service Inspection Certification, as described in Exhibit "2" attached hereto, shall be completed prior to providing continuous water service to any new construction, on any existing service where the District has reason to believe that cross-connections or other unacceptable plumbing practices exist, and after any material improvement, correction, or addition to private plumbing facilities. Prior to the District initiating service, a customer shall provide a Customer Service Inspection Certification to the District. Copies of properly completed Customer Service Inspection Certifications shall be kept on file by the District and made available, upon request, for Texas Commission on Environmental Quality ("TCEQ") review. Inspection Certifications shall be retained for a minimum of ten (10) years. Failure to provide a Customer Service Inspection Certification in accordance with this Section 3.04 shall constitute a violation of these Rules and Regulations .

- B. Individuals with the following credentials shall be recognized as capable of conducting a Customer Service Inspection Certification:
1. Plumbing Inspectors and Water Supply Protection Specialists licensed by the Texas State Board of Plumbing Examiners; and,
  2. Customer Service Inspectors who have completed a commission approved course, passed an examination administered by the TCEQ or its designated agent, and hold a current professional certification or an endorsement as a Customer Service Inspector.
- C. Private plumbing facilities in violation of Section III hereof, shall constitute an Unacceptable Plumbing Practice and violation of these Rules and Regulations. If an Unacceptable Plumbing Practice is discovered, the customer shall promptly eliminate the Unacceptable Plumbing Practice to prevent possible contamination of the District's Water Supply System. The existence of a serious threat to the integrity of the District's Water Supply System shall be considered sufficient grounds for immediate termination of water service. Service can be restored only when the source of potential contamination no longer exists, or until sufficient additional safeguards have been taken.
- D. The following Unacceptable Plumbing Practices are prohibited by state regulations and the District:
1. No direct connection between the District's Water Supply System and a potential source of contamination is permitted. Potential sources of contamination are isolated from the District's Water Supply 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 regulations.
  2. No cross-connection between the District's Water Supply System and a private water source is permitted. Where an actual air gap is not maintained between the District's Water Supply System 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 recognized backflow prevention assembly tester.
  3. No connection which would allow the return of water used for condensing, cooling or industrial processes back to the District's Water Supply System is permitted.

4. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
5. No solder or flux which contains more than 0.2% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
6. No plumbing fixture is installed which is not in compliance with a state-approved plumbing code.

#### SECTION 3.05. PROHIBITED CONNECTIONS.

- A. No water connection from the District's Water Supply System shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. Where a containment air gap is impractical, individual "internal" air gaps or mechanical backflow prevention devices shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health.
- B. No water connection from the District's Water Supply System shall be made to any condensing, cooling, or industrial process or any other system of non-potable usage over which the District does not have sanitary control, unless the said connection is made in accordance with the requirements of paragraph (A) of this section. Water from such systems cannot be returned to the District's Water Supply System.
- C. Overhead bulk water dispensing stations must be provided with an air gap between the filling outlet hose and the receiving tank to protect against back siphonage and cross-contamination.

#### SECTION 3.06. BACKFLOW PREVENTION ASSEMBLIES.

- A. Backflow prevention assemblies shall be installed on any connection which poses a Health Hazard and any other connection which the District or the District's Operator reasonably believe poses a threat to the District's Water Supply System. Water service provided for lawn sprinklers, swimming pool supply, reflection pool supply, or other such applications must incorporate a backflow prevention assembly approved by the District's Operator for the particular designated use. No permanent water service will be provided or continued to any connection in the District which requires a backflow prevention assembly, unless the customer provides the District with a Backflow Prevention Assembly Test and Maintenance Report (the "Test Report"), as described in Exhibit "3" attached hereto.

- B. Effective January 1, 1996, all backflow prevention assemblies shall be tested upon installation by a Recognized Backflow Prevention Assembly Tester and certified to be operating within specifications. The Test Report, as described in Exhibit "3" attached hereto, and any maintenance reports submitted to the District shall be retained for a minimum of three (3) years. The District shall provide these records to the TCEQ for inspection upon request. Backflow prevention assemblies which are installed to provide protection against Health Hazards must also be tested and certified to be operating within specifications at least annually by a Recognized Backflow Prevention Device Tester.
- C. Recognized Backflow Prevention Device Testers shall have completed a TCEQ approved course on cross-connection control and backflow prevention and pass an examination administered by the TCEQ or its designated agent. The accredited tester classification shall be broken down into two categories:
1. The "General Tester" is qualified to test and repair backflow prevention assemblies on any domestic, commercial, industrial or irrigation service.
  2. The "Fireline Tester" is qualified to test and repair backflow prevention assemblies on firelines only. The State Fire Marshall's office requires that a person performing maintenance on firelines must be employed by an Approved Fireline Contractor.
- D. Individuals that can show proof of completion of a course and passage of an exam based on the ABPA or ASSE National exam, prior to the effective date of these regulations, may be recognized as accredited for the term of their current certification (not to exceed three (3) years).
- E. Gauges used in the testing of backflow prevention assemblies shall be tested for accuracy annually in accordance with the University of Southern California's Foundation of Cross-Connection Control and Hydraulic Research and/or the American Water Works Association Manual of Cross-Connection Control (Manual M-14). Test gauge serial numbers must be included on the Test Report and Recognized Backflow Prevention Device Testers shall have gauges tested for accuracy.
- F. A Test Report must be completed by the Recognized Backflow Prevention Assembly Tester for each assembly tested. The signed and dated original must be submitted to the District for record keeping purposes.
- G. Repairs to backflow prevention assemblies shall be performed by authorized individuals as recognized by the Texas State Board of Plumbing Examiners, the TCEQ, Texas Irrigators Advisory Council, or the Texas Commission on Fire Protection-State Fire Marshall's Office, depending upon application and use.

- H. The use of a backflow prevention device at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes.

SECTION 3.07. CUSTOMER SERVICE AGREEMENTS.

- A. The District is responsible for protecting its Water Supply System from contamination or pollution which can result from improper plumbing practices. To this end, the District has adopted plumbing restrictions to provide protection to the District's Water Supply System. To notify customers of plumbing restrictions which are in place, each customer shall be required to sign a Customer Service Agreement, as described in Exhibit "4" attached hereto, before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not reestablish service unless it has a signed copy of a Customer Service Agreement.

The District will maintain a copy of the Customer Service Agreement as long as the customer and/or premises is connected to the District.

- B. The 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. Inspections shall be conducted during the District's normal business hours.
- C. The District shall notify the customer in writing of any cross-connection or other unacceptable plumbing practices which have been identified during the initial inspection or the periodic reinspection.
- D. The customer shall immediately correct any undesirable plumbing practice on his/her premises.
- E. The customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.
- F. If a customer fails to comply with the terms of the Customer Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of the Customer Service Agreement shall be billed to the customer.

EXHIBIT 1 TO APPENDIX B

**CERTIFICATE OF COMPLIANCE  
WITH  
PROHIBITION ON USE OF SPECIFIED MATERIALS IN CONNECTIONS TO  
MUNICIPAL UTILITY DISTRICT WATER SYSTEM**

I, \_\_\_\_\_ (Name of Plumber), a duly licensed plumber in the State of Texas, hereby certify that the connection(s) referenced immediately below at \_\_\_\_\_ (Address) (the "connection") complies in full with the "Prohibition of Use of Specified Materials" provision contained in the Amended and Restated Rules and Regulations for **SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT**. Specifically, each and every pipe and pipe fitting used for the new construction contains less than 8.0% lead. Further, any and all solder or flux used in the improvement contains less than 0.2% lead. These determinations have been made under my direction and supervision. I am aware that there are significant penalties for false certification, including the possibility of fine.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Company Name \_\_\_\_\_

Texas License No. \_\_\_\_\_

Date \_\_\_\_\_



EXHIBIT 3 TO APPENDIX 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 record keeping purposes:

Name of District: **SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT**  
 PWS I.D. #: 1700073      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

Reduced Pressure Principle  
 Double Check Valve  
 Pressure Vacuum Breaker

Reduced Pressure Principle-Detector  
 Double Check-Detector  
 Spill-Resistant Pressure Vacuum Breaker

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

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

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

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

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

Firm Name \_\_\_\_\_ Certified Tester \_\_\_\_\_  
 Firm Address \_\_\_\_\_ Cert. Tester No. \_\_\_\_\_  
 Date \_\_\_\_\_ Firm Phone # \_\_\_\_\_

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

EXHIBIT 4 TO APPENDIX B  
**SOUTHERN MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT SERVICE AGREEMENT**

I. **PURPOSE.** The Water 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 Water District enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the Water District will begin service. After January 1, 1996, when service to an existing connection has been suspended or terminated, the Water District will not reestablish 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 reduced pressure-zone backflow prevention device.

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

D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

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

III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the Water District and the Customer.

A. The water system will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.

B. The Customer shall allow his property to be inspected for possible cross-connections, potential contamination hazards and other unacceptable plumbing practices. These inspections shall be conducted by the Water District or its designed agent prior to initiating new water service; when there is reason to believe that cross-connections, potential contamination hazards or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the Water District office's normal business hours.

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

D. The customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards or unacceptable plumbing practice on his premises.

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

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

The District has adopted rules and policies protecting the drinking water supply and prohibiting tampering with, removing, adjusting or interfering with a meter, meter box or other component part of the water furnishing system. Violation of the District's rules and policies applicable to the water furnishing system is punishable by fines or other penalties up to \$5,000.00, plus the District's attorney's fees and other costs, and such violation shall, at the District's option, result in termination of District utility service.

CUSTOMER SIGNATURE \_\_\_\_\_

CUSTOMER NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

DATE \_\_\_\_\_

ACCT. NO. \_\_\_\_\_

APPENDIX C  
DEPOSITS, CHARGES, FEES, AND RENTALS  
Effective as of October 21, 2009

Section 3: System Extensions.

Financial guaranty during one-year period after certificate of completion: \$2,500 or 5 percent of project construction costs, whichever is greater.

Section 4: Re-development—Additions, Re-modeling and Demolitions

Demolition inspection fee: \$150.00

Section 6: Connector Review Fee.

A. Commercial Connector Review Fee shown is minimum amount due with filing of the service application with the District.

|                  |                 |
|------------------|-----------------|
| 0 to 1 Acre      | \$ 400.00       |
| 1+ to 5 Acres    | \$ 800.00       |
| 5+ to 10 Acres   | \$1,500.00      |
| 10+ to 50 Acres  | \$2,500.00      |
| 50+ to 500 Acres | District's cost |

B. Fire Protection System Review Fee: \$200.00

Section 8: Petitions for Annexation.

Feasibility study and annexation fee: Feasibility studies and annexations are charged at cost to District. A deposit must be paid when feasibility study is requested. If the annexation is approved, an additional deposit equal to estimated legal and engineering fees must be paid before work will commence.

Section 9: Water and Sewer Tap Fees.

**SINGLE FAMILY RESIDENTIAL TAP FEES**

WATER: \$900.00

SEWER: \$100.00 plus inspection fee (see Section 11 of the Rate Order for sewer inspection fee schedule)

**COMMERCIAL TAP FEES**

Actual and reasonable costs to the District for construction and installation of the tap or connection to the District's water and sanitary sewer facilities, including all necessary service lines and meters plus 150% (see Section 11 for inspection schedule).

Section 9: Impact Fees.

Impact Fee I

WATER: \$179.27 per single family equivalent connection

SEWER: \$432.70 per single family equivalent connection

Impact Fee II

\$3,950 per equivalent single family connection (ESFC), with \$1,800 per ESFC payable at the time of annexation (the Infrastructure system Fee), and the balance of \$2,150 per ESFC due at the time the property is platted (the Central Capacity Fee). The District reserves the right to amend Impact Fee II between the time property is annexed and the time it is platted, and the fee due at the time of the platting will be the fee then in effect if it is different from the fee at the time of the annexation.

Section 11: Residential and Commercial Sewer Inspection Fees and Procedures.

A Fifty Dollar (\$50.00) residential sewer inspection fee (for one inspection trip) and a One Hundred Fifty Dollar (\$150.00) commercial sewer inspection fee (for two inspection trips) shall be required, payable with the water and sewer tap fee. If additional inspections are required, a re-inspection fee of \$50 per trip for residential and \$100 per trip for commercial shall be required. Expansions of exterior service lines after the original inspections are completed require an additional permit and inspection. Each re-inspection requires an additional re-inspection fee.

Pre-Construction Inspection and Post-Construction Inspection: A fee of \$50.00 is required for each exterior inspection and re-inspection, payable in advance.

INSPECTION/DAMAGE DEPOSIT: A deposit, as determined by the District Operator, (with a \$1,000 minimum for the builder of a single home and \$2,500 minimum for a builder of multiple homes or a commercial development) shall be made at the time a request for service is made. Return of this deposit shall be made 90 days after receipt by the District Manager of the Engineer's "Certificate of Completion" of the project.

Repair costs for damage done to District facilities: cost plus 10%

Section 12: Temporary Water Service.

Installation fee: \$75.00

Deposit: \$1,200.00

The charge for temporary water service shall be the commercial water rate.

Section 15: Grease Trap Inspections.

For an initial inspection, there will be no charge. For each re-inspection after failure of an initial inspection or after failure of a previous re-inspection, there will be a charge of \$150.00.

Section 17: Deposits.

SERVICE DEPOSIT: A deposit shall be required of each single-family home, irrigation meter, commercial business or apartment complex connected to the District's system as follows:

Residential Connection/Single Family Homes except those in the City of Oak Ridge North and Oak Ridge Forest subdivision: \$175.00 for owner-occupied residential connections and \$225 for non-owner-occupied residential connections. Any resident relocating within the District or any resident not paying their bill before the third notice period has expired will have their deposit increased to a total of One

Hundred Dollars (\$175.00) minimum for owner-occupied or Two Hundred Twenty-Five Dollars (\$225) for non-owner-occupied for the first delinquent payment and an additional Twenty-Five Dollars (\$25.00) for each delinquent payment thereafter up to a maximum of Three Hundred Dollars (\$300.00).

Residential Connection/Single Family Homes within the City of Oak Ridge North and Oak Ridge Forest subdivision: \$100.00 for owner-occupied residential connections and \$150 for non-owner-occupied residential connections. Any resident relocating within the District or any resident not paying their bill before the third notice period has expired will have their deposit increased to a total of One Hundred Dollars (\$100.00) minimum for owner-occupied or One Hundred Fifty Dollars (\$150) for non-owner-occupied for the first delinquent payment and an additional Twenty-Five Dollars (\$25.00) for each delinquent payment thereafter up to a maximum of Two Hundred Dollars (\$200.00).

Light Commercial: \$175.00 Any light commercial business relocating within the District or not paying their bill before the third notice period has expired will have their deposit increased to a total of One Hundred Dollars (\$175.00) minimum for the first delinquent payment and an additional Twenty-Five Dollars (\$25.00) for each delinquent payment thereafter up to a maximum of Three Hundred Dollars (\$300.00).

Commercial/Apartments: Twice the estimated average bi-monthly water and sewer bill or \$110.00 minimum.

Irrigation: \$110.00

All District deposits shall be non-interest bearing deposits as authorized by Section 49.212 Texas Water Code.

#### Section 18: Water and Sewer Rates

Penalty charge: 10 percent.

Notice Fee: \$5.00.

#### A. WATER RATES

Water charges are based on a metered rate, billed once every two months. Meters will be read once every two months, and the charge for water service for the two month period shall be as set forth below:

##### 1. For users located within the boundaries of the District:

###### Single Family Residential:

First 20,000 gallons \$30.00 (minimum)  
20,000 to 40,000 \$1.50 per 1,000 gallons  
40,000 to 60,000 \$3.00 per 1,000 gallons  
Over 60,000 gallons \$5.00 per 1,000 gallons

###### Senior Citizen Individually Metered Residential:

First 20,000 gallons \$12.56 (minimum)  
20,000 to 40,000 \$1.40 per 1,000 gallons  
40,000 to 60,000 \$3.00 per 1,000 gallons  
Over 60,000 gallons \$5.00 per 1,000 gallons

**Commercial:**

Each metered unit shall be deemed to be a separate account for the purposes of water service. Charges for water shall be:

First 10,000 gallons \$35.00 (minimum)

10,000 to 40,000 \$1.75 per 1,000 gallons

Over 40,000 gallons \$2.25 per 1,000 gallons

**Apartments/Multi-family:**

Each metered unit shall be deemed to be a separate account for the purposes of water service. Charges for water shall be:

First 10,000 gallons \$50.00 (minimum)

Over 10,000 gallons \$1.60 per 1,000 gallons

The Lone Star Groundwater Conservation District has adopted regulatory water use fees for certain well owners in Montgomery County, including the District. The Lone Star Groundwater Conservation District was created by the 2001 Texas legislature pursuant to House Bill 2362 to make and enforce rules to provide for conserving, preserving, protecting, and recharging groundwater to control subsidence or prevent waste and to carry out the powers and duties provided by the Texas Water Code. The Lone Star Groundwater Conservation District is authorized by state law to assess fees to water well owners, including the District, based on the amount of groundwater withdrawn from their wells. In addition to the charges set forth herein, the District shall assess to its customers an additional fee per 1,000 gallons used equal to the then current water pumpage fee per 1,000 gallons assessed by the Lone Star Groundwater Conservation District plus \$0.01 per 1,000 gallons for administration purposes.

Pursuant to the terms of a Contract for Groundwater Reduction Planning, Alternative Water Supply and Related Goods and Services within the District, the San Jacinto River Authority (SJRA) assesses a fee to the District for each 1,000 gallons of groundwater withdrawn by the District. Each customer of the District, whether builder, single family residential, non-single family residential, multi-plex, apartment, nontaxable, commercial or any other type of user, shall be charged, in addition to the water rates set forth above, a separate amount for each 1,000 gallons of water delivered to such user in a billing cycle equal to the then prevailing fee for groundwater pumpage charged by the SJRA in its Rate Order plus 12% for administration/lost water cost.

2. Unless otherwise specified by contract, for metered water connections located outside the District boundaries, the charge for water service shall be two times the commercial in-District rate per 1,000 gallons of water used.

**B. SANITARY SEWER RATES.**

Sewer charges are based upon metered water usage per two month period, billed once every two months.

1. For users located within the boundaries of the District:

**Apartments:**

The sewer charge per unit per two month billing period shall be \$26.00.

**Residential Connection/Single Family Homes within the City of Oak Ridge North and Oak Ridge Forest subdivision:**

The charge per two month billing period shall be \$26.00.

Commercial:

Each commercial connection shall be billed \$26.00 for the first 10,000 gallons per two month billing period plus \$1.50 per 1,000 gallons of water consumption in excess of 10,000 gallons per two month billing period. If a commercial connection uses considerably more District water than it discharges into the District's wastewater collection system, then that business unit may request a hearing before the District's approving authority to determine what portion of the water consumed in excess of 10,000 gallons per two month billing period shall be used to determine the monthly sewer bill for that business unit. The District may amend its allocation from time to time as change in circumstances may merit.

2. Unless otherwise specified by contract, for metered sewer connections located outside the District boundaries the charge for sanitary sewer service shall be two times the commercial in-District rate per 1,000 gallons of effluent discharged.

C. SEWER AND SOLID WASTE COLLECTION AND DISPOSAL AND RECYCLABLE MATERIAL COLLECTION RATES:

Sewer and solid waste collection and disposal and recyclable material collection charges are based upon metered water usage per two month period, billed once every two months.

Residential Connection/Single Family Homes except those in City of Oak Ridge North and Oak Ridge Forest subdivision:

The charge per two month billing period shall be \$62.00.

Light Commercial:

Each light commercial connection shall be billed \$62.00 for the first 10,000 gallons per two month billing period plus \$1.50 per 1,000 gallons of water consumption in excess of 10,000 gallons per two month billing period. If a commercial connection uses considerably more District water than it discharges into the District's wastewater collection system, then that business unit may request a hearing before the District's approving authority to determine what portion of the water consumed in excess of 10,000 gallons per two month billing period shall be used to determine the monthly sewer, solid waste collection and disposal and recyclable material collection bill for that business unit. The District may amend its allocation from time to time as change in circumstances may merit.

Section 19: Disconnection.

Reconnection fee for disconnection at customer's request: \$10 to disconnect and \$10 to reconnect

Reconnection fee for disconnection by District: \$50.00 plus the delinquent bills

Fee for termination at customer's request after hours or on weekends: \$125.00

Section 20: Utility Commitment Letter.

Charge: \$500

Section 25: Returned Payment Devices.

Charge for returned payment devices: \$30.00

I, the undersigned secretary of the board of directors of Southern Montgomery County Municipal Utility District, hereby certify that the foregoing is a true and correct copy of the Order Establishing Utility Rates and Adopting Rules and Regulations Relating to the Administration of its Utility Services and Establishing Penalties for Violation of those Rules and Regulations, adopted by said Board at its meeting of July 21, 2010, together with excerpts from the minutes of said Board's meeting on that date showing the adoption of said order, as same appear of record in the official minutes of the Board, on file in the District's office.

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

Witness my hand and the official seal of said District, this the \_\_\_\_\_.

\_\_\_\_\_  
Albert H. Newton, Secretary

Seal: