

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

I, the undersigned officer of the Board of Directors of Fort Bend County Water Control and Improvement District No. 2, do hereby certify as follows:

1. The Board of Directors of Fort Bend County Water Control and Improvement District No. 2 convened in special session on the 6th day of October, 2010, at the regular meeting place inside the boundaries of the District, and the roll was called of the members of the Board:

James K. Williams	President
Chad Howard	Vice President
Martin Saldua	Secretary/Treasurer
Linda Walker	Director
John Ferro	Director

and all of said persons were present, ~~except Director(s)~~ _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

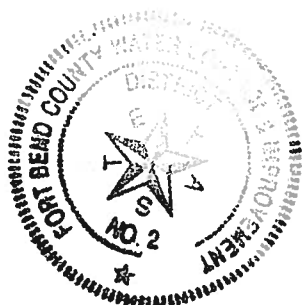
AMENDED RATE ORDER

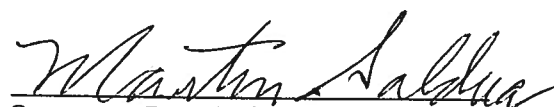
was introduced for the consideration of the Board. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried unanimously.

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

SIGNED AND SEALED the 6th day of October, 2010.

(SEAL)




Secretary, Board of Directors

RATE ORDER

WHEREAS, Fort Bend County Water Control and Improvement District No. 2, situated in Fort Bend and Harris Counties, Texas (the "District"), owns and operates a water and sewer system designed to serve present and future customers within the District; and

WHEREAS, the Board of Directors of the District has heretofore, from time to time, established fees and charges for service from the District's water and sewer system; and

WHEREAS, the Board of Directors of the District desires to amend the fees and charges heretofore established for service from the District's water and sewer system and to embody all such fees and charges in a single order; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 THAT:

SECTION 1

DEFINITIONS

The following words or phrases shall have the meanings indicated below:

- A. The term "Single Family Residential User" shall mean a user of the District's water and sewer system, which consists of one residence, designed for use and occupancy by a single-family unit.
- B. The term "Multi-Family User" shall mean (a) a user of the District's water and sewer system which consists of a structure designed for use and occupancy by more than one family unit, including, but not limited to, duplexes, triplexes, etc., apartments, town homes, condominiums, hotels, motels, and other types of multi-family developments, and (b) multiple mobile homes within a mobile home park which are metered by a single water meter.
- C. The term "Landscape User" shall mean a user of the District's water system, which consists of a water connection for a sprinkler system or other landscaping or agricultural purpose (including providing water for cattle or crops) with no sewer connection;
- D. The term "Commercial User" shall mean a user of the District's water and sewer system other than a Single Family Residential User, Multi-Family User, or Landscape User.
- E. The term "Developer Subdivision" means the areas located within the following subdivisions: Bolton Estates subdivision; Dove Country subdivision; Kingsway subdivision; Pine Meadow subdivision; Quail Ridge subdivision; Sugar Creek, section 12, subdivision; Sugar Creek, section 28, subdivision; and Vaccaro Manor subdivision.
- F. The term "Missouri City Estates Subdivision" means the area located within the Missouri City Estates subdivision.

SECTION 2

WATER CONNECTIONS; TAP FEES

A. Connection to the District's Water System.

All connections to the District's water system and the installation of meters for said connections, shall be made by a representative of the District; provided, however, the District may allow a User's plumber or utility contractor to make the connection and install the meter when the District deems advisable, provided that such plumber or utility contractor shall be subject to the approval of the District. Plumbers must register with and be approved by the District as provided in this Rate Order.

B. Tap Fees For Single Family Residential Users. Prior to connection to the District's water system, Single Family Residential Users shall pay tap fees to the District for water service as follows:

1. For up to a 1-inch connection (except in a Developer Subdivision), a tap fee of \$725 shall be paid if the connection is made by a representative of the District.
2. For up to a 1-inch connection in a Developer Subdivision, a tap fee of \$160 shall be paid if the connection is made by a representative of the District.
3. For a connection larger than 1-inch, the tap fee shall be 2 1/2 times the cost to the District of the work involved if the connection is made by a representative of the District.

C. Tap Fees For Multi-Family Users, Commercial Users, and Landscape Users. Prior to connection to the District's water system, each Multi-Family User, Commercial User, and Landscape User (unless such user is exempt from the payment of ad valorem property taxes pursuant to the Texas Property Tax Code) shall pay a tap fee for water service equal to 2 1/2 times the cost to the District of the District's work regarding the connection. The District's work regarding the connection may include installation of the tap, meter, and any service lines, repairing or restoring any yards, sidewalks, or other improvements affected by the installation, and/or inspection of the connection.

Prior to connection to the District's water system, each Multi-Family User, Commercial User, and Landscape User that is exempt from the payment of ad valorem property taxes pursuant to the Texas Property Tax Code shall pay a tap fee for water service as follows:

1. A User that requires 20,000 gallons per day, average daily flow, or less of water supply capacity, as determined by the District, shall pay a tap fee for water service equal to the cost to the District of making the water connection. The cost to the District of making the water connection may include installation of the tap, meter, and any service lines, repairing or restoring any yards, sidewalks, or other improvements affected by the installation, and/or inspection of the connection.
2. A User that requires more than 20,000 gallons per day, average daily flow, or water supply capacity, as determined by the District, shall pay a tap fee for water service equal to the cost to the District of making the water connection (as described above) and, in addition, shall pay as part of the tap fee for water service one-half of such User's pro rata share of the District's actual cost of the facilities necessary to provide District water service to such User that are, or are to be, fully or partially

financed by the District's tax bonds, as determined by the District's engineer and attorney and approved by the Board of Directors.

Notwithstanding the foregoing provisions of this Section 2C, prior to the connection to the District's water system, a Landscape User that is a property owners association, as defined in the Texas Property Code, Section 202.001(2), as amended, shall pay a tap fee for water service to the District equal to the District's actual costs, including labor and material, for installing such connection.

D. Temporary Water Service

1. The District will make a temporary connection to any fire hydrant or flushing valve upon receipt of a written request for temporary water service. Such temporary service shall be supplied only through a District meter installed by the District.
2. The person applying for temporary water service shall be required to deposit \$1,000 with the District to secure the payment for water supplied by the District and the safe return of the District's meter. Upon receipt of full payment for temporary water used and return of the meter in good condition, the deposit will be returned; provided, however, any damage to the meter or unpaid balances will be paid from the deposit.
3. The fee for temporary water service shall be \$50.00 for costs of installation plus \$1.70 per 1,000 gallons of water delivered through the meter.

E. Commercial Irrigation Connection. Each commercial irrigation system (as defined under "Landscape User" in the "Definitions" of this Rate Order) must have its own, separate connection to the District's water distribution system. Each commercial irrigation system connection shall be metered separately and the connection shall be a separate tap or tapped onto the existing service line prior to the potable meter. The District will not allow sub-metering. A tap fee for each irrigation connection shall be paid in accordance with Section 2C above regarding Landscape Users. However, the tap fee for an irrigation connection made in accordance with this section, whether by separate tap or tapped prior to the potable meter, to a commercial building built before October 1, 1995, will be at the District's cost. All irrigation systems must be installed by a licensed irrigator who is registered with the District. An irrigator must register by completing an application, providing photocopy of license, proof of insurance and paying a non-refundable registration fee of \$25.00.

F. Water Connection Inspection. All connections to the District's water system shall be made in accordance with the applicable provisions of the District's Construction Standards, as the same may be amended from time to time. No Multi-Family User, Landscape User or Other User water connection shall be covered in the ground and water service shall not commence before a representative of the District has inspected the connection. In the event such a connection is made and covered without such inspection, the District may terminate water service to the User until the User uncovers the connection at User's expense and the District make the inspection. A fee of \$45.00 shall be received by the District for an inspection and for each subsequent re-inspection required.

G. Cooling Towers. At the customer's request, the customer may purchase a Sensus Touch Read Meter with the Radio Read upgrade from the District and install the meter at the customer's cost on the water line going to the cooling tower. The District Inspector will inspect for proper installation, and the property owner will own and maintain the meter.

The District will read the meter monthly, with the District's radio read unit without going onto the property. Once all meters are read, the customer will be billed for water consumption from the water used through the master meter. The usage from the cooling tower meter will be manually deducted from the master meter, and a sewer credit for the amount of water used at the cooling tower will be posted to the customer's account. The water and sanitary sewer will be billed at the Standard Commercial Rate.

SECTION 3

SEWER CONNECTIONS; TAP FEES

- A. Connection to the District's Sewer System. All connections to the District's sanitary sewer system shall be made by either a representative of the District or by the User's plumber or utility contractor, provided that such plumber or utility contractor shall be subject to the approval of the District. Plumbers must register with and be approved by the District as provided in Section 8(J) hereof.
- B. Tap Fees For Single Family Residential Users. Prior to connection to the District's sewer system, each Single Family Residential User shall pay a tap fee for sewer service of \$712 if the connection is made by a representative of the District.
- C. Multi-Family Users, Commercial Users and Landscape Users. Prior to connection to the District's sewer system, each Multi-Family User, Commercial User and Landscape User (unless such User is exempt from the payment of ad valorem property taxes pursuant to the Texas Property Tax Code) shall pay a tap fee for sewer service equal to 2 1/2 times the cost to the District of the District's work regarding the connection. The District's work regarding the connection may include installation of the sewer tap and any service lines, repairing or restoring any yards, sidewalks, or other improvements affected by the installation, and/or inspection of the connection.

Prior to connection to the District's sewer system, each Multi-Family User, Commercial User, and Landscape User that is exempt from the payment of ad valorem property taxes pursuant to the Texas Property Tax Code shall pay a tap fee for sewer service as follows:

1. A User that requires 20,000 gallons per day, average daily flow, or less of sewage treatment capacity, as determined by the District, shall pay a tap fee for sewer service equal to the cost to the District of making the sewer connection. The cost to the District of making the sewer connection may include installation of the connection and any service lines, repairing or restoring any yards, sidewalks, or other improvements affected by the installation, and/or inspection of the connection.
2. A User that requires more than 20,000 gallons per day, average daily flow, or sewage treatment capacity, as determined by the District, shall pay a tap fee for sewer service equal to the cost to the District of making the sewer connection (as described above) and, in addition, shall pay as part of the tap fee for sewer service one-half of such User's pro rata share of the District's actual cost of the facilities necessary to provide District sewer service to such User that are, or are to be, fully or partially financed by the District's tax bonds, as determined by the District's engineer and attorney and approved by the Board of Directors.

- D. Sewer Connection Inspection. All connections to the District's sewer system shall be made in accordance with the applicable provisions of the District's Construction Standards, as the same may be amended from time to time. No sewer connection shall be covered in the ground and sewer service shall not commence before a representative of the District has inspected the connection. In the event such a connection is made and covered without such inspection, the District may terminate sewer service to the User until the User uncovers the connection at User's expense and the District makes the inspection. A fee of \$45.00 shall be received by the District for an inspection and for each subsequent re-inspection required.

SECTION 4

WATER RATES

- A. Builder Rate. During construction and prior to initial occupancy, each Single-Family Residential User, Multi-Family Residential User and Commercial User shall be charged and shall pay the same monthly rates for water service from the District as shown under Section 4.B. immediately below.

- B. Single Family Residential Rates.

After initial occupancy, each Single Family Residential User shall be charged and shall pay the following monthly rates for water service from the District:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$ 7.50(minimum)	0-5,000 gallons
\$1.70 per 1,000 gallons	5,001-10,000 gallons
\$1.95 per 1,000 gallons	Over 10,000 gallons

- C. Multi-Family Residential Rates.

After availability for occupancy of any unit, each Multi-Family User shall be charged and shall pay the following monthly rates for water service from the District:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$7.50 minimum (per unit)	0 – 3,000 gallons
\$1.70 per 1,000 gallons	3,001-8,000 gallons
\$1.95 per 1,000 gallons	Over 8,000 gallons

All usage over 3,000 gallons X the number of units goes through the tables as if it's a single family resident.

- D. Landscape Rates.

Each Landscape User shall be charged and shall pay the following monthly rates for water service from the District.

<u>Amount of Payment</u>	<u>Water Usage</u>
\$3.10 per 1,000 gallons	0-100,000 gallons
\$4.10 per 1,000 gallons	100,001-200,000 gallons
\$5.10 per 1,000 gallons	over 200,000 gallons

E. Commercial User Rates.

After availability for occupancy of any unit, each Other User shall be charged and shall pay the following monthly rates for water service from the District:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$7.50 per unit	0-5,000 gallons
\$1.70 per 1,000 gallons	5,001-10,000 gallons
\$1.95 per 1,000 gallons	Over 10,000 gallons

All usage over 5,000 gallons X the number of units goes through the tables as if it's a single family resident.

F. Number of Units. The number of units and their availability for occupancy shall be determined solely by the District, and is subject to revision by the District should circumstances require such revision.

G. Groundwater Reduction Plan Rate. The District has adopted a Groundwater Reduction Plan in accordance with Fort Bend County Subsidence District regulations. To fund the costs of implementing the Groundwater Reduction Plan, every Single Family Residential User, Multi-Family User, Landscape User, and Commercial User shall pay the Groundwater Reduction Plan rate, along with the monthly rates described above. The Groundwater Reduction Plan rate is \$0.68 per 1,000 gallons of water delivered to the User. The Groundwater Reduction Plan rate for out-of-district retail water customers of the District; for customers located within the Fifth Street area who receive District water service pursuant to the Fifth Street Water and Sewer Service Agreement between the District and Fort Bend County, Texas, as it may be amended from time to time; for the City of Meadows, pursuant to the Groundwater Reduction Plan Participation Agreement with the District; and for Harris County MUD No. 122, pursuant to the Wholesale Water Service Agreement, as amended is \$1.20 per 1,000 gallons of water delivered to the customer.

SECTION 5

SEWER RATES

A. Builder Rate. During construction and prior to initial occupancy, there shall be no monthly charge to any User for sanitary sewer service from the District.

B. Single Family Residential Rate. After initial occupancy, each Single Family Residential User shall be charged and shall pay a flat monthly sewer charge of \$13.50 for sanitary

sewer service from the District.

C. Multi-Family Residential Rate. After initial occupancy of any unit, each Multi-Family User shall be charged and shall pay a flat monthly sewer charge of \$14.50 per unit for sanitary sewer service from the District.

D. Commercial Rates.

After availability for occupancy of any unit, each Commercial User shall be charged and shall pay the following monthly rates for sewer service from the District:

<u>Amount of Payment</u>	<u>Based on Water Usage</u>
\$14.50 Minimum (per unit)	0 – 5,000 gallons
\$1.70 per 1,000 gallons	5,001-10,000 gallons
\$1.95 per 1,000 gallons	Over 10,000 gallons

All usage over 5,000 gallons X the number of units goes through the tables as if it's a single family resident.

E. Units. The number of units and their availability for occupancy shall be determined solely by representatives of the District, and is subject to revision by such representatives should circumstances require such revision.

F. Amount of Sewage. The amount of sewage discharged shall be deemed equal to the Commercial User's metered water usage, unless the Commercial User has its sewer discharge separately metered. Each Other User receiving sewer service but not water service from the District must have its sewage discharge separately metered; in such event, the arrangement for and cost of the sewage meter installation shall be negotiated between the District and the Other User.

SECTION 6

GARBAGE FEE

A. Stafford. Each Single Family Residential User, duplex, and triplex that receives water and sanitary sewer service from the District and is located either (i) within the boundaries of the City of Stafford but not within the Sugar Creek subdivision or (ii) within the boundaries of the District and within the extraterritorial jurisdiction of the City of Stafford but not within the Quail Ridge subdivision (collectively, the "Stafford Users") shall pay a flat fee of \$16.57 per month for garbage service. All Stafford Users shall be charged for garbage service. No exceptions will be made.

B. Missouri City. Each Single Family Residential User, duplex, and triplex that receives water and sewer service from the District and is located within the boundaries of the City of Missouri City (collectively, the "Missouri City Users") shall pay a flat fee of \$18.51 per month for garbage service. All Missouri City Users shall be charged for garbage service. No exceptions will be made.

C. Fifth Street. Each Single Family Residential User, duplex, and triplex that receives water

and sewer service from the District and is located within Fifth Street (collectively, the "Fifth Street Users"), as such area is defined in the **Fifth Street Water and Sewer Service Agreement**, between the District and the Fifth Street Water Supply Corporation, dated December 23, 1996, as amended from time to time, shall pay a flat fee of \$18.00 per month for garbage service. All Fifth Street Users shall be charged for garbage service. No exceptions will be made.

SECTION 7

DEPOSITS; PAYMENTS AND DELINQUENCIES

- A. **Deposit.** Each Single Family Residential User shall pay a deposit of \$50.00 before receiving water or sanitary sewer service from the District, unless the Single-Family Residential User is a tenant, in which case the deposit shall be \$100.00. To establish ownership instead of tenancy, a Single-Family Residential User shall provide evidence, satisfactory to the District of such ownership. Each Multi-Family User shall pay a deposit of twice the estimated monthly bill of such Multi-Family User, which estimation shall be made by the District in its sole discretion before receiving water or sanitary sewer service from the District. Each Commercial User and Landscape User shall pay a deposit of the greater of \$200.00 or two times the estimated monthly average before receiving water or sanitary sewer service from the District; provided, however, a User that is a state, county, school district, or municipality shall not be required to pay any deposit. A deposit shall be held by the District to assure prompt payment of all charges for water and sanitary sewer service. The District will not pay interest on the deposit.

The District requires 24-hour notice to commence water service for a new customer. In addition to the deposit, an additional fee of \$10.00 will be assessed to any new customer requesting service initiated within eight-hours of the request.

- B. **Payment.** Charges for water and sewer service are billed monthly. Payment for water and sanitary sewer service can be made by cash, personal check, credit card (Master Card & Visa) and ACH. All bills for water and sanitary sewer service, or for any other payments due under the provisions of this Rate Order, are due and payable on the 15th day after the date of statement. Unless payment is received on or before the 15th day after the date of such statement, such account is considered delinquent and a penalty of ten percent of the delinquent amount may be assessed against the account. Any user who pays a bill, other than a delinquent amount, with a check, which is dishonored for any reason other than the fault of the District shall be, assessed a charge of \$25.00 in addition to all other charges and assessments made hereunder. Payment to replace any dishonored check must be in the form of cash, cashier's check, or money order.
- C. **Termination.** The District reserves the right to terminate service to any User whose account is delinquent in excess of seven (7) days. In such event, service shall be disconnected only after sending the User written notice by first class United States mail and providing the User with an opportunity to discuss the delinquency with a representative of the District authorized to correct the charges, services, or disconnection if justified. The notice shall inform the User of the amount of the delinquency, the number of days within which the User must contact the District representative if the User believes the non-payment is justified, the possibility that service may be terminated, and the cost of reconnection. The notice, as described, may be sent to the User as part of the User's regular monthly bill. If service to a User is disconnected pursuant to the terms hereof, reconnection may only be made by a District representative and a reconnection fee of \$35.00 plus all

delinquent amounts due shall be paid to the District before service again commences to such User; provided, however, if the User has had service disconnected within the District due to nonpayment on a prior occasion, a reconnection fee of \$35.00 plus all delinquent and current amounts due to the District shall be paid to the District before service again commences to such User. If the District must remove the meter in order to terminate service, a reconnect fee of \$55.00 (in addition to the above-stated reconnection payments) shall be paid by the User to the District for reconnection after the meter has been removed.

SECTION 8

OUT-OF-DISTRICT SERVICE

The District may, in the sole discretion of its Board of Directors, authorize water and/or sanitary service to users outside the boundaries of the District. In cases where the District's Board authorizes services outside the District, the out-of-District user shall be responsible for the construction, installation, maintenance, and repair of any and all facilities required to connect to the District's facilities. The out-of-District user's facilities shall be constructed and maintained in accordance with the District's rules and regulations regarding such facilities. Rates for the District's provision of water and/or sanitary sewer service outside the District boundaries shall be one-and-a-half times the rates charged to similar type of user within the District. Out-of-District service shall be subject in all regards to the terms and conditions of this Rate Order, unless specifically superseded by the terms of a written agreement between the District and the out-of-District user.

SECTION 9

GREASE TRAP MAINTENANCE

Users of the District's sanitary sewer system shall install grease, oil, and sand traps in compliance with the District's "Order Establishing Regulations for Business, Commercial, Industrial, and Other Waste," which Order may be amended from time to time. It shall be the responsibility of the user to maintain and service the trap(s). All traps shall be cleaned by the user as necessary to avoid any release of grease into the District's sanitary sewer system. Whenever a trap is cleaned, the user shall file a copy of a fully executed copy of a "Liquid Waste Manifest" form, evidencing the legal disposition of such waste, at the District office within ten (10) days of such disposition. The District may impose a fine upon the user of a trap that fails to timely file such form with the District in accordance with the penalties set forth in this Rate Order.

The District may at any time inspect the grease, oil, and sand traps of users required to provide such traps. A user shall be charged \$45.00 for each such routine inspection. If a trap does not pass the District's inspection and the District must reinspect the trap, the user shall be charged a reinspection fee of \$45.00 for each required reinspection and, in addition, the District may impose a fine upon the user of a trap for each inspection that is failed after the initial inspection.

SECTION 10

PLUMBING REGULATIONS; PROHIBITION AGAINST CROSS-CONNECTIONS AND UNACCEPTABLE PLUMBING PRACTICES; PENALTY FOR VIOLATION

Pursuant to Chapter 290 of Title 30 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all users of the District's potable water distribution system.

- A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, or prior to having service reconnected to any building after termination of water service, a User must execute a Service Agreement in the form attached to this Rate Order as Exhibit "A."
- B. Plumbing Fixtures. A User is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the District.
- C. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow prevention device in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the District.
- D. Backflow Prevention Assemblies. All sprinkler systems, spas, pools, and commercial car washes, must have backflow prevention devices installed by the User at the User's sole cost and expense. All backflow prevention assemblies must be installed and tested by a recognized backflow prevention assembly tester. A backflow prevention assembly tester must register by completing an application, providing photocopy of Backflow Certification, proof of insurance, a photocopy of Last Gauge Calibration and paying a non-refundable registration fee of \$25.00. In addition, the District may, in its sole discretion,
 - (1) require any User to install a backflow prevention assembly at any fixture in order to prevent contamination of the District's potable water distribution system; and/or
 - (2) require any User whose plumbing system poses a high health hazard, defined as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply" to install a backflow prevention assembly. If the District determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must be approved by either the American Water Works Association (AWWA) or The Foundation for Cross-Connection Control and Hydraulic research at the University of Southern California. The device must be tested and certified at least annually by a recognized backflow prevention assembly tester. A list of certified backflow prevention assembly testers can be obtained from the local office of the Texas Commission on Environmental Quality (the "TCEQ") or the District.

The User is responsible for ensuring that all backflow prevention assemblies are tested upon installation by a recognized backflow prevention assembly tester. A list of certified backflow prevention assembly inspectors could be obtained from the local office of the TCEQ or the District. The User is solely responsible for the cost of this test.

If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat

to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the User until such installation is complete. Service will be restored when the backflow prevention assembly has been installed and tested and a signed and dated original of a "Backflow Prevention Assembly Test and Device Test Report" in the form attached to this Rate Order as Exhibit "B" has been provided to the District.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's public water system, the User must install the backflow prevention assembly within five (5) working days after receipt of notice from the District that such installation is required. In addition, the User must provide the District with a signed and dated original of a "Backflow Prevention Assembly Test and Device Test Report" in the form attached to this Rate Order as Exhibit "B" within three (3) working days of the installation of the backflow prevention assembly and within three (3) working days of any subsequent repair, maintenance, or testing of such assembly. If the User fails to provide the Test and Maintenance Report within this time, the District, in its discretion, may terminate service to the User pursuant to the terms of this Rate Order. The District will retain such Test and Maintenance Reports for a minimum of three (3) years.

- E. Customer Service Inspections. A customer service inspection is required prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or that have been materially improved or corrected, or (iii) continues service to a User where the District has reason to believe that cross-connections or other unacceptable plumbing practices exist.

A customer service inspection may be performed by a state-licensed plumber or by a Customer Service Inspector employed by the District. To provide evidence of a customer service inspection, the User must provide the District with a signed and dated "Customer Service Inspection Certification" in the form attached to this Rate Order as Exhibit "C." The District will retain such inspection certifications for a minimum of ten (10) years.

In addition, the User may need to obtain a final plumbing inspection certificate from the City, if any, in which the User is located prior to receiving service. In connection with this final plumbing inspection, the User shall allow its property to be inspected by the District during normal business hours for possible cross-connections and other unacceptable plumbing practices, which violate this Rate Order. The cost of this plumbing inspection shall be \$45.00. The cost of this inspection shall be paid by the User prior to such inspection.

After service is initiated to a User in accordance with the terms of this Section E, the District may, in the sole discretion of the District, periodically inspect a User's plumbing system during normal business hours for the purpose of identifying possible cross-connections and other unacceptable plumbing practices, which violate this Rate Order.

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

such inspection and testing is completed.

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

- G. Notice of Unacceptable Plumbing Practices. The District shall notify a User in writing of any cross-connection or other unacceptable plumbing practice that has been identified by the District at any time. At its sole cost and expense, the User shall immediately correct any unacceptable plumbing practice and shall properly install, test, and maintain any backflow prevention assembly required by the District within two (2) working days of receipt of notice of the improper cross-connection. The User shall provide copies of all testing and/or maintenance records on such assemblies or devices to the District within three (3) working days of the testing or maintenance.

If the User fails to correct the noted unacceptable plumbing practice, the District may immediately terminate water service or, at the User's sole cost and expense, eliminate the cross-connection or correct the unacceptable plumbing practice.

- H. Penalty for Violation. The failure of a User to comply with the terms of this Section 10 is a violation of this Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District may, in its sole option and in addition to all other legal remedies available to it (including those remedies set out in Section 13 of this Rate Order, immediately terminate service to such User and/or install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice, at the sole cost and expense of the User.

If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the User.

SECTION 11

BUILDER DEPOSITS, INSPECTIONS, AND BACKCHARGES

- A. A \$ 400.00 deposit shall be required of builders at the time a request for an initial water tap is made for any residence in the District. The deposit described herein may be applied by the District to the cost of any District inspection of District property hereunder and to the cost of the repair of any damage caused to District property by the builder or builder's agent, whereupon it will be the Builder's responsibility to reinstate the original amount of the deposit prior to the District making any additional water taps for said builder. Said deposit may be refunded by the District upon a builder's written request; provided, however, that the entire deposit shall be forfeited as a penalty in the event any provision of this order or the District's Private Construction Standards, as may be amended from time to time, is violated.
- B. Pre-Facility Inspection. Any person constructing improvements on private property within the District must contact the District office prior to starting any work on such

property to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, a District representative will make necessary repairs or locate and make the facilities visible at the expense of the District. A copy of an inspection report will be given by the District to the person constructing the improvements.

- C. Facility Inspection. After construction has been completed on the property, but before service is transferred to a User, a District representative will reinspect the water tap, meter, and all other District facilities on the property. The cost for such inspection is \$45.00 and must be paid prior to the initiation of service to the property. The property owner, builder, and/or contractor will be responsible for any damages or adjustments to District facilities and shall either make such repairs, adjustments, or relocations to the satisfaction of the District or shall pay for same (the "Backcharges") before service shall be initiated to the property. Payment of the Backcharges, or any inspection or reinspection fees, shall be made on or before the 15th day after the date of the invoice for said charges. The District may withhold the provision of service to the property or to other property owned by any User, property owner, builder, or contractor who has failed to timely pay for the Backcharges or any inspection or reinspection fee, including specifically the provision of additional taps; provided, however, the District shall follow the notification procedures set forth in this Rate Order prior to terminating service that has already been initiated.

SECTION 12

INDUSTRIAL WASTE CHARGE

In addition to the wastewater service charges made by the District, the District shall make to customers discharging industrial waste into the District's sanitary sewer system the industrial waste charges provided for herein.

If the District determines that the volume or the character of industrial waste to be treated by the District's sanitary sewer system will not cause overloading of the sanitary sewer system, the person responsible for the discharge of industrial waste shall nevertheless pay equitable industrial waste charges sufficient to provide payment for the amortization of all capital expenses for the collection and treatment of industrial waste (including new capital expenses and a proportionate share of the value of the existing sanitary sewer system used in handling and treating the industrial waste, but taking into account amortization costs resulting from annual tax payments) and operation and maintenance costs, including salaries and wages, power costs, cost of chemicals and supplies, allowances for maintenance, depreciation, overhead and administrative and general expense.

For such purpose, amortization shall be considered to be completed in a fifteen-year period. Industrial waste charges shall be calculated by the following formula:

$$C = aA + bB + nN + sS$$

Where C = charges to industrial user in dollars per year (\$/yr).

a = unit cost of transportation and treatment chargeable to volume, \$/1000 gal.

b = unit cost of treatment chargeable to B.O.D., \$/lb.

n = unit cost of treatment chargeable to ammonia, \$/lb.

- s = unit cost of treatment (including sludge treatment) chargeable to suspended solids, \$/lb.
- A = volume of waste from industrial user over any limitation in the user's permit, in 1000 gal./yr.
- B = amount of B.O.D. from industrial user over 220 mg/1 (monthly average), in lbs./yr.
- N = amount of ammonia from industrial user over 25 mg/1 (monthly average), in lbs./yr.
- S = amount of suspended solids from industrial user, over 220 mg/1 (monthly average), in lbs./yr.

Until revised or amended by the District, the initial coefficients of charge for use in the foregoing formula shall be: a = \$1.25/1000 gal.; b = \$0.50/lb.; n = \$1.30/lb. and s = \$0.71/lb. The District shall review and, if appropriate, adjust the industrial waste charges at least annually to reflect changes in the characteristics of the industrial waste of each user based upon the results of sampling and testing.

The District also shall review at least annually the basis for determining industrial waste charges and shall adjust the unit treatment costs in the above formula to reflect increases or decreases in the wastewater treatment costs based upon the previous year's experience. Increases in industrial waste charges shall be retroactive for two billing periods and shall continue for six (6) billing periods unless subsequent tests determine that the charges should be further increased.

If another method of billing is determined by the District's Board of Directors to be a more effective method of allocating such costs to the customer, based upon the particular facts of each case, the District may use such method in lieu of the above. The District shall bill its customers in a manner, which will show industrial waste charges as a separate item from wastewater service charges.

SECTION 13

PENALTIES

- A. Fine. Any person, corporation, or other entity who:
 1. violates any provision of this Rate Order; or
 2. makes unauthorized use of District services or facilities; or
 3. causes damage to District facilities by using such facilities in a manner or for a purpose contrary to the purpose for which such facilities were designed; or
 4. uses or permits the use of any septic tank or holding tank to serve a structure that is located within the city limits of the City of Stafford and within three hundred feet (300') of a public sewer system;
 5. violates the District's Construction Standards for Private Service Connections; or
 6. constructs facilities or buildings, which are not included in the approved plans for

development under this Rate Order;

shall be subject to a penalty of up to \$5,000 for each breach of the foregoing provisions. Each day that a breach of any provision hereof continues shall be considered a separate breach. This penalty shall be in addition to the other penalties provided by the laws of the State of Texas and to any other legal rights and remedies of the District as may be allowed by law.

- B. Termination. Any person, corporation, or other entity who violates any provision of this Rate Order, in addition to being subject to the penalties described in subsection A immediately above, shall be subject to having water and sewer service terminated; provided, however, that prior to disconnecting service for such violation, the District shall give written notice, in accordance with the provisions of this Rate Order, to such user of the pending termination and shall give such user the opportunity to contest, explain, or correct the violation of the Rate Order at a meeting of the Board of Directors of the District.

SECTION 14

MISCELLANEOUS

- A. Rules and Regulations. Any connection to the District's water or sewer system shall be made in accordance with the District's rules and regulations regarding construction of connections to the water and sewer system.
- B. Maintenance and Repair; Title to Meters. It shall be the responsibility of each User to maintain the water line from the water meter to the building served and the sewer line from the property line to the building served. All water and sewer meters shall belong to the District and shall be maintained by the District, subject to the User's obligation not to damage the meter and to keep the meter clear of obstruction so that it may be read. The User shall reimburse the District for any damages to the meter caused by the User and for any costs incurred by the District in searching for and clearing obstruction from a meter so that it may be read.
- C. Easements. Any time that property within the District is platted, re-platted, or developed for improvements; or any time new improvements are constructed on property within the District for connection to the District's water or wastewater system; or any time that significant improvements are made to existing structures on property within the District and before District water or wastewater service is either begun or continued to such property, the property owner shall convey to the District water and/or wastewater easements determined to be necessary by the District to provide for the orderly development of such property and surrounding properties within the District.
- D. No Free Service. No free service shall be granted to any User for services furnished by the District's water and sewer system. All charges for water and sewer service shall be made as required herein.
- E. Platting and Permit Requirements.
- (a) Permit Requirement. Prior to connection to the District's water or sanitary sewer system, the person requesting such connections shall provide to the District a copy of:

1. any necessary development or building permit from Missouri City or Stafford;
or
2. a waiver for any development or building permits from Missouri City or Stafford.

(b) **Platting Requirement.**

1. A total fee of \$200 shall be paid to the District for review of a preliminary and final plat, so long as no land plan change is made between the preliminary and final plats; if a land plan change is made, an additional \$200 fee shall be paid to the District for plat review.
2. Prior to initially connecting to the District's water or sanitary sewer system, a user shall submit to the District proof that the user's property has been platted in accordance with the subdivision ordinances of the City of Missouri City or Stafford. Acceptable proof of platting includes a copy of the recorded plat, or a certificate from the City of Missouri City or Stafford that the property has been platted or that the property is legally exempt from the platting process.

F. **Approval of Plans.**

(a) **Above-Ground Improvements (Buildings, etc.).** Before any connection other than a Single-Family Residential User connection is made to the District's water and/or sanitary sewer system, the person requesting such connection shall submit plans to the District for review and approval of water and sanitary sewer connections, and specifications for the property for which the connection is sought. Such plans shall indicate the use of the property, and improvements and activities proposed for the property, and proposed points of connection to the District's water and sanitary sewer systems. The person submitting the request shall provide such other information as may be requested by the District. The person requesting the District's review and approval as described in this Section 13 shall submit payment to the District in accordance with the District's Plan Review Fee Schedule for such review; see "Exhibit D" attached. All plans shall be approved and payment submitted to the District before connections to the District's water and/or sanitary sewer connections would be made. Any modification of such plans shall require reapproval by the District. The District reserves the right to require the property owner, prior to connecting to the District's public water and sanitary sewer systems, to dedicate appropriate water and sanitary sewer easements within the property to the District. The District reserves the right to require removal of any connection made in violation of this section.

(b) **Land Development Projects (Commercial & Residential Utility Improvements.** Plans for commercial and residential utility improvements shall be submitted to the District for the District's engineer review and approval. Such plans shall indicate overall layouts; plan and profile; water and sanitary sewer details; structural, mechanical, and electrical for lift stations; construction notes and specifications. The person submitting the request shall provide such other information as may be requested by the District's engineer. The person requesting the District engineer's review and approval as described in this Section 5 shall payment to the District in accordance with the District's Plan Review Fee Schedule for such review, see "Exhibit A" attached. All plans shall be approved and payment submitted to the District before connections to the District's water and/or sanitary sewer trunk lines would be made. Any modification of such plans shall require

reapproval by the District. The District reserves the right to require removal of any connection made in violation of this section.

G. Flow Testing. Anyone may request that the District conduct a water flow test on any water line owned or operated by the District. A fee of \$150 shall be paid to the District for each such test conducted by the District.

H. District Equipment.

(a) *Cable.* At the request of a District customer who may have a blocked sewer service line, a District representative will attempt to clean out the customer's service line with the District's sanitary sewer line cable. If the District's cable successfully clears blockage from the customer service line at any point between the building served and the service line's connection to the District's sanitary sewer main line, the customer shall pay the District \$70 for the use of the cable. If use of the District's cable in the customer's service lines fails to clear the blockage and the problem is determined, by the District, to be in the District's sewer line and not in the service line, there shall be no charge to the customer for the use of the District's cable.

(b) *Televising.* At the request of a District customer who may have a problem with a sewer service line, a District representative will use the District's televising equipment to view the interior of the sanitary sewer line on such property in an attempt to identify any problem within the line. The customer shall pay the District \$75 for such use of the District's televising equipment whether or not a problem with the service is identified by the televising.

(c) *Cable and Televising.* At the request of a District customer who may have a problem with a sewer service line, a District representative will use the District's televising equipment to view the interior of the sanitary sewer line on such property in an attempt to identify any problem within the line and may use the District's sanitary sewer line cable to clear any blockage identified in the sewer service line. The customer shall pay the District \$145 for such use of the District's televising equipment and cable in this manner.

(d) *Fee Payment.* Any fee due under the provisions of this section may be paid in advance by the customer or the fee shall be included on the customer's water and sewer bill from the District and shall be paid in accordance with all the provisions of Section 6 of this Rate Order, including those provisions regarding termination of water service for non-payment.

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

J. Superseding Orders. This Order supersedes all prior orders, resolutions, and other actions of the Board concerning fees and charges for water and sewer services and shall be effective from and after the date of its adoption; provided, however, nothing herein shall be construed to supersede the District's Order Establishing Regulations for Business, Commercial, Industrial, and Other Waste, as it may be amended from time to time.

K. Quality of Sewage. Only liquid and water carried sanitary sewage meeting the

requirements of the District's Waste Quality Requirements shall be allowed to be discharged into the District's sanitary sewer system and discharge of any other sewage is hereby prohibited.

L. Approval of Plumbers. No plumber may make any connection to the District's water or sanitary sewer system or perform any work on any District facility unless such person has first registered with and been approved by the District. In order to be approved by the District, a plumber must register by completing an application, providing a license number and proof of insurance, and paying a non-refundable registration fee of \$25.00 at the District's office, 2331 South Main, Stafford, Texas. The District reserves the right to withdraw its approval of a plumber for unsatisfactory work as determined in the sole discretion of the District.

M. Effective Date. This Order shall be effective as of the 6th day of October, 2010.

PASSED AND APPROVED THIS 6th day of October, 2010.

FORT BEND COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 2



President, Board of Directors

ATTEST:



Secretary, Board of Directors

