

CERTIFICATE FOR ORDER OR RESOLUTION

STATE OF TEXAS
COUNTY OF FORT BEND

We, the undersigned officers of the Board of Directors of Grand Mission Municipal Utility District No. 1 of Fort Bend County, Texas (the "District"), hereby certify as follows:

1. The Board of Directors of the District convened in regular session on the 22nd day of July 2024, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Darrell A. Hawthorne
Vicente M. Salazar III
Judson Brown
Syed Hasan
Laski Tesalonika

President
Vice President
Secretary/Treasurer
Assistant Secretary
Assistant Vice President and
Assistant Secretary

and all of said persons were present, except for the following absentees: **NONE**, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting:


ORDER ADOPTING CONSOLIDATED RATE ORDER AND RULES AND REGULATIONS;
ESTABLISHING DROUGHT CONTINGENCY PLAN; ESTABLISHING A WASTEWATER SERVICE
ORDER; ESTABLISHING CERTAIN OTHER POLICIES; AND PROVIDING PENALTIES FOR
VIOLATION THEREOF

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


AYES: All present
NOES:

2. That a true, full and correct copy of the aforesaid Order or Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; and that said Order or Resolution has been duly recorded in said Board's minutes of said meeting; that the persons named in the above and foregoing paragraph were duly chosen, qualified and acting officers and members of the Board as indicated therein, that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; that public notice of the time, place and subject of said meeting was given as required by the Texas Government Code, §551.043, as amended, and that the undersigned are the duly chosen, qualified and acting officers of the current Board of Directors.

SIGNED AND SEALED the 22nd day of July 2024.



Secretary, Board of Directors
(SEAL)





President, Board of Directors

ORDER ADOPTING CONSOLIDATED RATE ORDER AND RULES AND REGULATIONS; ESTABLISHING DROUGHT CONTINGENCY PLAN; ESTABLISHING A WASTEWATER SERVICE ORDER; ESTABLISHING CERTAIN OTHER POLICIES; AND PROVIDING PENALTIES FOR VIOLATION THEREOF

THE STATE OF TEXAS
COUNTY OF FORT BEND
GRAND MISSION MUNICIPAL UTILITY DISTRICT NO. 1

WHEREAS, the Board of Directors (the "Board") of Grand Mission Municipal Utility District No. 1 (the "District") has from time to time adopted certain orders and Rules and Regulations establishing the rates and conditions under which water and sanitary sewer service would be provided (the "Consolidated Rate Order"); and

WHEREAS, the Board of the District has determined that it is in the best interest of the District to amend and restate its Consolidated Rate Order to impose regulations and fees regarding the District's Storm Water Management Program;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF GRAND MISSION MUNICIPAL UTILITY DISTRICT NO. 1 THAT:

ARTICLE I
DEFINITIONS

For the purpose of this Order, the following terms shall have the meaning set out hereafter:

A. "Commercial" - shall mean any structure designed for business purposes including office buildings, hotels, retail stores, warehouses, service stations, churches, schools, recreational centers and all other establishments not generally considered as residential structures or defined herein as a residential structure.

B. "Customer" - shall mean any person, partnership, corporation, non-profit corporation, trust or other legal entity served by the District's System with water and/or sewer services to a residence or business establishment owned or occupied by such person, partnership, corporation, non-profit corporation, trust or legal entity.

C. "Domestic Waste" - shall mean liquid-carried sanitary sewage discharge which is normally discharged from residential food preparation and bathroom facilities.

D. "Equivalent Single-Family Connection" or ESFC- shall mean the amount of capacity allocated to a commercial customer expressed in terms of the amount of capacity used by a single-family residence, as determined by the volume and type of wastewater

discharge. Prior to initial connection of any Customer other than a single-family residential Customer, the District's Engineer shall calculate the number of ESFCs for the first year. The determination for the first year may be based on the capacity requested on behalf of the Customer. Following the first year of service, or the next January following the initial connection, the District shall recalculate the number of ESFCs for such Customers based on actual usage. For purposes of this calculation, each 8,000 gallons of water used shall be considered to equal one (1) ESFC. The number of ESFCs will be rounded upwards to the nearest 8,000 gallons. For example, 31,000 gallons equals 4 ESFCs while 33,000 gallons equals 5 ESFCs. ESFCs shall be recalculated by the District annually in January of each year based upon actual usage for the prior year.

E. "Esplanade Connection" - shall mean a water system connection serving public right-of-way or other public common areas.

F. "Illicit Discharge" – shall mean any discharge to the District's storm sewer system that is not composed entirely of stormwater runoff. This includes illegal dumping or the unauthorized discarding of solid waste on District property.

G. "Multi-family Residential Connection" - shall mean all multiplex residential connections which are served by a master meter.

H. "Multi-family Units" - shall mean the individual dwelling units served through the Multi-family Residential Connection's master meter and shall include condominiums and all individual dwelling units served by a master meter.

I. "Non-taxable" - shall mean any entity not subject to property taxation pursuant to the provisions of the Texas Tax Code.

J. "Operator" - shall mean the person, company or corporation which is employed by or under contract with the District to operate the District's water and sewer system, collect amounts owed to the District for such services, report monthly to the District on the operations of the District's System and perform any additional services set out in its contract with the District.

K. "Rules and Regulations" - shall mean the Amended and Restated Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections attached to this Order as Appendix "A" and incorporated herein for all purposes.

L. "Separate Connection" - shall mean each residential unit designed for occupancy by a separate family, including each separate unit located within a single multi-unit building, and each commercial unit designed for use by a separate business, including separate establishments within a single building.

M. "Single-family Residential" - shall mean any single-family structure within the District designed for occupation as a residence whether by the owner or by a renter or lessee, including any single-family residence, townhouse, multiplex, apartment building, or other structure generally considered to be and used solely for residential purposes and which is separately metered.

N. "System" - shall mean the water and/or sanitary sewer facilities of the District and all extensions and additions thereto, whether now in place or hereafter constructed.

ARTICLE II TAP FEES AND CONNECTION POLICY

Section 2.01. Initiation of Water and Sanitary Sewer Connections. Each person desiring a water and sanitary sewer service connection to the District's System shall be required to pay such fees as set forth in this Order. No service shall be established or re-established until such fees are paid. All service connections are subject to the provisions of the District's Rules and Regulations and all other rules, regulations, and policies of the District.

Section 2.02. Requirement to Connect to the District's Systems. Unless otherwise approved in writing by the Board, and except for Park and Recreational Customer Connections and Irrigation Customer Connections, each structure within the District requiring water and/or sanitary sewer services shall be physically connected to the District's System as soon as the District has made water and sanitary sewer services available to such structure. It is the general policy of the District that all properties within the District shall be physically connected to both the water and sanitary sewer Systems of the District. In the event that both water and sanitary sewer services are not available to a property at the time a Customer Connection is applied for, the Board, after a determination, in its sole discretion, that an acceptable alternative water source or wastewater collection and treatment source is available to such property, may permit connection to the District's water System or sanitary sewer System without requiring connection to both Systems. Unless otherwise approved or agreed in writing by the Board, if both water and sanitary sewer services do not become available at the same time, and if the District permits connection to the water System or sanitary sewer System without requiring connection to both, the water connection must be made at the time water service becomes available, and the sanitary sewer connection must be made at the time sanitary sewer service becomes available.

Section 2.03. Policies Governing Initial Connections.

A. Certification of System. Connections shall not be made to the District's System or portions of the System until the District's engineer has certified that the System or applicable portion thereof is operable.

B. Availability of Access/Obstructions. By application for connection to the District's System, the Customer shall be deemed to be granting to the District

and its representatives a right of ingress and egress to and from the meter or point of service for such installation, maintenance and repair as the District, in its judgment, may deem reasonably necessary. The Customer shall also be deemed to be granting to the District and its representatives a right of ingress and egress to the Customer's property, including the interior and exterior of the Customer's premises, for the purpose of performing the inspections and completing the Customer Service Inspection Certifications required by the District's Rules and Regulations. Taps and connections will not be made when, in the opinion of the District's engineer or Operator, the work area is obstructed by building materials or other debris or the work area is not completed or finished to grade. When sidewalks, driveways or other improvements have been constructed prior to application for service, such application shall be construed and accepted as the Customer's waiver of a claim for any damages to such improvements resulting from the reasonable actions of the District's Operator in installation of the connection.

Section 2.04. Connections by District Operator. All connections to the District's sewer system shall be made in accordance with the District's Rules and Regulations. No person except the District's Operator or his authorized agent shall be permitted to tap or make any connection to the mains or distribution piping of the District's water system, except for emergency fire-fighting purposes, or make any repairs or additions to or alterations in any meter, box, tap, pipe, cock or other fixture connected with the water service.

Section 2.05. Inspections and Fees.

A. Sewer Inspection and Fees. Sewer connections and house service lines shall be inspected by the District's Operator for compliance with the Rules and Regulations. An inspection fee of \$100.00 shall be charged for all Single-family Residential connections and the District's cost plus 200% for all commercial connections. Installations which fail to conform at any time to the Rules and Regulations shall be disconnected. Any Customer whose connection is disconnected for such failure shall be notified as to the basis for such disconnection. After noted deficiencies have been corrected, a re-inspection shall be made upon payment to the District of a re-inspection fee equal to the initial inspection fees.

B. Customer Service Inspection Fees. If the District's Operator performs the inspection and completes the Customer Service Inspection Certification required by Article III of the Rules and Regulations, the District shall charge the Customer a fee of \$100.00 for single-family residential connections and the District's cost plus 200% for commercial connections, to cover the costs of such inspection and certification.

C. Plan Review Fees. Prior to the making of any commercial connection, the plans for all internal lines shall be presented to the District's Engineer for review as to compliance with the District's regulations and compatibility with the District's

water, sewer, and drainage system. There shall be a minimum charge to the entity requesting the connection of \$300.00 for such review.

D. Pre-Construction Inspection and Fees. A builder must contact the Operator, prior to starting any work on a lot, to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the Operator will make necessary repairs or locate and make visible the equipment at the expense of the District. A copy of the inspection will be given to the builder's representative. After the inspection and any necessary work is completed, the builder will then be responsible for paying the costs of all damages, adjustments, relocations, and repairs found during the Final Builder Inspection. The cost for the inspection is \$100.00 for Residential connections and the District's cost plus 200% for commercial connections, payable with the tap fee.

Construction drawings shall be submitted to the District Engineer for review prior to the commencement of any new development and redevelopment construction projects which disturb greater than or equal to one acre, including projects less than one acre that are part of a larger common plan of development or sale that would disturb one acre or more within the District. The District Engineer will approve the construction drawings if proper erosion control devices are scheduled to be implemented in accordance with the "Construction Site and Post-Construction Runoff Controls Storm Water Permit and Storm Water Quality Plan Guidelines - Fort Bend County," excluding Section 1, as Amended. A document will be provided to the builder's or contractor's representative acknowledging the approval of the construction drawings by the District Engineer.

After approval is granted from the District Engineer on the construction drawings, Construction Site Inspections will be required. The Construction Site Inspection will be conducted by a representative of the District prior to the commencement of construction activities (the "Inspector"). The Inspector will evaluate the construction site to ensure all erosion control devices are properly installed and the contractor is adhering to the minimum requirements outlined in the approved construction drawings. After the construction site is approved by the Inspector, the builder or contractor for the property owners may begin construction activities. A document will be provided to the builder's or contractor's representative acknowledging the approval of the construction site inspection.

E. Final Builder Inspection and Fees. Upon receipt of instruction from a builder to transfer an account to an initial Customer, the District's Operator shall make a final inspection of the property and make note of the condition of all District facilities. The District's Operator will repair any damaged District facilities, and the builder will be held responsible for all costs incurred. A fee of \$100.00 for Residential connections and the District's cost plus 200% for commercial

connections shall be charged by the District to cover the cost of such inspection and will be collected at the time the tap fee is paid.

A Post-Construction Inspection is required on all previously approved and inspected construction sites. The Post-Construction Site Inspection will be conducted by a representative of the District to evaluate the long term functionality of the temporary and permanent storm water erosion control devices. A document will be provided to the builder's or contractor's representative acknowledging the approval of the Post-Construction Site Inspection.

F. Backflow Prevention Assembly Inspection and Fees. Backflow prevention assemblies shall be installed on any connection which poses a high health hazard and any other connection which the District or the District's Operator reasonably believes poses a threat to the District's Water Supply System as set forth in Section 3.06 of the Rules and Regulations. Where annual inspections of such assemblies are required, there shall be an administrative fee of \$105.00 annually per assembly to the Customer.

G. Grease Interceptor Inspection and Fees. Where grease interceptors are required on commercial connections, the District's Operator shall inspect the initial installation for a fee of \$75.00 per inspection until the installation is acceptable. The Operator shall inspect such devices on a monthly basis, and the Customers shall be billed \$75.00 for such inspection. Failure to pay the inspection fee shall be deemed cause for termination as set forth in this Rate Order.

H. Commercial Waste Permit and Fees. Special Waste Permits will be required for certain non-residential users of the District's wastewater system. Every commercial entity of the District will be required to pay a permit fee of \$10.00 per month for the first year and then \$5.00 per month thereafter. This fee covers only the cost of processing the permit application and renewal and making the required inspections as set forth in the District's Amended and Restated Rules and Regulations Concerning Residential and Nonresidential Wastes and the exhibits thereto, attached hereto.

I. Compliance with TPDES General Permit No. TXR150000. The builder and developer, respectively known as the Construction Site Operator, are required to be compliant with TPDES General Permit No. TXR150000 issued by the Texas Commission on Environmental Quality (the "Commission"). All new development and redevelopment construction projects which disturb greater than or equal to one acre, including projects less than one acre that are part of a larger common plan of development or sale that would disturb one acre or more, are required to abide by the permit. A storm water pollution prevention plan (SWPPP) with a descriptive narrative of the project, a site plan, and proposed Best Management Practices (BMPs), as such term is defined in the General Permit, must be prepared at least seven (7) days prior to commencement of soil disturbing activities. A Notice of

Intent (NOI), as such term is defined in the General Permit, must be submitted by the Construction Site Operator to the Commission at least seven (7) days prior to commencement of soil disturbing activities, or as required by the General Permit. The Construction Site Operator will be responsible for the required General Permit inspections by qualified personnel and the implementation and regular maintenance of all BMPs listed in the SWPPP as required under the General Permit.

The Construction Site Operator is responsible for the management, implementation, SWPPP compliance, and compliance with all of their subcontractors, trades, suppliers, and agents.

(1) Erosion control devices shall be maintained in place at all times during construction activities. Contractors shall control all waste at the construction site such as discarded building materials, concrete truck washout water, chemicals, litter, and sanitary waste that may cause adverse impacts to water quality.

(2) Prior to the completion of any approved construction activity, the Contractor must address post construction runoff. Erosion control devices shall be installed and maintained upon completion, where all construction debris and rubbish shall be removed from the site, and any damage to the District's facilities shall be repaired at the expense of the developer, builder, or homeowner constructing the improvements. The Contractor is responsible for ensuring all erosion control devices and non-structural controls function properly so illicit discharges do not enter into the storm sewer system. All erosion control devices and non-structural controls must be satisfactory to the Districts standards.

Failure of the Construction Site Operator to comply with these Construction Site Operator responsibilities will be considered 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 surface waters, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in this Rate Order, immediately terminate service or, at the Construction Site Operator's sole cost and expense, install or repair the BMPs necessary to correct the cause of the Notice of Violation. If the District terminates service in order to preserve the integrity of the District's surface waters, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken and all fines/penalties have been resolved. Any and all expenses associated with the enforcement of this Section shall be billed to the Construction Site Operator. Violations of these regulations of the District will be subject to the penalties as outlined below:

- | | |
|--|----------------|
| (1) Failure to obtain permit coverage under TXR150000: | \$ 1,000 Fine* |
| | |
| (2) Failure to prepare a SWPPP as | |

required under TXR150000:	\$ 500 Fine*
(3) Notice of Violation for failure to install or maintain BMPs:	\$ 100 Fine per incident*

The District reserves the right to charge the Construction Site Operator for any and all expenses incurred while correcting the deficiencies listed in the Notice of Violation.

J. Construction within the District. Prior to the construction of any improvements within the District, proper erosion control devices shall be designed, installed, and maintained in accordance with "Construction Site and Post-Construction Runoff Controls Storm Water Permit and Storm Water Quality Plan Guidelines - Fort Bend County," excluding Section 1, as Amended.

Section 2.06. Builder's Deposit. A deposit shall be required of builders in the amount of \$3,000.00 at the time a request for a water tap is made. This deposit shall be refunded within 30 days after the approval by the District's Operator of the sanitary sewer and storm sewer connections and after completion of any repairs that might be required, but shall be forfeited as a penalty in the event any provision of this Order or the District's Rules and Regulations is violated. The District shall deduct from the deposit the cost to repair any damage caused to the District's property by the builder or the builder's employees, contractors, subcontractors or agents and shall deduct any delinquent water and sewer service bills of the builder. In the event any amounts are so deducted from the builder's deposit, it will be incumbent on the builder to reinstate the original amount of the deposit, and failure to do so will result in the suspension of any additional water taps for the builder.

Section 2.07. Temporary Water Service.

A. Temporary Connections. The District's Operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water service. All temporary service shall be metered and billed to the temporary Customer as provided herein. All unauthorized withdrawal of water from flushing valves, fire hydrants, or other appurtenances of the District's System without prior approval of the District, except for emergency fire-fighting purposes, is prohibited.

B. Fees and Rates. The rates for the sale of water for each temporary water service connection shall be the same as the rates for commercial connections.

Section 2.08. Service to Out-of-District Customers. All requests for water and sewer service from parties located outside the boundaries of the District shall be considered on a case by case basis and governed by separate agreement.

Section 2.09. Water Taps. The following charges for the tap of water lines shall be in effect within the District from and after the effective date hereof until amended by the Board of the District:

- | | | | |
|----|---|--|------------|
| a. | Residential taps: | 5/8" x 3/4" | \$975.00 |
| | | 1" | \$1,150.00 |
| b. | Commercial
(all over 1"): | the District's cost plus 200% | |
| c. | Non-taxable: | the actual cost to the District, including the costs of all facilities necessary to provide District services to such non-taxable entity where such facilities are financed or to be financed by tax-supported bonds of the District | |
| d. | Taps in esplanades
(for community associations): | the District's cost | |

Section 2.10. Title to Facilities. Title to all water meters, water and sewer taps, and all other appurtenances, including meter boxes, shall lie in the District.

ARTICLE III SERVICE RATES

Section 3.01. Water Service Rates. The following monthly rates for the sale of water shall be in effect for each Separate Connection within the District from the effective date hereof until such time as the Board of Directors amends said rates:

TYPE OF CONNECTION	GALLONS USED	RATE
A. Builder	0 - 8,000 gallons	\$15.00 (minimum)
	8,001 gallons - 15,000	\$1.00 per 1,000 gallons
	15,001 gallons - 30,000	\$1.50 per 1,000 gallons
	30,001 and thereafter	\$2.00 per 1,000 gallons
B. Residential	0 - 8,000 gallons	\$21.50 (minimum)
	8,001 gallons - 15,000	\$1.00 per 1,000 gallons
	15,001 gallons - 30,000	\$1.50 per 1,000 gallons
	30,001 and thereafter	\$2.00 per 1,000 gallons
C. Community Associations	0 - 5,000 gallons	\$5.00 (minimum)
	5,001 and thereafter	\$0.75 per 1,000 gallons
D. Commercial (all other) per equivalent single-family connection	0 - 8,000 gallons	\$21.50 (minimum) per EFSC
	8,001 gallons - 15,000	\$1.00 per 1,000 gallons
	15,001 gallons - 30,000	\$1.50 per 1,000 gallons
	30,001 and thereafter	\$2.00 per 1,000 gallons
E. Non-Taxable	Billed at two times the Commercial Rate	

Section 3.02. Sewer Service Rates. The following monthly rates for the collection and disposal of sewage shall be in effect for each Separate Connection within the District from the effective date hereof until such time as the Board amends said rates:

TYPE OF CONNECTION	GALLONS USED	RATE
A. Builder	Flat Rate	\$15.50
B. Residential	Flat Rate	\$25.00
C. Community Associations	Flat Rate	15.00
D. Commercial (all other) per equivalent single-family connection	0-8,000 gallons	\$21.50 per ESFC
	8,001 and thereafter	\$1.00 per 1,000 gallons
E. Non-Taxable	Billed at two times the Commercial Rate	

Section 3.03. Regulatory Assessment. Pursuant to Section 5.235, Texas Water Code, as amended and 30 Texas Administrative Code Section 291.76, as amended, the

District shall pay a regulatory assessment to the Texas Commission on Environmental Quality (the "Commission") by January 30 of each year in the amount required by law on

the total charges for retail water and sewer service collected from its customers in the prior twelve months. The Operator shall list the regulatory assessment on the Customer's bill as a separate line item and shall collect the regulatory assessment in addition to other charges. Failure by a Customer to pay the regulatory assessment shall result in the termination of water and sewer service in accordance with the provisions of this Rate Order.

At the end of each calendar year, the Operator shall prepare a written statement indicating (i) the total charges collected for retail water and sewer service for the year and (ii) the regulatory assessment due and payable to the Commission. The Operator shall deliver the written statement to the District's Bookkeeper for payment.

Section 3.04. North Fort Bend Water Authority Assessment Pursuant to Senate Bill 1798 of the 77th Legislature creating the North Fort Bend Water Authority (the "Water Authority") and to the Order Establishing Groundwater Reduction Plan Fee adopted by the Water Authority, as amended from time to time, the District shall pay a fee monthly to the Water Authority in the amount required by the Water Authority based on the total pumpage measured at the District's water wells and the total amount of water supplied to the District by the Water Authority.

The District hereby assesses a charge equal to the surface water rate charged by the Water Authority, plus 10%, per 1,000 gallons of metered water usage (the "NFBWA fee") to every customer of the District. The Operator shall list the NFBWA fee on the Customer's bill as a separate line item and shall collect the NFBWA fee in addition to other charges. Failure by a Customer to pay the NFBWA fee shall result in the termination of water and sewer service in accordance with the provisions of this Rate Order.

At the end of each month, the Operator shall prepare a written statement indicating the total pumpage at the District's water wells, the total amount supplied by the Water Authority, and the amount due to the Water Authority. The Operator shall deliver the written statement to the District's Bookkeeper for payment.

Section 3.05. No Reduced Rates or Free Service. All Customers receiving water and/or sewer service from the District shall be subject to the provisions of this Order and shall be charged the rates established in this Order, and no reduced rate or free service shall be furnished to any Customer; provided, however, this provision shall not prohibit the District from establishing reasonable classifications of customers for which rates differing from the rates stated herein may be adopted.

ARTICLE IV
SERVICE POLICY

Section 4.01. Transfer Fees and Security Deposits. Transfer Fees and security deposits shall be required as follows:

A. Transfer Fees. A fee of \$50.00 shall be charged by the District to cover the expense to the District for the transfer of water and sewer service from the builder of any unit to its initial occupant and a fee of \$50.00 will be charged by the District to cover expense to the District for the transfer of water and sewer service to each subsequent Customer at any unit. This fee shall cover the establishment of an account to provide service to the new Customer and shall be paid prior to initiation of service.

B. Customer Service Agreement. Each Customer establishing service must sign a Customer Service Agreement and provide any identification and documentation required by the District in connection therewith.

C. Residential Deposits. Each Customer establishing a new account for single-family residential service shall be required to pay a security deposit of \$150.00 to the District for providing service or restoring service. Each Customer re-establishing an account for single-family residential service that has been terminated for non-payment shall be required to pay a \$150.00 deposit before service is restored; this \$150.00 is in addition to any other deposit that may have been paid. The maximum deposit that a residential customer shall be required to have on deposit is \$600.00 (the initial deposit plus three additional deposits after termination of services for delinquent payments).

D. Commercial Deposits. Each Customer establishing a commercial account or multi-family residential account, and each Customer re-establishing a commercial account or multi-family residential account that has been terminated for non-payment, shall be required to make a security deposit equal to two (2) times the estimated average monthly bill for such connection, as determined by the District based on typical requirements for similar uses.

E. Full Payment Required. Service shall be initiated upon payment of the security deposit and all other fees and charges provided, however, that the deposit and transfer fee for a new account may be billed with the first billing for water and sewer services.

F. Refund of Deposit. Following payment of the final bill and payment of all fees and charges, the balance of the security deposit, if any, shall be refunded by check mailed to the Customer. No interest shall be payable to the Customer on any security deposit.

Section 4.02. Billing Procedures. All accounts shall be billed in accordance with the following procedures:

A. Due Date and Delinquency. Payment shall be due on or before the due date shown on the bill. After such date, a late charge of ten percent (10%) will be assessed on the unpaid balance on the water and sewer bill. All accounts not paid by the due date shall be deemed delinquent and failure to make payment within thirty (30) days thereafter may result in the termination of water and sewer service.

B. Notice and Appeal. Prior to termination of service, a Customer who is delinquent in payment shall be sent a notice that service will be discontinued unless payment in full is received. Notice shall be sent by first class United States mail and will provide the Customer with an opportunity to appear in person or by written correspondence at a scheduled meeting of the Board of the District to contest, explain, or correct the charges, services, or disconnection. The notice shall inform the Customer of the amount of the delinquent bill, the date service will be disconnected if payment is not made, and of the right to contest, explain, or correct the charges, services, or disconnection. In the event that such notice must be sent to a Customer, a charge of \$15.00 shall be added to the Customer's bill to cover the District's cost of handling.

Service shall not be disconnected where a Customer has informed the District or the District's Operator of his or her desire to contest or explain his bill. If the Customer appears before the Board, in person or by written correspondence, the Board shall hear and consider the matter and inform the Customer of the Board's determination by sending written notice to the Customer by first class United States mail stating whether service will be continued or disconnected. If service is discontinued, it shall be reinstated only upon payment in full of all amounts due, including any late charges, the security deposit set out in Section 4.01, and a reinstatement charge of \$100.00. If it becomes necessary for the District's Operator to remove a Customer's water meter to stop the unauthorized use of the District's water, or if a Customer damages a water meter, there shall be a \$100.00 replacement fee plus the cost of the damage charged to the user.

C. Returned Checks. A \$30.00 charge will be charged to the Customer's account for any check returned by the bank. Any amounts due on an account which have been paid with a check that has been returned by the bank must be paid in full by cash, cashier's check or money order, including all late charges and returned check charges, within five (5) days from the day the Operator hangs a notice on the Customer's door or otherwise notifies the Customer that the check has been returned by the bank.

Section 4.03. Entitlement. Customers are not guaranteed a specific quantity or pressure of water or specific capacity in sewer facilities for any purpose whatsoever;

furthermore, in no instance shall the District be liable for failure or refusal to furnish water or any particular amount or pressure of water or to provide capacity in sewer facilities.

Section 4.04. Unauthorized and Extraordinary Waste. The rates established herein are applicable for Domestic Waste as defined herein. Customers proposing to generate other types of waste will be assessed additional charges as established by the District.

Section 4.05. Damage to District Facilities.

A. Damage to Meter and Appurtenances. No person other than a duly authorized agent of the District shall open a meter box, tamper with or in any way interfere with a meter, meter box, service line or other water and/or sewer system appurtenance. The District reserves the right, immediately and without notice, to remove the meter or disconnect water service to any Customer whose meter has been tampered with and to assess repair charges to the Customer, plus 200%.

B. Right to Repair. The District reserves the right to repair any damage to the District's System and appurtenances without prior notice and to assess against any Customer such penalties as are provided by law and such penalties provided for in this Rate Order in addition to those charges necessary to repair the portion of the System so damaged.

Section 4.06. Unauthorized Service. Unauthorized service from the District's water and sewer system is hereby prohibited. Any unauthorized service shall result in penalties as set forth in Article VIII of this Rate Order. In addition, any costs incurred by the District in terminating said unauthorized service, including the removals of the materials used in making the unauthorized connection, will be added to the penalty. No service shall be provided by the District until the entire amount of the fine, legal fees, and costs incurred by the District and all regular fees for service connection are tendered. Unauthorized service is that obtained without the District's prior approval, inspection, or installation of a water meter.

Section 4.07. Uncorrected Leaks From Customers' Lines. To prevent health problems, safety problems, and/or unwarranted loss of water, the District's Operator shall have the authority to notify the Customer to make repairs of any leaks on Customer lines allowing unchecked flow of water. Notice shall be posted on the Customer's door. Except in situations deemed by the Board of Directors to be emergencies, the customer shall have seven (7) days to correct the leak. The notice shall inform the Customer of a number at which he can contact the Operator to protest the requirement, and the Operator shall review any such protests with at least one member of the Board of Directors of the District. If the Customer has not repaired the leak after seven days, and if the Customer has not requested and received an extension to the deadline, then services to the Customer shall be terminated. Services terminated under this section shall not be restored until the leak(s) have been fixed and all applicable fees have been paid.

ARTICLE V
ADOPTION OF RULES AND REGULATIONS CONCERNING
WATERWORKS AND SANITARY SEWER SYSTEM

To preserve the sanitary condition of all water controlled by the District, to prevent waste or the unauthorized use of water controlled by the District, and to secure and maintain safe, sanitary and adequate plumbing installation, connections and appurtenances, the Board of the District hereby adopts the Amended and Restated Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections attached hereto as Appendix "A" and incorporated herein for all purposes.

ARTICLE VI
WATER CONSERVATION, DROUGHT, AND EMERGENCY
CONTINGENCY PLAN

The Board of the District hereby adopts the Water Conservation, Drought, and Emergency Contingency Plan attached hereto as Appendix "B" and incorporated herein for all purposes.

ARTICLE VII
ORDER ESTABLISHING RULES AND REGULATIONS CONCERNING
RESIDENTIAL AND NONRESIDENTIAL WASTES

The Board of the District hereby adopts the Amended and Restated Rules and Regulations Concerning Residential and Nonresidential Wastes, attached hereto as Appendix "C" and incorporated herein for all purposes.

ARTICLE VIII
ENFORCEMENT/CIVIL PENALTIES

Section 8.01. Enforcement.

A. Civil Penalties. The Board hereby imposes the following civil penalties for breach of any rule of the District: The violator shall pay the District twice the costs the District has sustained due to the violation up to \$5,000. A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorneys' fees shall be fixed by the court.

B. Liability for Costs. Any person violating any of the provisions of this Order and/or the Rules and Regulations Governing Water and Sanitary Sewer

Facilities, Service Lines, and Connections shall become liable to the District for any expense, loss or damage occasioned by the District by reason of such violation, and enforcement thereof shall be in accordance with Section 8.01(A) of this Order and Article X of the Rules and Regulations.

Section 8.02. Non-waiver. The failure on the part of the District to enforce any section, clause, sentence, or provision of this Order shall not constitute a waiver of the right of the District later to enforce any section, clause, sentence, or provision of this Order.

Section 8.03. Appeal. Any determination by the District's Operator or the District's engineer or any authorized agent of the District of any dispute regarding the terms and provisions of this Order may be appealed to the Board of the District, which shall conduct a hearing on the matter. The District's Operator and/or attorney shall provide the Customer with information regarding appeals and hearing procedures upon the Customer's request.

ARTICLE IX SOLID WASTE

The District may contract with an independent contractor to provide for solid waste and trash collection within the District. If the Board of the District determines that it is in the best interest of the District to contract for solid waste and trash collection, the fee for such service, as established by contract, shall be included on the water and sewer service bill. Failure to pay the solid waste and trash collection service on or before the due date indicated on the water and sewer service bill shall result in the assessment of a 10% penalty on the unpaid balance of the bill for solid waste and trash collection as well as termination of service under the provisions of Article IV this Order.

ARTICLE X STORM SEWER

Section 10.01 Storm Sewer. For the purpose of providing drainage capacity and services to drain the land located within its boundaries, the District has constructed, maintained, owns, and operates the internal drainage ditches, detention ponds, and the storm sewer system. Pursuant to Title 40, Part 122 of the Code of Federal Regulations, the District adheres to the storm water regulatory provisions, as referenced in the National Pollutant Discharge Elimination System (NPDES) and Sections 318, 402, 405 of the Clean Water Act. The District is regulated by the Texas Pollutant Discharge Elimination System (TPDES) through General Permit No. TXR040000. The General Permit upholds all federal regulations through the implementation of the Storm Water Management Program (SWMP). The Texas Commission on Environmental Quality (the "Commission") monitors the Best Management Practices (BMPs) outlined in the SWMP to ensure the District adequately administers all program elements and prevents illicit discharges from entering into the Municipal Separate Storm Sewer System (MS4).

Section 10.02 Illicit Discharge. The use of the District's Storm Sewer System is solely limited to storm water. No unauthorized materials such as liquids, solids, grass, pet waste, or yard clippings, trash, construction materials, oils or grease, shall be introduced into the District's storm sewer system. Only runoff entirely composed of storm water or certain allowable non-storm water shall be discharged into the storm sewer system. The following non-storm water sources may be discharged from the MS4:

- a) water line flushing (excluding discharges of hyper-chlorinated water, unless the water is first de-chlorinated and discharges are not expected to adversely affect aquatic life);
- b) runoff or return flow from landscape irrigation, lawn irrigation, and other irrigation utilizing potable water, groundwater, or surface water sources;
- c) discharges from potable water sources that do not violate Texas Surface Water Quality Standards;
- d) diverted stream flows;
- e) rising ground waters and springs;
- f) uncontaminated ground water infiltration;
- g) uncontaminated pumped ground water;
- h) foundation and footing drains;
- i) air conditioning condensation;
- j) water from crawl space pumps;
- k) individual residential vehicle washing;
- l) flows from wetlands and riparian habitats;
- m) de-chlorinated swimming pool discharges;
- n) street wash water, excluding street sweeper wastewater;
- o) discharges or flows from emergency firefighting activities (firefighting activities do not include washing of trucks, run-off water from training activities, test water from fire suppression systems, and similar activities);
- p) other allowable non-storm water discharges listed in 40 CFR § 122.26(d)(2)(iv)(B)(1);
- q) non-storm water discharges that are specifically listed in the TPDES Multi Sector General Permit (MSGP) or the TPDES Construction General permit (CGP);
- r) discharges that are authorized by a TPDES or NPDES permit or that are not required to be permitted; and
- rs) other similar occasional incidental non-storm water discharges, such as spray park water, unless the Commission develops permits or regulations addressing these discharges.

Section 10.03 Detection and Elimination. All Storm Sewer Users shall allow their property and/or the property under their control to be inspected by the District's consultants during normal business hours for possible illicit connections to the District's

storm sewer system and other unacceptable discharges to the District's storm sewer system which violate this Rate Order. The District's consultants may perform random testing and/or inspections when the District has reason to believe that an illicit connection to the District's storm sewer system exists or that an illicit discharge to the District's storm sewer system is occurring. The District will determine through the inspection whether the illicit discharge may pose a serious threat to the integrity of the District's storm sewer system. A Notice of Violation will be issued to the Storm Sewer User responsible for the illicit discharge. Anyone who disposes unauthorized materials prohibited under regulations implemented pursuant to the Federal Water Pollution Control Act or any state equivalent act or that might potentially impede the free flow of storm water runoff to the Drainage Facilities or the District's Right-of-Way and Easements will be responsible for (1) removing such unauthorized materials and restoring the Drainage Facilities to their prior condition or (2) reimbursing the District for all costs of the removal and restoration if the District opts, at its sole discretion, to perform such work. In addition to or in place of the foregoing, the District may assess a penalty against the violation or disconnect the User's water service to collect such penalty for such violation under the Section 10 of this Order.

Section 10.04 Failure to Comply and Penalty for Violation. It shall be a violation of this Rate Order to introduce unauthorized materials into the District's storm sewer system, or to damage the District's storm sewer system in any manner. Property owners are responsible for adequately maintaining the storm water structural controls they own and operate, while ensuring unauthorized materials do not enter into the District's storm sewer system. The District reserves the right to assess such penalties as provided in this Order to any person, corporation, or other entity which makes such unauthorized use of, or causes any damage to, the District's storm sewer system. The failure of a Storm Sewer User to comply with these Storm Sewer User Responsibilities will be considered a violation of this Rate Order and will subject the User to penalties as outlined below:

Notice of Violation for Illicit Discharge
to District Facilities:

\$ 500 Fine per incident*

*The District reserves the right to charge the Storm Sewer User for any and all expenses incurred while correcting the deficiencies listed in the Notice of Violation.

ARTICLE X1
MISCELLANEOUS

Section 11.01. Amendments. The Board of the District has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

Section 11.02. 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 application of such provision or part of this Order shall not be affected thereby.

Section 11.03. Headings. The section and paragraph headings used herein are for reference only and are not to be construed as part of the text of the section or paragraph.

ARTICLE XII
EFFECTIVE DATE

This Order shall be effective upon adoption.

The President or Vice President is authorized to execute and the Secretary or any Assistant Secretary is authorized to attest this Order on behalf of the Board and to do all things necessary and proper to carry out the purpose and intent hereof.

PASSED, ADOPTED, ORDERED and APPROVED as of the 22nd day of July 2024.

/s/ Darrell A. Hawthorne
President
Board of Directors

ATTEST:

/s/ Judson Brown
Secretary
Board of Directors

(DISTRICT SEAL)