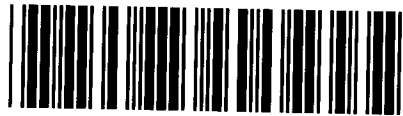




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DOCKET NO. 44621

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JOINT APPLICATION OF YES PREP §  
PUBLIC SCHOOLS AND SUBURBAN §  
UTILITY COMPANY TO DECERTIFY §  
YES PREP PROPERTY FROM §  
SUBURBAN WATER COMPANY'S §  
CERTIFICATED SERVICE AREA §

PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
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OF TEXAS

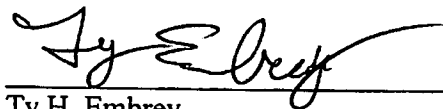
**YES PREP PUBLIC SCHOOLS, INC.'S RESPONSE TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

YES Prep Public Schools, Inc. (YES Prep) files this Response to the Commission Staff's (Staff's) First Request for Information (RFI). YES Prep received Staff's First RFI on October 15, 2015. Pursuant to 16 Tex. Admin Code § 22.144, YES Prep's Response to Staff's First RFI is due on November 4, 2015. Therefore, this Response is timely filed. All parties may treat these answers as if they were filed under oath.

**DATED:** October 22, 2015

Respectfully Submitted,

**YES PREP PUBLIC SCHOOLS, INC.**



Ty H. Embrey  
Texas State Bar No. 24025346  
Lloyd Gosselink Rochelle & Townsend, P.C.  
816 Congress Avenue, Suite 1900  
Austin, Texas 78701  
(512) 322-5829  
(512) 472-0532 (fax)  
tembrey@lglawfirm.com

**DOCKET NO. 44621**

<b>JOINT APPLICATION OF YES PREP</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>PUBLIC SCHOOLS AND SUBURBAN</b>	<b>§</b>	
<b>UTILITY COMPANY TO DECERTIFY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>YES PREP PROPERTY FROM</b>	<b>§</b>	
<b>SUBURBAN WATER COMPANY'S</b>	<b>§</b>	
<b>CERTIFICATED SERVICE AREA</b>	<b>§</b>	

**YES PREP PUBLIC SCHOOLS, INC.'S RESPONSE TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

OCTOBER 22, 2015

**TABLE OF CONTENTS**

<b><u>RFI NO.</u></b>	<b><u>PAGE</u></b>
Staff 1-1 .....	3
Staff 1-2 .....	160
Staff 1-3 .....	161
Staff 1-4 .....	162

**DOCKET NO. 44621**

<b>JOINT APPLICATION OF YES PREP</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>PUBLIC SCHOOLS AND SUBURBAN</b>	<b>§</b>	
<b>UTILITY COMPANY TO DECERTIFY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>YES PREP PROPERTY FROM</b>	<b>§</b>	
<b>SUBURBAN WATER COMPANY'S</b>	<b>§</b>	
<b>CERTIFICATED SERVICE AREA</b>	<b>§</b>	

**YES PREP PUBLIC SCHOOLS, INC.'S RESPONSE TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

**Staff 1-1:**

Please provide a copy of a signed service agreement between YES Prep and Sunbelt FWSD that supports the continuance of service following the decertification of the specified area from Suburban's certificated area.

**Response:**

The Public Utility Commission of Texas (the Commission) entered an Emergency Order in Docket No. 44322 on March 17, 2015, that provides that the order lasts for ninety days from the date of connection. Sunbelt Fresh Water Supply District (Sunbelt FWSD) and YES Prep Public Schools, Inc. (YES Prep) entered into the attached Emergency Water Service Agreement on May 28, 2015, to govern the relationship between the parties once the connection was made. The connection between YES Prep's North Central Campus location and Sunbelt FWSD's system to enable the North Central Campus location to receive domestic water service was made on October 16, 2015. Sunbelt FWSD and YES Prep entered into the attached Water Service Supply Agreement on August 7, 2008, to enable the North Central Campus to receive water service for fire suppression purposes. Sunbelt FWSD and YES Prep have negotiated the attached Amendment to the Water Service Agreement executed in 2008 and plan to execute the Amendment once the Commission has approved the Certificate of Convenience and Necessity (CCN) amendment application at issue.

Preparer: Ty Embrey

Title: Attorney for YES Prep Public Schools, Inc.

Sponsor: Ty Embrey

Title: Attorney for YES Prep Public Schools, Inc.

**ATTACHMENT 1**  
**May 28, 2015 Emergency Water Service Agreement**

**EMERGENCY WATER SUPPLY AGREEMENT  
BETWEEN  
SUNBELT FRESH WATER SUPPLY DISTRICT  
AND  
YES PREP PUBLIC SCHOOLS INC.**

THIS EMERGENCY WATER SUPPLY AGREEMENT ("Agreement") is entered into as of the 28 day of May, 2015, by and between SUNBELT FRESH WATER SUPPLY DISTRICT of Harris County, Texas, a body politic and corporate and governmental agency of the State of Texas, organized under the provisions of Article XVI, Section 59 of the Constitution of the State of Texas and operating pursuant to Chapters 49 and 53, Texas Water Code, as amended (the "District"), and YES PREP PUBLIC SCHOOLS INC., a Texas nonprofit corporation and Texas Open Enrollment Charter School ("YES PREP").

**RECITALS**

WHEREAS, the District and YES PREP desire to enter into this Agreement and to establish the terms and conditions pursuant to which emergency water supply will hereafter be provided to YES PREP's North Central Campus located at 13703 Aldine-Westfield, Houston, Harris County, Texas (the "Property"); and

WHEREAS, at this time the District and YES PREP believe it is in their best interests to enter into this Agreement.

**AGREEMENT**

For and in consideration of the mutual promises, obligation and benefits herein set forth, the Districts hereby contract and agree as follows:

**ARTICLE I**

Section 1.01: Definitions. In addition to the terms defined elsewhere herein, the following terms, when used herein, shall have the meanings specified:

"Emergency" means either (1) a determination by the PUC that an emergency order should be granted, (2) any mechanical or electrical failure, or (3) any act of nature or any discontinuance of service to the Property is either imminent or may occur that causes a loss of production or distribution capacity of Water to the Property as set forth by Order of the Public Utilities Commission (the "PUC"), attached hereto as **Exhibit "A."**

"District Engineer" shall mean A & S Engineers, Inc., Houston, Texas, engineer for the Sunbelt System, or such other engineer as shall be employed from time to time to serve as the engineer for the Sunbelt System.

"District Water System" shall mean the water supply system within the boundaries of the District, including the District's water plant and distribution lines and any improvements,

extensions and enlargements thereof; in addition, the inclusion of those distribution lines and other facilities located within Harris County right-of-way or within easements granted to, and accepted by, the District to serve property outside the District boundaries

"Point of Connection" means the point at which the District's Water System connects to the Property.

"Water" means potable water meeting the minimum requirements of the Texas Department of Health and its successors for human consumption and other domestic use.

"Water Line" shall mean the existing eight-inch (8") water line, including any necessary extensions, water meters and other facilities, extending from the periphery of the Property to the point of connection with the existing District System, which pursuant to the policies of the Commission constitute public water lines.

## ARTICLE II

Section 2.01. Emergency Supply. During an Emergency, the District shall supply Water to YES PREP. YES PREP must provide notice of the Emergency to the District. Such notice shall include a description of the nature of the Emergency and the expected duration.

Section 2.02. Measurement of Water Usage. The amount of Water service used by YES PREP for the Property in any thirty (30) day period shall be measured by the water meter to be installed by YES PREP as part of the Water Line. The meter shall be read each month by the utility system operator for the District, in accordance with the then current Rate Order of the District.

Section 2.03. Water Rates. The District shall set its Water rates from time to time sufficient to pay the Operation and Maintenance Costs for the System and maintain a reasonable reserve for operating expenses. The rates for the supply of Water service to the Property shall be equal to the rates charged to commercial customers of the District as contained in the Rate Order, effective at the time of such charges. A copy of the current Rate Order is attached hereto as **Exhibit "B"** and incorporated herein by reference.

Section 2.04. Billings and Payments. YES PREP shall be billed monthly by the District, as set forth in the District's then current Rate Order.

## ARTICLE III

Section 3.01. Term. The term of this Agreement shall commence on the effective date first written above, and shall run for a term of forty (40) years, and shall automatically renew thereafter for successive five year terms, unless notice of non-renewal is provided to the other District at least nine (9) months prior to the commencement of a renewal term or replaced by a permanent Water Supply Agreement between YES PREP and the District.

Section 3.02. Associated Costs. YES PREP shall be responsible for all reasonable legal and engineering fees and expenses incurred by the District related to YES PREP obtaining emergency water service from the District. Previously, YES PREP has deposited a retainer of \$3,000 (the "Original Retainer") with the District for which the District has applied legal and engineering fees and expenses of approximately \$2,800. Considering the District will incur similar fees and expenses to finalize this Agreement, the District may request additional deposits to cover such costs. YES PREP payment of legal costs shall not apply to any disputes between YES PREP and District, but YES PREP will continue to be responsible for the District's legal and engineering fees and expenses related to its emergency water service from the District after execution of this Agreement. The legal and engineering fees that YES PREP will be responsible for related to any permanent water supply agreement will be addressed in the permanent water supply agreement. Once the service agreements are executed and final invoices have been submitted to the District related to such costs, then any remaining funds not used by the District will be returned to YES PREP. If insufficient deposits do not cover the remaining costs of the District, then YES PREP shall pay the amount of the deficiency.

Section 3.03. Use of Capacity. The Water services provided for under this Agreement shall be utilized only by the Property. YES PREP shall have no authority to sell, lease, or otherwise convey any interest in Water acquired pursuant to this Agreement, except to a successor owner of the Property.

Section 3.04. Rules and Regulations. YES PREP covenants and agrees that it will abide by and obey the Rules and Regulations and Rate Order of the District, as such documents are amended by the District from time to time.

Section 3.05. Mechanical Failures. Unless the District or any of its employees is grossly negligent or engages in willful misconduct, the District shall not be liable for any damages suffered by YES PREP or the Property as a result of breakdown of the Water Line, or scheduled repairs or maintenance for which YES PREP has received notice, which result in the inability of the District to provide Water in sufficient quantity or quality to the Property; provided however, the District shall make a diligent effort to anticipate curtailment of any such capacity, to notify YES PREP in advance of any repairs, and to the extent possible, complete scheduled repairs or maintenance work so as not to interfere with the conduct of day to day Property activities.

Section 3.06. Government Immunity. The District neither waives nor relinquishes any immunity or defense on behalf of itself or its officers and employees by reason of its execution or performance of this Agreement. The District nor its respective officers or employees shall be deemed to be agents or representatives of YES PREP by virtue of the execution or performance of this Agreement. The activities to be performed by the District and YES PREP pursuant to this Agreement shall be exclusively public and governmental in nature.

Section 3.07. Force Majeure. If either party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the



continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, shall include acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority (including any ruling of a court of competent jurisdiction), insurrections, riots, epidemics, landslides, lightening, earthquakes, fires (but not fires occurring at the Property), hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, which are not within the reasonable control of the party, or which the party could not have avoided by the exercise of reasonable due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 3.08. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement 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 Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 3.09. Modification. This Agreement shall be subject to change or modification only with the mutual written consent of YES PREP and the District.

Section 3.10. Assignability. This Agreement shall not be assignable by either party without the prior written consent of the other; provided, however, YES PREP may assign this Agreement to any successor owner of the Property.

Section 3.11. Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

Section 3.12. Addresses and Notices. Unless otherwise provided in this Agreement, any notice herein provided or permitted to be given, made, or accepted by either party must be in writing and may be given by depositing the same in the United States mail postpaid, return receipt requested, by depositing the same with a reputable overnight delivery service or by delivering by hand the same to an officer of such party to be notified. Notice deposited in the mail or overnight delivery service in the manner described above shall be conclusively deemed to be effective from and after the expiration of three (3) days after it is so deposited. Notice given by hand delivery shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall be as follows:

If to the District: Sunbelt Fresh Water Supply District  
c/o Radcliffe Bobbitt Adams Polley PLLC  
1001 McKinney, Suite 1000  
Houston, Texas 77002-6424  
Attention: Mr. Ross J. Radcliffe

If to YES PREP: YES Prep Public Schools Inc.  
6201 Bonhomme Road, Suite 168N  
Houston, Texas 77036  
Attention: General Counsel

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address upon giving at least fifteen (15) days' written notice to the other parties.

Section 3.13. No Additional Waiver Implied. No waiver or waivers of any breach or default by either party hereto of any term, covenant, condition, or liability hereunder of performance by the other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstances.

Section 3.14. Remedies. In enforcing the performance of the provisions of this Agreement, each party shall have the right to exercise all procedures available under law, including, but not limited to, a writ of mandamus to command performance of any provision hereof.

Section 3.15. Regulatory Agencies. This Agreement is subject to all applicable rules, regulations, and laws applicable hereto passed or promulgated by the United States, the State of Texas, or any governmental body or agency having lawful jurisdiction, and the parties hereto agree to cooperate fully to assure that all such rules, regulations, and laws are fully complied with, particularly the rules and waste discharge permit requirements of the Commission and the EPA.

Section 3.16. Attorney's Fees. If any party hereto is the prevailing party in any legal proceedings against any signatory of this Agreement brought under or with relation to this Agreement, such prevailing party shall additionally be entitled to recover court costs and reasonable attorneys' fees from such non-prevailing party to such proceedings.

Section 3.17. Authority to Execute. Each party hereto represents that it has been duly authorized to execute this Agreement by a resolution of the Board of Supervisors of the District and by a resolution of the Board of Trustees of YES PREP.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement has been executed in multiple counterparts, each of equal dignity, as of the date and year first above written.

SUNBELT FRESH WATER SUPPLY DISTRICT

ATTEST:

By: Janie N. Wade  
President, Board of Supervisors

By: N. Wade  
Secretary, Board of Supervisors



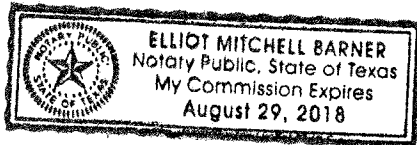
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BEFORE ME, the undersigned, on this day personally appeared Jan Gloria, known to me to be the person whose name is subscribed to the foregoing instrument as President of the Board of Supervisors of Sunbelt Fresh Water Supply District, and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said District.


GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 21 day of May 2015.

Elliot Barner  
Notary Public, State of Texas

(SEAL)



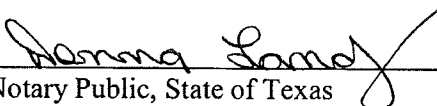
YES PREP PUBLIC SCHOOLS INC.

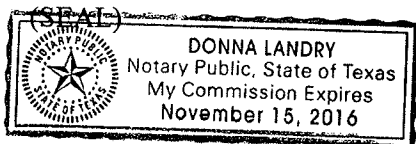
By:   
Mark DiBella, Superintendent

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

BEFORE ME, the undersigned, on this day personally appeared Mark DiBella, Superintendent of YES Prep Public Schools Inc., a Texas nonprofit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of said entity.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 28<sup>th</sup> day of May, 2015.

  
Notary Public, State of Texas



List of Exhibits:

Exhibit "A"    Emergency Order  
Exhibit "B"    District Rate Order

DOCKET NO. 44322

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REQUEST OF YES PREP PUBLIC §  
SCHOOLS FOR EMERGENCY ORDER §  
TO OBTAIN WATER SERVICE FROM §  
SUNBELT FRESH WATER SUPPLY §  
DISTRICT §

PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
FILING CLERK  
OF TEXAS

### EMERGENCY ORDER

This emergency order addresses the request for an emergency order filed by YES Prep Public Schools, Inc. (Yes Prep) against Suburban Utility Company (Suburban). YES Prep and Suburban have entered into a settlement agreement that resolves all of the issues in this docket and requests the issuance of this emergency order. Public Utility Commission of Texas (Commission) Staff does not oppose the settlement agreement. The Commission approves the settlement agreement, issues this emergency order without a hearing, and sets a hearing on this matter for March 26, 2015 at the Commission's offices in Austin, Texas.

The Commission adopts the following findings of fact and conclusions of law:

#### I. Findings of Fact

##### Procedural History

1. On January 15, 2015, YES Prep filed an application with the Commission for the issuance of an emergency order under 16 Tex. Admin. Code § 24.14 to allow YES Prep's north central campus to take water service from the Sunbelt Fresh Water Supply District (Sunbelt) rather than Suburban because Suburban was not providing continuous and adequate service.
2. Suburban is a Texas corporation that owns facilities for the sale of potable water in Houston, Texas.
3. Suburban has been issued certificate of convenience and necessity number (CCN) No. 10835 for the provision of retail water service.
4. Suburban owns and operates several public water systems, including the Castlewood Subdivision system, public water system identification number 10101111.

5. YES Prep is a Texas non-profit corporation and a Texas open-enrollment charter school.
6. YES Prep's north central campus is located at Aldine-Westfield Road in Houston, Texas and takes retail water service from Suburban's Castlewood water system.
7. Sunbelt owns facilities for the sale of potable water in Houston, Texas.
8. Sunbelt has been issued CCN No. 10833 for the provision of retail water service and CCN No. 20347 to provide retail sewer service.
9. Sunbelt provides water for fire protection purposes to YES Prep's north central campus through an eight-inch water line that is connected to Sunbelt's distribution system.
10. On January 16, 2015, the Commission's administrative law judge (ALJ) issued Order No. 1, which required Commission Staff to file a response to the application by January 22, 2015, including comments regarding sufficiency of the application, and propose a procedural schedule for processing the application.
11. On January 22, 2015, Commission Staff filed a response to Order No. 1 in which it stated that Commission Staff was in contact with YES Prep and Sunbelt and was working to ascertain additional details regarding the application.
12. On January 27, 2015, YES Prep filed an amendment to its application for an emergency order and later that day supplemented the application with filed copies of the minutes of the meeting of the Sunbelt board on December 4, 2014, indicating that Sunbelt would serve YES Prep's north central campus upon a showing of proper documentation.
13. On January 29, 2015, Suburban filed its response to YES Prep's application. Suburban disagreed with YES Prep's allegations regarding the lack of continuous and adequate service.
14. The Commissioners considered YES Prep's application at its open meeting on January 30, 2015 and continued the matter until the February 12, 2015 open meeting to allow Commission Staff time to consider the amended application and response and file its recommendation.
15. Commission Staff filed its second response to Order No.1 on February 4, 2015.

16. On February 9, 2015, Suburban, YES Prep, Sunbelt, and Commission Staff conducted settlement discussions. As a result of the settlement discussions, Suburban, YES Prep, and Commission Staff filed a joint motion for a continuance of this matter.
17. The Commission did not take up the application at its February 12, 2015 open meeting.
18. On February 25, 2015, representatives of Suburban, YES Prep, and Commission Staff filed an agreed motion to admit evidence and to approve an agreed emergency order. On the same day, Commission Staff filed, on behalf of YES Prep and Suburban, a settlement agreement between YES Prep and Suburban, which is unopposed by Commission Staff, and resolves all issues relating to the provision of water service by Suburban to YES Prep's north central campus in this proceeding (Agreement).
19. On February 27, 2015 through Order No. 3, the ALJ admitted the following evidence into the record of this proceeding: (a) YES Prep's application filed on January 15, 2015; (b) YES Prep's amended application filed on January 27, 2015; (c) the minutes of Sunbelt's December 4, 2014 board meeting also filed on January 27, 2015; (d) Suburban's response to YES Prep's application filed on January 29, 2015; and (e) Commission Staff' second response to Order No. 1 filed on February 4, 2015.

**Agreement of Yes Prep and Suburban**

20. Under the Agreement, Suburban agrees to release YES Prep's north central campus from its certificated service area in exchange for an initial payment of \$16,250.00 from YES Prep within seven calendar days after the issuance of this emergency order and a second payment of \$16,250.00 from YES Prep to Suburban within seven calendar days of the issuance of a Commission order decertifying YES Prep's north central campus from Suburban's certificated service area.
21. Suburban and YES Prep agree to work cooperatively to file an application with the Commission within seven days after issuance of this emergency order requesting that YES Prep's north central campus be removed from Suburban's certificated service area.
22. Suburban and YES Prep agree that YES Prep may seek retail water service from Sunbelt in accordance with any orders of the Commission and subject to Sunbelt obtaining any necessary authorization from the Texas Commission on Environmental Quality (TCEQ).



23. YES Prep agrees to submit a written withdrawal from Suburban's pending rate case Docket No. 42859<sup>1</sup> within seven days of the effective date of the Agreement.
24. YES Prep agrees that it will not file suit, join in any pending lawsuits, intervene in any pending lawsuits, or make any other legal claims against Suburban related to the provision of water service to YES Prep's north central campus.
25. In accordance with the settlement agreement, the discontinuance of service to YES Prep's north central campus is either imminent or may occur and would constitute an emergency because of the uncertainty regarding service to YES Prep's north central campus.
26. All parties are in agreement with respect to the need for an emergency order to resolve the dispute between the parties and allow Sunbelt to serve YES Prep's north central campus and ensure the provision of continuous and adequate service.
27. The settlement agreement is a just and reasonable resolution of all the issues it addresses and should be approved, is supported by a preponderance of credible evidence in the record, and is consistent with the relevant Texas Water Code provisions and Commission rules.
28. This emergency order is being issued without a hearing.
29. The need to address the request for emergency relief to ensure continuous and adequate water service to the Yes Prep north central campus presents good cause pursuant to 16 Tex. Admin. Code § 22.5(b) to waive the 20-day notice requirement of 16 Tex. Admin. Code § 22.35(b) and allow this matter to be considered at the Commission's next regularly scheduled open meeting.

## II. Conclusions of Law

1. The Commission has jurisdiction over this matter pursuant to Tex. Water Code §§ 13.041 and 13.250.
2. Yes Prep's request for emergency order is subject to the requirements in 16 Tex. Admin. Code §§ 22.294, 24.14, and 24.114.

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<sup>1</sup> *Application of Suburban Utility Company for a Water Rate/Tariff Change Under Certificate of Convenience and Necessity No. 10835 in Harris County, Texas, Docket No. 42859 (pending).*

3. Suburban is a public utility and a retail public utility as defined in chapter 13 of the Texas Water Code.
4. Sunbelt is a retail public utility as defined in chapter 13 of the Texas Water Code.
5. Notice of the application complied with 16 Tex. Admin. Code §§ 22.55 and 22.74.
6. This docket was processed in accordance with the requirements the Texas Water Code and Commission rules.
7. The settlement agreement is supported by a preponderance of credible evidence in the record and is consistent with the relevant provisions of the Texas Water Code and Commission rules.
8. YES Prep's request for an emergency order, as amended, satisfies the application requirements in 16 Tex. Admin. Code § 22.295.
9. Pursuant to Tex. Water Code § 13.041(d) the Commission may issue an emergency order without a hearing.
10. Pursuant to Tex. Water Code § 13.041(f) the Commission is required to set a time and place for a hearing if it issues the emergency order without a hearing.
11. The parties to this docket cannot waive a statutory obligation placed on this Commission.
12. The Commission may issue an emergency order which contains provisions requiring specific utility actions to ensure continuous and adequate utility service and compliance with regulatory requirements.
13. The Commission has authority to issue an emergency order compelling Suburban to provide continuous and adequate service to YES Prep's north central campus.
14. Pursuant to 16 Tex. Admin. Code § 22.5(b), good cause exists to waive the 20-day notice requirement of 16 Tex. Admin. Code § 22.35(b).

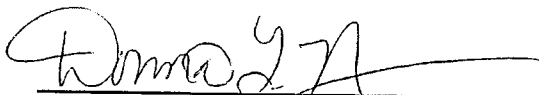
### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. The Agreement between Suburban Utility Company and YES Prep Public Schools, Inc. is approved.
2. YES Prep's request for an emergency order, as amended by the Agreement and this emergency order, is granted.
3. Sunbelt is authorized to provide retail water service to YES Prep's north central campus upon receipt of appropriate authorization from the TCEQ and any other local or state regulatory authorities, for a time period not to exceed ninety calendar days from the date of connection.
4. Within seven calendar days of the date of this emergency order, Suburban and YES Prep shall submit an application requesting that YES Prep's north central campus be removed from Suburban's certificated service area.
5. Suburban and YES Prep shall each comply with its obligations in the Agreement.
6. Yes Prep shall file a statement of payment in the instant docket of the amounts described in Finding of Fact No. 20 no later than five calendar days after each payment is made to Suburban.
7. A hearing shall be held on this emergency order at 9:30 a.m. on March 26, 2015 at the offices of the Commission in Austin, Texas.
8. Entry of this emergency order consistent with the Agreement does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the Agreement. Entry of this emergency order shall not be regarded as binding precedent as to the appropriateness of any principle or methodology underlying the Agreement.
9. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other request for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS the 17<sup>th</sup> day of March 2015.

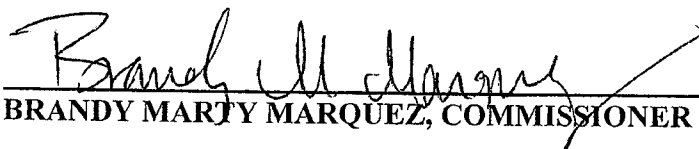
PUBLIC UTILITY COMMISSION OF TEXAS



DONNA L. NELSON, CHAIRMAN



KENNETH W. ANDERSON, JR., COMMISSIONER



BRANDY MARTY MARQUEZ, COMMISSIONER

Q:\cadm\orders\miscellaneous\44322EmergencyOrder

## CERTIFICATE OF ORDER

THE STATE OF TEXAS  
COUNTY OF HARRIS  
SUNBELT FRESH WATER SUPPLY DISTRICT

§  
§  
§

We, the undersigned officers of the Board of Supervisors (the "Board") of Sunbelt Fresh Water Supply District (the "District"), hereby certify as follows:

The Board convened in regular session, open to the public, on Thursday, November 20, 2014, at 5:00 p.m., at 410 West Gulf Bank Road, Houston, Texas 77037, and the roll was called of the members of the Board, to-wit:

Janice Gloria	President
Linda M. Garrett	Vice President
Nathan Wade	Secretary
Elizabeth Santiago	Assistant Secretary
William (Bill) Kneer	Supervisor

All members of the Board were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon other business, the following was transacted at such meeting: A written

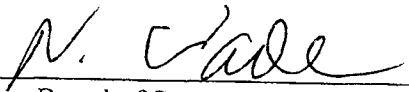
### ORDER AMENDING CONSOLIDATING ORDER REGARDING WATER AND SEWER CONNECTIONS, RATES AND USE

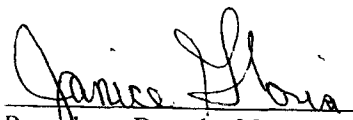
was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and after full discussion, such motion, carrying with it the adoption of such Order prevailed, carried, and became effective by the following vote:

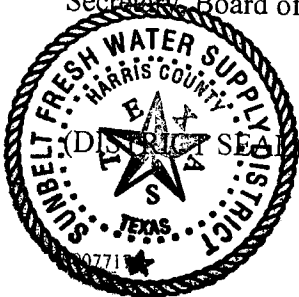
AYES: 5 NOES: 0 ABSTENSIONS: 0

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; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board are duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such meeting, and each of the officers and members consented, in advance, to the holding of such meeting for such purpose; and such Meeting was open to the public and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551 of the Texas Government Code, and Section 49.063 of the Texas Water Code, as amended.

SIGNED this 20th day of November, 2014.

  
Secretary, Board of Supervisors

  
President, Board of Supervisors



**SUNBELT FRESH WATER SUPPLY DISTRICT**

**CONSOLIDATING ORDER**  
**REGARDING WATER AND SEWER CONNECTIONS,**  
**RATES AND USE**

Adopted:	June 18, 1996	Effective:	July 1, 2007	Effective:	May 19, 2011
Amended:	March 5, 1998	Amended:	August 2, 2007	Amended:	June 16, 2011
Amended:	October 15, 1998	Amended:	June 5, 2008	Effective:	June 16, 2011
Amended:	Sept. 16, 1999	Effective:	July 1, 2008	Amended:	July 7, 2011
Amended:	Nov. 18, 1999	Amended:	June 19, 2008	Effective:	July 7, 2011
Amended:	April 20, 2000	Effective:	July 1, 2008	Amended:	August 22, 2011
Amended:	June 1, 2000	Amended:	September 4, 2008	Effective:	August 22, 2011
Amended:	October 26, 2000	Effective:	October 1, 2008	Amended:	September 15, 2011
Amended:	December 7, 2000	Amended:	May 7, 2009	Effective:	September 15, 2011
Amended:	April 26, 2001	Effective:	July 1, 2009	Amended:	August 16, 2012
Amended:	October 18, 2001	Amended:	June 16, 2009	Effective:	August 16, 2012
Amended:	November 1, 2001	Effective:	October 1, 2009	Amended:	September 6, 2012
Amended:	Dec. 20, 2001	Amended:	July 16, 2009	Effective:	September 6, 2012
Amended:	February 21, 2002	Effective:	July 16, 2009	Amended:	June 25, 2013
Amended:	May 15, 2003	Amended:	September 17, 2009	Effective:	July 1, 2013
Amended:	Dec. 18, 2003	Effective:	September 17, 2009	Amended:	August 15, 2013
Effective:	January 1, 2004	Amended:	October 15, 2009	Effective:	September 1, 2013
Amended:	June 3, 2004	Effective:	October 15, 2009	Amended:	March 6, 2014
Amended:	November 4, 2004	Amended:	December 3, 2009	Amended:	June 19, 2014
Amended:	April 7, 2005	Effective:	December 3, 2009	Effective:	July 1, 2014
Amended:	July 6, 2006	Amended:	June 15, 2010	Amended:	November 20, 2014
Amended:	August 24, 2006	Amended:	September 2, 2010	Effective:	November 20, 2014
Effective:	September 1, 2006	Effective:	October 1, 2010		
Amended:	June 7, 2007	Amended:	May 19, 2011		

**SUNBELT FRESH WATER SUPPLY DISTRICT  
CONSOLIDATING ORDER REGARDING WATER  
AND SEWER CONNECTIONS, RATES AND USE**

**INDEX**

<b>I.</b>	<b>DEFINITIONS OF TERMS.....</b>	<b>6</b>
	A. Definitions of Terms Concerned With Water and Sewer Rates and Charges.....	6
	B. Definitions of Terms Concerned With Water and Sewer Rules and Regulations .....	8
<b>II</b>	<b>COMMITMENTS AND CONNECTIONS.....</b>	<b>11</b>
	A. Policy on Issuance of Water and Wastewater Utility Reservation Commitment .....	11
	B. Annexation Policy.....	13
	C. Application for Utility Connection .....	14
	D. Connection and Disconnection; Policies, Fees and Deposits.....	15
	E. Water Taps, Sewer Inspections and Staking .....	19
	F. Customer Service Inspection Certification .....	20
	G. Customer Service Inspections .....	20
	H. Pre-Facility Inspection .....	21
	I. Facility Inspection.....	21
	J. Backflow Prevention Assemblies / Testing .....	21
	K. Water and Sewer Service Lines or Leads.....	23
	L. Miscellaneous.....	23
<b>III</b>	<b>WATER AND SEWER RATES; BASIC RESIDENTIAL SERVICE FEE.....</b>	<b>25</b>
	A. Monthly Rates for Water and Sewer Service for Single-Family Residential Consumers.....	25
	B. Monthly Rates for Water and Sewer Service for Apartments.....	26
	C. Monthly Rates for Water and Sewer Service for Commercial Consumers .....	26
	D. Basic Service Fee .....	26
	E. Groundwater Reduction Plan Fee. ....	26
	F. City of Houston Water Impact Fee. ....	27
	G. Irrigation Meter .....	27
	H. Proration of Charges .....	27
	I. Winter Averaging for Single-Family Residential .....	27
	J. Bulk Water Rate.....	28
<b>IV</b>	<b>RULES AND REGULATIONS GOVERNING DISTRICT SERVICES .....</b>	<b>28</b>
	A. Water Service Lines and Water Taps.....	28
	B. Sanitary Sewer Service Line .....	28
	C. Protection of District's Waterworks and Sanitary Sewer System .....	30
	D. Prohibited Discharges to Sewage Works .....	33
	E. Powers and Authority of Enforcing Agents .....	33

F. Water Conservation Provisions.....	33
G. Grease Traps.....	34
H. Water Emergency Provisions .....	35
<b>V SOLID WASTE .....</b>	<b>39</b>
<b>VI. WATER THEFT .....</b>	<b>39</b>
<b>VII ENFORCEMENT OF THIS ORDER ESTABLISHING WATER AND SEWER RATES, RULES AND REGULATIONS, AND WATER EMERGENCY PROVISIONS .</b>	<b>40</b>
A. Enforcement .....	40
B. Penalties .....	40
C. Notice of Violation.....	40
D. Non-Waiver.....	41
E. Validity.....	41



**ORDER ADOPTING AMENDED CONSOLIDATED  
RATE ORDER AND RULES AND REGULATIONS**

**THE STATE OF TEXAS**

**COUNTY OF HARRIS**

**SUNBELT FRESH WATER SUPPLY DISTRICT**

§  
§  
§

**WHEREAS**, the Board of Supervisors (the "Board") of Sunbelt Fresh Water Supply District (the "District") has from time to time adopted certain orders ("Rate Order") and Rules and Regulations establishing the rates and conditions under which water and sanitary sewer service would be provided;

**WHEREAS**, the Board of the District most recently met on May 15, 2003, and determined that it is in the best interest of the District to amend and restate its rates, rules and regulations in this Consolidating Order Regarding Water And Sewer Connections, Rates And Use to include provisions for assessing a basic service fee and providing for solid waste collection services for residential customers;

**WHEREAS**, the Board of the District met on December 18, 2003, and determined that it is in the best interest of the District to amend and restate its rates, rules and regulations in this Consolidating Order Regarding Water and Sewer Connections, Rates and Use;

**WHEREAS**, the Board met on June 3, 2004, and determined that it is in the best interest of the District to amend and restate its rates, rules and regulations in this Consolidating Order Regarding Water and Sewer Connections, Rates and Use to include a \$10.00 fee for initial door hangers for delinquent accounts;

**WHEREAS**, the Board met on November 4, 2004, and determined that it is in the best interest of the District to amend and restate its rates, rules and regulations in this Consolidating Order Regarding Water and Sewer Connections, Rates and Use in order to change the commercial deposits and multi-family deposits to a two-month average on delinquent or new accounts;

**WHEREAS**, the Board met on April 7, 2005, and determined that it is in the best interest of the District to amend and restate its rates, rules and regulations in this Consolidating Order Regarding Water and Sewer Connections, Rates and Use in order to charge the customers within the Oakwood Forest subdivision the same basic service fee as other residential customers within the District;

**WHEREAS**, on July 6, 2006, the Board determined that it was necessary to amend the District's Rate Order to provide for an additional charge of \$0.25 per thousand gallons to cover the costs associated with the District's water supply and Groundwater Reduction Plan contracts with the City of Houston; such fee to take effect on the first cycle of bills for August 1, 2006;

**WHEREAS**, on August 24, 2006, the Board determined that it was necessary to amend the District's Rate Order to address various fees and charges related to billing and collections and operational issues in the District; to amend the District's rates as to the commercial customers, which will be effective October 1, 2006; and to amend the District's rates as to the apartment customers, which will be effective March 1, 2007;

**WHEREAS**, on June 7, 2007, the Board determined that it was necessary to amend the District's Rate Order to provide for an additional charge of \$0.50 per thousand gallons to cover the costs associated with the District's water supply and Groundwater Reduction Plan contracts with the City of Houston; such fee to take effect on the first cycle of bills for July 1, 2007;

**WHEREAS**, on August 2, 2007, the Board determined that it was necessary to amend the District's Rate Order to provide for a policy governing theft of water and the prohibition of and penalties associated with same;

**WHEREAS**, on June 5, 2008, the Board determined that it was necessary to amend the District's Rate Order to increase water and sewer rates as to apartment customers, to increase water rates as to the commercial customers to increase the basic services fee, and to increase the Groundwater Reduction Plan fee, such fees to become effective July 1, 2008;

**WHEREAS**, on June 19, 2008, the Board determined that it was necessary to amend the District's Rate Order to decrease the Groundwater Reduction Plan fee, such fee to become effective July 1, 2008;

**WHEREAS**, on September 4, 2008, the Board determined it was necessary to amend the enforcement of rules and regulations and increase the civil penalties for breach of any rule of the District;

**WHEREAS**, on May 7, 2009, the Board determined it was necessary to amend the Groundwater Reduction Plan rates from \$1.25 to \$1.37, which will be effective July 1, 2009;

**WHEREAS**, on June 16, 2009, the Board determined it was necessary to amend the basic sewer rates for apartment units from \$17.00 per unit to \$21.00 per unit, which will be effective October 1, 2009;

**WHEREAS**, on July 16, 2009, the Board determined it was necessary to amend the District's connection policies related to those customers in the North Houston Heights area to address the abandonment of their private sewer system and capping their private water wells, as well as addressing the costs for such connection, which will be effective immediately;

**WHEREAS**, on September 17, 2009, the Board determined it was necessary to amend the District's rates to provide for a bulk water rate for those customers outside the District's boundaries requesting service to multiple connections;

**WHEREAS**, on October 15, 2009, the Board determined it was necessary to amend the connection fees for the customers requesting service in the North Houston Heights Service Area;

**WHEREAS**, on December 3, 2009, the Board determined it was necessary to amend the District's Backflow Prevention Assembly/Testing requirements for the protection of the public water supply and to improve the enforcement of backflow practices, which will be effective immediately; and to adopt a policy to regulate the discharge of industrial wastes into the District's wastewater System;

**WHEREAS**, on June 15, 2010, the Board determined it was necessary to amend the base water rates as to residential customers, apartment customers, and commercial customers, to

become effective July 1, 2010; to increase the Groundwater Reduction Plan fees by \$0.30 per 1,000 gallons used, such fee to become effective January 1, 2011; and to amend the late payment provision to provide clarity related to insufficient funded checks, money orders, certified checks, cashier's checks or similar documents;

**WHEREAS**, on September 2, 2010, the Board determined it was necessary to increase sewer rates as to multi-family connections effective October 1, 2010;

**WHEREAS**, on May 19, 2011, the Board determined it was necessary to increase utility commitment application deposits to become effective immediately; to increase commercial deposits; to increase security deposits after service termination for renters; to increase residential and commercial plumbing inspection fees; to increase commercial sewer tap inspection fees; to increase locating and staking fees; and to increase residential and customer service application fees;

**WHEREAS**, on June 16, 2011, the Board determined it was necessary to amend the Drought Contingency Plan to reflect a change in the time period in which it is permissible to water outdoors during mild, moderate and severe drought conditions;

**WHEREAS**, on July 7, 2011, the Board determined it was necessary to amend the Drought Contingency Plan to reflect a change in the time period in which it is permissible to water outdoors during mild, moderate and severe drought conditions;

**WHEREAS**, on August 22, 2011, the Board determined it was necessary to amend the Rate Order to reflect the District's policy regarding the processing of payments;

**WHEREAS**, on September 15, 2011, the Board determined it was necessary to amend the Rate Order to reflect the District's policy regarding the processing of partial and delinquent payment procedures;

**WHEREAS**, on August 16, 2012 and September 6, 2012, the Board determined that it was necessary to amend the Rate Order to reflect increases in fees associated with deposits, returned checks, disconnection and reconnection fees, fees associated with sewer-only customers residing in the Mary Eleanor and Mary Francis subdivision;

**WHEREAS**, on June 25, 2013, the Board determined it was necessary to increase the Groundwater Reduction Plan fees by \$0.10 per 1,000 gallons used, such fee to become effective July 1, 2013;

**WHEREAS**, on August 15, 2013, the Board determined it was necessary to increase basic service rates and inspection fees, such fees to become effective September 1, 2013;

**WHEREAS**, on March 6, 2014, the Board deemed it was necessary to amend the Rate Order to address new requirements for lead content in plumbing fixtures;

**WHEREAS**, on June 19, 2014, the Board deemed it was necessary to amend the Rate Order to increase the Groundwater Reduction Plan fee to \$1.80 per 1,000 gallons used, such fee to become effective July 1, 2014; and

**WHEREAS**, on November 20, 2014, the Board deemed it was necessary amend the Rate Order to include the City of Houston Water Impact Fee to be assessed on any service request that relates to new development, which may be amended from time to time.

**NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF SUPERVISORS OF SUNBELT FRESH WATER SUPPLY DISTRICT THAT:**

## **ARTICLE I**

### **DEFINITIONS OF TERMS**

**FOR PURPOSES OF THIS ORDER, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE FOLLOWING MEANINGS:**

**A. DEFINITIONS OF TERMS CONCERNED WITH WATER AND SEWER RATES AND CHARGES**

1. "Acceptable Credit" shall mean a new customer making application for service with the District. The customer shall have no more than two (2) delinquent bills and a maximum of \$500.00 outstanding debt owed on their credit report.
2. "Apartment Connections" shall mean all multi-family residential connections, which are served by a master meter, including assisted living centers, retirement facilities, long-term care facilities and similar facilities.
3. "Apartment Units" shall mean the individual dwelling units served through the Apartment Connection's master meter and shall include condominiums and all individual dwelling units served by a master meter.
4. "Basic Service Charge" shall mean the monthly charge on all residential users of water and/or sanitary sewer service to assess various administrative charges and other service fees that are not readily assessed to either the water or sewer components of a residential customer's bill, such as charges for garbage collection.
5. "Bulk Water Customer" shall mean an out-of-District customer who has contracted with the District for the purchase of water, unless otherwise agreed to by the District.
6. "Commercial Connection" shall mean and include any office, building, hotel, motel, retail store, industrial complex, school or other establishments which are not residential or apartment.
7. "Consumer" shall mean the occupant of a residential, commercial or industrial structure or other property within or outside the area of the District, whether the owner, renter or lessee thereof who is or receiving or proposes to receive water and/or sanitary sewer service from the District.

8. "Delinquent Bill" and/or "Security Deposit" shall mean a bill for water and/or sanitary sewer service which has not been paid within 20 days after the bulk mailing date of the bill for the preceding month's service and associated security deposit.
9. "Office Manager" shall mean the person or entity with which the District has employed or contracted to provide general office management.
10. "Operator" shall mean the person or entity with which the District has contracted for operation and maintenance of the plants and lines of the District's System.
11. "Residential Connection" shall mean and include any single-family residence, townhouse or multiplex when such is separately metered.
12. "Residential Connection with Commercial Applications" shall mean those Residential Connections which are operating within the same structure, or within a garage, shed, or other structure, on the same property as the Residential Connection, a commercial establishment which provides goods and/or services for sale to the public and which by the nature of such establishment will likely use the water and/or sanitary sewer services that are provided by the Residential Connection. All rules applicable to other commercial establishments with regards to grease traps, backflow prevention devices, cross-connections, and similar rules applicable to commercial connections, shall be applicable to the Residential Connection with Commercial Applications. Each Residential Connection with Commercial Applications shall be subject to the Basic Service Charge.
13. "Single-Family Residential" shall mean a user of the District's System that consists of one residence designed for use and occupancy by a single-family unit including but not limited to an individual house, trailer home, mobile home and similar dwellings.
14. "Separate Connection" shall mean each residential unit occupied by a separate family or person, including separate apartments within a single building and each business unit occupied by a separate business, including separate establishments within a single building.
15. "Sewage Service Charge" shall mean the monthly charge made on all users of the Public Sewer System.
16. "Single-Family Residential Equivalency" shall mean the equivalent number of Residential Connection assigned to a Commercial Connection such that the Commercial Connection bears an equitable burden of the District's fixed operation costs.
17. "System" as used herein 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.

18. "Water Service Charge" shall mean the monthly charge made on all users of the public water System.

**B. DEFINITIONS OF TERMS CONCERNED WITH WATER AND SEWER RULES AND REGULATIONS**

1. "District" shall mean the District's Board, the District's Engineer, the District's Operator, or any person authorized by the District's Board to act for the District in carrying out the provisions of this Rate Order, or their duly authorized deputies, agents or representatives.
2. "B.O.D." shall mean the quantity of oxygen expressed in parts per million by weight, utilized in the bio-chemical oxidation of organic matter under standard laboratory conditions for five (5) days at a temperature of 20 degrees Centigrade (20°C). The laboratory determinations shall be made in accordance with procedures set forth in "Standard Methods."
3. "Building Drain" shall mean that part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of the building and conveys to the building sewer, beginning three feet (3') outside the inner face of the building wall.
4. "Commercial Water Tap" shall mean the connection of a 3/4" or larger Water Service Line to a District water line to serve one (1) or more structures other than a single-family residence.
5. "Board" shall mean the captioned Board or any authorized person acting in its behalf.
6. "Domestic Sewage" shall mean water-borne wastes normally discharging into the sanitary conveniences of dwellings (including apartment houses and hotels), office buildings, factories and institutions, free of storm surface water and Industrial Wastes.
7. "Garbage" shall mean solid wastes and residue from the preparation, cooking and dispensing of food, and from the handling, storage and sale of food products and produce.
8. "Industrial Waste" shall mean water-borne solids, liquids or gaseous wastes resulting from and discharged, permitted to flow or escaping from any industrial, manufacturing or food processing operation or process from the development of any natural resource, or any mixture of these with water or domestic sewage, as distinct from normal domestic sewage.
9. "Milligrams-per-Million" shall mean a weight-to-weight ratio; the milligram-per-million value multiplied by the factor 8.34 shall be equivalent to pounds per gallon of water.

10. "Natural Outlet" shall mean any outlet into a Watercourse, pond, ditch, lake or other body of surface or ground water.
11. "Normal Domestic Sewage" shall mean normal sewage for the District in which the average concentration of suspended materials and five (5) day B.O.D. is established at 200 parts per million each, by weight, on the basis of the normal contribution of seventeen-hundredths (0.17) pounds per 100 gallons, per capita.
12. "Person," "Establishment," or "Owner," shall mean any and all persons, including any individual, firm, company, industry, municipal, or private corporation, association, governmental agency, or their agents, servants or employees.
13. "pH" shall mean the logarithm (base 10) of the reciprocal of the hydrogen ion concentration expressed in milligrams per liter. It shall be determined by one (1) of the procedures outlined in "Standard Methods."
14. "Plumbing Code" shall refer to the Southern Standard Plumbing Code or International Plumbing Code. All installations regarding plumbing to residential and commercial structures must be conducted by a licensed plumber (Holding A Valid Master's Plumbing Licenses in the State of Texas).
15. "Properly Shredded Garbage" shall mean the wastes from the preparation, cooking and dispensing of food that have been shredded to such degree that particles shall be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half inch (1/2") in any dimension.
16. "Public Sewer" shall mean a sewer in which all Owners of abutting properties shall have equal rights and interest and controlled by public authority.
17. "Residential Water Tap" is defined herein as the connection of either of the following to a District water line:
  - (a) A one inch (1") Water Service Line to serve two (2) single-family residences, which is known as a "Double Tap";
  - (b) A 3/4" Water Service Line to serve one (1) single-family residence, which is known as a "Single Tap." All Residential Water Taps will be installed by the standard City of Houston "Long" or "Short" Residential Water Service Line connection, including a 5/8" x 3/4" meter and box, complete in place.
18. "Sanitary Sewer" shall mean a sewer that conveys sewage or Industrial Wastes or a combination of both, and into which storm, surface and ground waters or unpolluted Industrial Wastes are not intentionally passed.
19. "Sewage" shall mean a combination of the water-carried waste from residences, business buildings, institutions, and industrial Establishments, together with such ground surface and storm water as may be present.

20. "Sewage Treatment Plant" shall mean any District-owned facility, device or structures used for receiving and treating sewage from the District's Sanitary Sewer System.
21. "Sewage Works" shall mean all facilities for collecting, pumping, treating and disposing of sewage and Industrial Wastes and would include sewage, as well as the sewage treatment facilities.
22. "Sewer" shall mean a pipe or conduit for carrying sanitary sewage.
23. "Sewerage" shall mean the system of sewers and appurtenances for the collection, transportation and pumping of sewage and Industrial Wastes.
24. "Sewer Service Line" shall mean the sewer line from the foundation of a building, including houses and commercial structures, to the District's Sanitary Sewer System.
25. "Sewer Tap" shall mean the physical connection of a Sewer Service Line to the District's Sanitary Sewer System. Without the written consent of the District's Board, only one (1) Sewer Tap shall be permitted for each building.
26. "Standard Methods" shall mean the examination and analytical procedures set forth in the latest Edition, at the time of analysis, of "Standard Methods for the Examination of Water and Sewage," as prepared, approved and published jointly by the American Water Works Association and the Federation of Sewage and Industrial Wastes Association.
27. "Storm Sewer or Storm Drain" shall mean a sewer which carries storm and surface waters and drainage, but excludes sewage and polluted Industrial Wastes.
28. "Storm Water Runoff" shall mean that portion of the rainfall that is drained into the sewers.
29. "Suspended Solids" shall mean solids that either float on the surface of, or are in suspension in water, sewage, or other liquids, and which are removable by a laboratory filtration device. Quantitative determination of suspended solids shall be made in accordance with procedures set forth in "Standard Methods."
30. "Unpolluted," in use with water, waste or drainage, shall mean water or waste containing none of the following:
  - (a) Emulsified grease or oil;
  - (b) Acids or alkalis;
  - (c) Phenols or other substances imparting taste and odor in receiving water;
  - (d) Toxic or poisonous substances in suspension; and
  - (e) Colloidal state or solution and noxious or otherwise obnoxious odorous gases.



It shall contain not more than ten (10) parts per million each of suspended solids and B.O.D. The color shall not exceed fifty (50) parts per million.

31. "Utility Commitment" shall mean a formal written commitment, either permanent or temporary, given by the District, stating that wastewater capacity of a specified volume is available for a defined tract of land.
32. "Watercourse" shall mean a channel in which a flow of water occurs, either continuously or intermittently.
33. "Water Mains" shall mean water distribution pipes located in public right-of-ways or easements and maintained by public authorities.
34. "Water Service Line" shall mean the water line from the property line of the property to be served with water, to the District's waterworks System.

## ARTICLE II

### COMMITMENTS AND CONNECTIONS

#### A. POLICY ON ISSUANCE OF WATER AND WASTEWATER UTILITY RESERVATION COMMITMENT

This Policy and Procedures for Issuance of Water and Wastewater Utility Commitments (the "Policy") shall apply to any property within the District which has not been platted or which currently has service approved by the District available to it and all property outside the District for which service is requested. For example, no Owner of a single-family lot in a platted subdivision to which District service is available shall be required to comply with this Policy and may apply directly for a utility connection under Section C. The Board has adopted the following Policy for the purpose of providing water and sewer service for the growth and development within the District in a uniform and nondiscriminatory manner. These policies and procedures shall apply uniformly throughout the District for any new or additional development.

1. **Application and Deposit.** If requesting service to property currently located within the District or if requesting service to property located outside the District, the application as described in Exhibit "B" should be completed and submitted to the District's Office Manager along with a deposit check made payable to the District in the amount as described in Exhibit "F."

2. **Processing Application.** Upon receipt of the attached, fully completed application and deposit, the Office Manager shall present the request to the Board of the District and obtain authorization for the District's consultants to begin the evaluation of the request. The deposit will be used to cover the expenses incurred by the District for the preliminary evaluation by the consultants as to whether the District's facilities can accommodate your proposed project.

3. **Additional Deposit.** The Board reserves the right to request additional deposit monies from the applicant if the initial deposit is not sufficient to cover anticipated consultant costs during the review. If additional monies are not produced when requested, then all review work will be stopped and this application will become null and void upon ten (10) days' written

notice to the applicant. Upon completion of the review by the District, the remaining position of the deposit, if necessary, will be returned to the applicant.

4. **Miscellaneous Conditions.**

- (a) **Application Required.** Any party requesting service from the District shall be required to submit an application to the Board for consideration.
- (b) **Term of Commitment.** Reservation commitments shall be effective for one (1) year from the date of issuance which shall be the date the district issues a written statement to the applicant that their request has been approved by the District.
- (c) **Transfer.** Reservation commitments are parcel and land use specific, and are non-transferable; provided, however, prospective buyers may jointly apply for service with the Owner of the property.
- (d) **Taxes and Standby Fees.** Application shall not be considered for property with delinquent taxes or standby fees.
- (e) **Construction.** No construction may begin on any improvements until all fees required by the District have been paid and the construction plans approved by the District Engineer.
- (f) **Construction Deadline.** Construction must begin prior to the expiration date contained in the commitment and diligently pursued thereafter. In the event construction has not commenced on any tract for which a commitment has been issued prior to the expiration of the commitment, the reservation shall lapse without notice and the application procedures must be reinstituted as described herein.
- (g) **Progress Reports.** Applicant is required to provide the District with periodic written progress reports (at 30 day intervals) advising the Board as to the status of progress up to commencement of construction.
- (h) **Plats and Approvals.** All tracts of land receiving service must be platted as required by law and the plat and plans must be approved by the City of Houston, Harris County and other appropriate agencies prior to utility service being provided by the District.
- (i) **Extension of Facilities.** Applicant must make arrangements to expand plant facilities or extend the necessary trunk water and sanitary sewer and facilities to serve its property in areas where such facilities do not exist. All temporary and permanent arrangements for sewer and water service must be worked out in advance of construction with the District's Office Manager.
- (j) **Easements.** Applicant, at their sole cost, must convey all necessary easements and rights-of-way to the District with all lienholder subordinations.
- (k) **Maintenance Responsibility.** All utility lines constructed that are not in permanent acceptable easements, or which lie within private developments (apartments,

condominiums, etc.) shall remain the permanent property of the landowner and shall remain such Owner's permanent maintenance responsibility.

(l) **Change in Use.** Any change of use from the previously approved use of the property covered by this application as described in Paragraphs 1-3 above must be approved by the Board. Any request for change in use must be submitted in writing, describing in detail any change in any information submitted in connection with the original application, together with monies to re-establish a full deposit (as described in Exhibit "F") which has been used to pay for the work performed under the original application.

(m) **Rate Order Governs.** Service shall be extended to a tract in accordance with the then current Order Setting Water and Sewer Tap Fees and Setting Service Rates and Rules and Regulations Governing Waterworks and Sanitary Sewer System.

(n) **Annexation.** In addition to the other referenced prerequisites, including Section B below, the following requirements are applicable to requests for annexation:

- (i) A feasibility study shall be prepared by the District's Engineer.
- (ii) Applicant shall provide to the District a copy of the deed showing current ownership of the property referenced in the application.
- (iii) Applicant shall submit to the District a current title commitment.
- (iv) The petition to the City of Houston for its consent to the annexation and the annexation petition to the Board shall be prepared by the District's Attorney.
- (v) All costs of annexation, including attorney's fees, engineering fees, election fees and any and all other fees relating to said annexation, shall be paid by the applicant.
- (vi) Applicant shall provide to the District a copy of the current survey of the property, including a metes and bounds description.

## **B. ANNEXATION POLICY**

The Board would consider annexation of real property into the District subject to the following conditions:

1. All legal, engineering and other costs associated with the annexation shall be paid by the applicant.
2. All costs of constructing the water, sanitary sewer and drainage facilities to serve the property shall be paid by the applicant.
3. The District's existing sewage treatment plants may currently be sufficient to serve only the projected development of the land currently located within the District. Applicant shall be required to finance all costs related to whatever expansion to the District's sewage

treatment plant(s) as necessary to serve the annexed property. Such costs shall be secured by an irrevocable letter of credit, in form satisfactory to the Board, drawn on a bank located in Harris County, Texas. Such letter of credit shall be deposited with the District at the time applicant begins construction of any utilities to serve its property.

4. The same restrictions and procedures as described in Paragraph 3 above shall apply to the District's water production facilities, if it is determined that the District does not have sufficient surplus water supply to serve applicant's proposed development.

5. All utility facilities proposed to be owned and operated by the District shall be designed by the District's Engineer, who will also perform a general review of the construction of same.

6. All contracts let for the construction of utilities shall be let in the name of the District and shall be supervised by the Board. All payments, however, shall be solely the responsibility of the applicant.

7. In the event the District determines that the plant facilities or certain utility lines should be oversized in order to accommodate anticipated development within the District, the applicant shall fund the over sizing of such lines. The District, however, shall endeavor to recoup such additional costs from the benefiting landowners when they request service from the District.

8. All construction costs shall be reimbursed by the District in accordance with the rules of the Texas Commission on Environmental Quality ("TCEQ") including TAC 293.47 (related to 30% contribution by the Developer) to the extent agreed between the Developer and the District.

9. The terms and conditions of the annexations agreement shall be recorded at the time of annexation and shall be binding upon any future purchaser and any lender.

10. Whether the applicant has known use for the annexed tract will impact the District's decision on whether to annex the tract.

The Board recognizes that the providing of utility service to a tract may include consideration not specifically addressed herein or that special circumstance may arise that make these conditions inapplicable. The Board stands ready to address with an applicant any issues relevant to the Policy on issuance of Utility Commitment and to an annexation. This Policy, however, is written to provide a potential applicant with the general policy of the District regarding issuance of Utility Commitment and annexation.

#### **C. APPLICATION FOR UTILITY CONNECTION**

Any Person desiring connection to the District's System, after following the requirements of Section A above, if applicable, shall follow the following steps:

1. The applying Person should initiate his request for utility connection at the office of the District.

The applicant will fill out the forms as shown in Exhibit "B" and will submit all the requirements as set forth in these forms.

The applicants tap fee will be assessed, based on the proposed land use and the provisions set forth in Article II, Section E, hereof. Paying a tap fee on an improved portion of a larger tract of land does not constitute a Utility Commitment on the remaining unimproved portion. A metes and bounds description and a recorded plat of the tract receiving service should accompany the submitted site plans.

2. The Office Manager will then make preliminary determination that Utility Commitments and availability exists and is committed by the District for the subject tract. On that basis, the Office Manager will assess the connection fee according to this Rate Order. The Office Manager will request an "Assignment of Commitment" when the applicant is not the original recipient of the District's commitment. In absence of such an Assignment, the commitment will be allocated on a prorated acreage basis.

3. The Office Manager will then forward two (2) copies of the site plan to the District Engineer for further and final evaluation of Utility Commitment and availability and evaluation of any encroachments to District utility easements. The District Engineer will then, in writing, confirm any additional requirements to the applicant regarding such encroachments and/or confirm the Utility Connection Agreement. The District Engineer will also make record of the description of the tract for which the tap fee is dedicated. A copy of that documentation shall go to the District's Attorney, Operator, Bookkeeper, and the District Secretary.

#### **D. CONNECTION AND DISCONNECTION; POLICIES, FEES AND DEPOSITS**

##### **1. Connection to District's System.**

- (a) In-District Consumers: Upon approval of an application for service by the District Office Manager and payment of all applicable fees, each structure within the District may be connected to the District's System as soon as the District has made available to such structure, plant and line capacity to serve same. If both water and sewer services do not become available at the same time, the Consumer may connect to the water System at the time water service becomes available and shall connect to the sewer System at the time sewer service becomes available. No service shall be given from the District's System unless such user agrees to take both water and sewer service, except to public space users and where the Consumer has another Single-Family Residential Connection or in those instances where the District determines that both services are not necessary.
- (b) Out-of-District Consumers: Upon approval of an application for service by the District Office Manager, and payment of all deposits, tap, inspection and account institution fees, connections may be made to the District's facilities at no cost to the District. No permanent single service shall be available to any Consumer; provided, however, that this requirement shall not apply to any Consumers receiving a single service as of the adoption date of this Rate Order.

Also, for purposes of this Section, out-of-District Consumers may not share a common connection on the same property. Violation of this provision will result in the immediate termination of all service as provided in Article V, Section B, hereof.

- (c) North Houston Heights Customers. Upon approval of an application for service by the District Office Manager, and payment of all deposits, tap, inspection and account institution fees, connections may be made to the District's facilities, subject to the requirement that any septic tank at the service address shall be adequately abandoned to the District's satisfaction, any private water well shall be plugged and capped by a licensed professional, registered with the TCEQ to perform such work, who shall certify such work in writing, documentation of which shall be provided to the District Office Manager, and all required inspections being made and passed satisfactorily, as solely determined by the District. Connection costs for all such connections shall be equal to the usual tap and connection fees for similar District customers, plus 110% of the actual costs for any road work, repairs and inspections necessary to provide the connections.
- (d) Mary Eleanor/Mary Francis Customers. Upon approval of an application for service by the District Office Manager, and payment of all applicable deposits, eligible Mary Eleanor/ Mary Francis ("ME/MF") customers shall be connected to the District's wastewater System, subject to the requirement that any septic tank at the service address shall be adequately abandoned to the District's satisfaction, any private water well shall be plugged and capped by a licensed professional, registered with the TCEQ to perform such work, who shall certify such work in writing, documentation of which shall be provided to the District Office Manager, and all required inspections being made and passed satisfactorily, as solely determined by the District. Connection costs shall be waived for customers in ME/MF, as such costs have been paid for by Harris County under separate agreement with the District. District wastewater service fees shall apply to ME/MF customers. Additional charges for disconnection and reconnection shall apply as described in Exhibit "F."

ME/MF customers declared ineligible for participation in Phase I and Phase II of the Harris County ME/MF Sanitary Sewer Line Project by Harris County shall be required to pay all deposits, connection costs and inspection fees in accordance with the District's Rate Order. Additionally, connection costs for all such connections shall be equal to the usual tap and connection fees for similar District customers, plus 110% of the actual costs for any road work, repairs and inspections necessary to provide the connections.

- 2. Deposit To Secure Payment and Service Charge. A security deposit as described in Exhibit "F" shall be collected on all new connections and reconnections after termination for delinquency. A customer's credit will be determined by one of two means. The customer will provide a credit reference letter from their prior

utility provider or the District will perform a background credit check on the customer applying for the new account (Refer to Definitions and Terms in Index regarding acceptable credit). Any previous unused deposit with the District will be credited to the amount of the deposit due by any Consumer. All deposits shall be prepaid and water and sewer service shall not be provided until such time as payment of the deposit has been received. The deposit shall be refundable when ownership is transferred, contingent on providing proof of payment of all bills owed to the District. No interest shall be paid by the District on any deposit. A Consumers request for refund of the security deposit will be on a case by case review of payment history and will only be refunded after the Board's approval.

3. Discontinuing and/or Connecting Service.

(a) At Request of Customer.

- (1) New Service: At any time a customer wishes to establish an account with the District (which shall be done at any time responsibility for payment is changed), such new customer shall pay a non-refundable account transfer fee as described in Exhibit "F." The account transfer fee, however, shall not apply to a new account being established as a result of payment of a tap fee pursuant to Article II, Section E, hereof.
- (2) Existing Service: At any time a customer temporarily or permanently, abandons the structure being served and no longer wishes to be furnished with water, such customer shall notify the District Office Manager in writing at least two (2) days prior to the time the customer desires such service discontinued. A charge for restoring water service where such service is restored at the request of the customer, provided the customer is not delinquent in the payment of any bills at the time of either request shall be required as described in Exhibit "F."

(b) Discontinuing Service and Removing Meter For Failure to Pay Bills When Due.

- (1) According to the terms of this Rate Order, the District shall have the right to discontinue water, wastewater, and/or basic service to a customer after his bill becomes delinquent. Service shall not be restored until receipt of the following charges:
  - (i) a deposit fee, in accordance with subparagraph (2) above;
  - (ii) a reconnection charge as described in Exhibit "E"; and
  - (iii) payment of any bills that are currently owed to the District, plus any penalties required by this Rate Order.

A bill shall include charges for any work done by or on behalf of the District, which is attributable to a problem in the customer's system or a problem in the District's System, which in the opinion of the District is caused by the customer or such customer's system. All payments of such amounts shall be by personal check, cashier's check, certified check or money order.

- (2) In the event the delinquent bill is not paid and service is terminated, the District shall have the right to remove the meter from the meter box. Service shall not be restored until receipt of the following charges:
  - (i) All amounts required by subparagraph 3(b)(1) above, plus
  - (ii) a meter replacement fee as follows described in Exhibit "E"
- (3) **INSUFFICIENT FUNDED PAYMENTS** - Customers presenting a check, money order, certified check, cashier's check or similar document for payment that is dishonored by the customer's bank will be given 48 hours to present a cashier's check, certified check or money order to pay their balance, along with all fees and penalties. Such insufficient funded check, money order, certified check, cashier's check or similar document will be treated as no payment by the customer and the customer will be assessed penalties, fees and/or charges under this Rate Order related to such insufficient funded payment as if no payment was received by the due date. If such payment in full is not received within the 48 hour period, then the customer's service is subject to immediate termination. Subsequent bills to a customer presenting checks that have been dishonored shall be paid by cashier's check, certified check or money order, unless written approval is received from the District Office Manager that check writing privileges are restored. Customers shall also be required to establish a deposit of at least \$100 to secure future payments.
- (4) **PARTIAL PAYMENTS**
  - (a) On a Monthly Bill – A customers making a partial payment of a monthly bill and not paying the full balance by the due date will receive a notice indicating the customer has 48 hours to pay the balance of the bill or make arrangements for a payment plan, otherwise the customer will be subject to termination.
  - (b) On a Payment Plan - A customer making a partial payment under a payment plan, thus not meeting the terms of their payment arrangement, will receive a notice indicating their payment arrangement is terminated and the customer has 48 hours to pay the full balance owed on their account, otherwise the customer will be subject to termination.



(c) Charge for Notice – A customers will be charged \$15 for each such notice provided by the District pursuant to (a) & (b) above.

(5) Upon determination by the District that a customer has vacated the premises where service to the customer was established and the customer has failed to pay the balance due on the customer's account, the District may assign the delinquent account to a company that handles collection of delinquent accounts. If assigned to a collector, the customer's account will be charged an additional \$30 to offset the District's costs of collection.

4. 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 attached to this Rate Order as Exhibit "B," "C," "D" and "E."

#### **E. WATER TAPS, SEWER INSPECTIONS AND STAKING**

1. Residential. Residential connection charges shall be made for every residential connection up to and including a 3/4-inch meter, to the District's water distribution and wastewater collection System as described in Exhibit "F." Charges shall include the meter and meter box and installation thereof. For connections of 1-inch (1") or more, the District will establish tapping charges by separate order or agreement; however, the connection charge shall not exceed three (3) times the actual and reasonable costs to the District for such work.
2. Commercial. Commercial Connection charges for every Commercial Connection to the District's water distribution and wastewater collection System shall be as described in Exhibit "F." However, the connection charge shall not exceed three (3) times the actual and reasonable costs to the District for such work. The District shall make a determination whether such Commercial Connection requires a grease trap by inspecting such facility. The customer shall pay a Grease Trap Determination Fee as set out in Exhibit "E."
3. Wastewater Connection Inspection. All connections to the District's sewer System shall be made in accordance with the District's Rules and Regulations Governing Water and Wastewater Service. All connections to the District's wastewater System shall be inspected by a representative of the district prior to being covered in the ground. In the event a wastewater connection is made and covered without an inspection by a representative of the District, water service at such location shall be terminated until such time as an inspection has been performed and the connection passes inspection. If a wastewater connection fails the inspection, an additional inspection will be required at the same rate. The fees for this inspection are as described in Exhibit "F." All connections must comply with the plumbing code. For a wastewater connection, the District's Operator must be notified prior to the connection being made. After the connection, the

District's Operator shall again be notified and shall inspect the work prior to commencement of wastewater service.

4. Locating and Staking Fee. Should the District's Operator be asked to locate and stake District's water distribution or sewer collection System lines, for any reason, then in addition to the charges listed above, a locating and staking fee, as described in Exhibit "F," must be paid before service will be rendered.
5. Payment Agreements. Any payment arrangements agreed to by the District Office Manager shall be no longer than 90 days, unless special circumstances exist for other arrangements that are agreeable to the District Office Manager. Upon making payment arrangements for the tap, the customer shall make arrangements for a licensed plumber to complete the required connection to the District's System within 14 calendar days. The District will commence billing the customer upon connection or upon the expiration of the 14 day period, whichever is earlier.
6. Taps to Remedy Illegal Connection. Any customer who is required to obtain a separate tap due to illegal service being provided to another structure, shall be subject to termination, if a tap fee or payment arrangements for the tap fee are not made within seven (7) days of notice of such requirement. Also, any default by any customer having a payment arrangement approved by the District Office Manager, shall subject the customer to termination of service.

#### **F. CUSTOMER SERVICE INSPECTION CERTIFICATION**

No new connections to the District's water System shall be made unless a state licensed plumber or a water supply protection specialist licensed by the Texas State Board of Plumbing first submits in writing to the District a Certificate of Compliance specifying that the new connection complies with the plumbing material prohibition contained in Article IV, Section C. The Certificate of Compliance shall be signed by the licensed plumber and submitted to the District at the same time that the tap fee is paid. The District shall not accept any tap fee that is not accompanied by a Certificate of compliance as shown in Exhibit "C."

#### **G. CUSTOMER SERVICE INSPECTIONS**

A customer service inspection, as shown in Exhibit "C," is required prior to the time the District:

1. Provides continuous water service to new construction;
2. Provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected; or
3. Continues service to a Consumer when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist.

The cost of such customer service inspection will be the sole responsibility of the Consumer, as described in Exhibit "F". For all types of service either a state licensed inspector,

or water supply specialist licensed by the TCEQ must perform the inspection. In connection with new construction, should the District Operator be requested to perform the inspection, the fee will be collected along with the tap fee. Thereafter, the District may at their discretion, periodically inspect a Consumer'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. The District's Office Manager will retain such inspection certifications for a minimum of ten (10) years. The cost for such inspections will be as described in Exhibit "F."

#### **H. PRE-FACILITY INSPECTION**

All builders or contractors for property Owners within the District must contact the Office Manager, prior to starting any work on property within the District, to perform an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the District will make necessary repairs or locate and make the facilities visible at the expense of the District. A copy of the inspection report will be given to the builder's or contractor's representative, if requested. The following costs for each inspection are described in Exhibit "F" and shall be payable along with the tap fee.

#### **I. FACILITY INSPECTION**

After construction has been completed on the property, but before service is transferred to a user, the District will conduct a final site survey to reinspect the water tap, meter and all other District facilities on the property. The property Owner, builder or contractor will be held responsible for any damages or adjustments to District facilities and the cost of repairing, adjusting or relocating the facilities (the "Backcharges"). If any reinspection of the facilities is required to ensure that the District's facilities are repaired, relocated or adjusted, a fee in the amount shall be charged for each such reinspection before service will be transferred to a subsequent user. Payment of the Backcharges, or any inspection or reinspection fees, shall be made on or before the 30<sup>th</sup> day after the date of the invoice of said charges. The District may withhold the provision of service to the property or to other property owned by ant 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 withholding the provision of service. The following costs for each inspection are described in Exhibit "F" and shall be payable along with the tap fee.

#### **J. BACKFLOW PREVENTION ASSEMBLIES / TESTING**

No direct connection between the District's water supply and a potential source of contamination shall be permitted. Any potential sources of contamination shall be isolated from the District's water supply by an air gap or an appropriate backflow prevention assembly in accordance with the state plumbing regulations. Appropriate backflow prevention assemblies must be approved by the American Society of Sanitary Engineers; or the Foundation for Cross-Connection Control and Hydraulic Research; or the Uniform Plumbing Code; or any other laboratory that has equivalent capabilities for both the laboratory and field evaluation of backflow prevention assemblies. The backflow prevention assembly must be installed in

accordance with the laboratory approval standards or if the approval does not include specific installation information, the manufacturer's current published recommendations.

All pressure relief valves and thermal expansion devices shall be in compliance with state plumbing codes. An approved backflow prevention assembly must be installed on all post-mix carbonators and no piping containing copper shall be installed downstream of the assembly supplying the carbonator. All commercial and multi-family connections shall be connected to the water System with a "Reduced Pressure Principal Backflow Prevention assembly". All irrigation systems shall be connected to the water System with a properly installed testable backflow prevention assembly. Any irrigation system using chemical additives shall be connected to the water System with a "Reduced Pressure Principal Backflow Prevention assembly".

One of the following methods must be used to prevent backflow through cross-connection:

- (A) An air gap (AG) may be used if:
  - (a) there is an unobstructed physical separation; and
  - (b) the distance from the lowest point of the water supply outlet to the flood rim of the fixture or assembly into which the outlet discharges is at least one inch or twice the diameter of the water supply outlet, whichever is greater.
- (B) Reduced pressure principle backflow prevention assemblies (RP) may be used if:
  - (a) the device is installed at a minimum of 12 inches above ground in a location that will ensure that the assembly will not be submerged; and
  - (b) drainage is provided for any water that may be discharged through the assembly relief valve.
- (C) Pressure vacuum breakers (PVB) may be used if:
  - (a) no back-pressure condition will occur; and
  - (b) the device is installed at a minimum of 12 inches above any downstream piping and the highest downstream opening. Pop-up sprinklers are measured from the retracted position from the top of the sprinkler.
- (D) Double check valve assemblies (DCV) may be used if:
  - (a) non-health hazard exists
- (E) Atmospheric vacuum breakers (AVB) may be used only on swimming pool supply lines if:
  - (a) there are no shutoff valves downstream from the atmospheric vacuum breaker;
  - (b) the device is installed at a minimum of 12 inches above the swimming pool flood rim and the highest downstream opening.
  - (c) there is no continuous pressure on the supply side of the atmospheric vacuum breaker for more than 12 hours in any 24-hour period; and
  - (d) no potential health hazard exists.
- (F) Hose bibb vacuum breakers must be used:

- (a) on all threaded hose bibs not used under continues pressure.

All backflow prevention assemblies will be tested by the District or other duly authorized representative of the District upon the installation, repair, or relocation of the assembly. Backflow prevention assemblies used in applications designated as health hazards must be tested at least annually. Backflow prevention assemblies used in applications designated as non-health hazards must be tested at least every three (3) years, or more frequent if deemed necessary by the District's Operator. A Certified Test Report must be issued evidencing the customer's backflow prevention assembly has passed all testing criteria, a copy of the Certified Test Report is attached as Exhibit "D." The District shall charge the Consumer a fee per backflow prevention assembly tested as described in "Exhibit "F."

All assemblies shall be maintained in good working condition by the Person or Persons having control of such assemblies. The District or other duly authorized representative of the District may inspect such assemblies and if found to be defective or inoperative shall require the repair or replacement thereof. The District requires an inspection fee for residential and non-residential prevention assemblies described in Exhibit "F."

Any Person who connects an irrigation system must hold a valid license, as defined by Title 30, Texas Administrative Code, Chapter 30 and required by Chapter 1903 of the Texas Occupations Code, or as defined by Chapter 365, Title 22 of the Texas Administrative Code and required by Chapter 1301 of the Texas Occupations Code.

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

If a customer fails to comply with the requirements, the District may terminate service to the customer in accordance with the provisions of this Rate Order, or the District may properly install, test and maintain the necessary backflow prevention assembly and bill the customer for all expenses incurred in connection relating thereof.

#### **K. WATER AND SEWER SERVICE LINES OR LEADS**

In the case of commercial, unrestricted or unrecorded property which has been subdivided and for which no water or sewer service line or lead exists to or across such subdivided parcel, the applicant for service shall provide to the District any easement deemed necessary by the District and shall pay all costs associated with either the extension of a District's service line to the property and/or any street boring for a cross lead. The size and location of any new line or cross lead shall be determined by the District's Office Manager with final approval required by the District's Board. No new line extension or cross lead shall be constructed until: 1) all necessary easements have been provided by the applicant to the District; and 2) all costs of design and construction have been paid in advance by the applicant.

#### **L. MISCELLANEOUS**

1. No Reduced Rates or Free Service. All Consumers receiving either water or sewer service, or both, from the District shall be subject to the provisions of this Rate Order and

shall be charged the rates established in this Rate Order; and no reduced rate or free service shall be furnished to any such Consumer.

2. No Sales of Unmetered Water. No water will be delivered to any Person or Consumer except on a metered basis, without the express written approval of the District.

3. No Sales for Purposes of Resale. No Consumer shall sell or resale water or sewer services to any other Person or entity.

4. Consumers Not Entitled to Specific Quantity or Pressure of Water. Water consumers are not guaranteed a specific quantity or pressure of water for any purpose whatever, and it is understood that the District is only to furnish a connection to its water System, and is in no case liable for failure or refusal to furnish water of any particular amount or pressure of water.

5. Water Connections Generally. No Person, other than the properly authorized agents of the District, shall be permitted to tap or make any connection with the mains or distributing pipes of the District's water System, or make any repairs and/or additions to or alterations in any District tap, pipe, cock or other fixture connected with the water service line.

6. Meters. Title to all water meters and appurtenances, including the meter boxes enclosing same, shall vest in the District and shall be set up by employees or agents of the District. After a meter has been set, the Consumer shall at all times keep the space occupied by the meter and the box free from rubbish or obstructions of any kind. No Person other than a duly authorized agent of the District shall open the meter box, tamper with it, or in any way interfere with the meter or box. Each customer requesting the District to inspect the accuracy of the meter servicing their property shall submit a fee deposit with the District to cover the actual costs incurred in testing said meter, provided that the fee will be waived, and the deposit returned to the customer, if it is determined that the meter is defective.

7. Penalty For Failure to Pay Bill Before Delinquent. A bill for water and/or sewer service shall be payable upon receipt and shall be delinquent after 20 days following the bulk mailing date. Payments made after 4:30 p.m. shall be processed the next business day. A charge of ten percent (10%) of the total amount of the Consumer's bill or \$3.00, whichever is greater, shall be added thereto, when such bill becomes delinquent.

8. Proper Tender Required/Returned Check Fee.

(a) Temporary checks or checks without a pre-printed name and address will not be accepted by the District.

(b) Customers shall pay their bills with the exact amount by personal check, cashier's check, certified check, or money order.

(c) If a customer cannot pay the exact amount, then the District may accept a payment of an overage and credit the customer's account accordingly.

(d) Any account paid with a check returned unpaid shall be charged a returned check fee (as described in Exhibit "F") in addition to any other charges and penalties.

9. Penalty For Exceeding Allocated Capacity. In the event any Consumer utilizes water and sewer capacity in excess of its allocated capacity for any day, month or year, it shall be deemed a violation of this Rate Order for each day such excess usage continues. Upon written notice to the Consumer of such a violation of its allocated capacity, the District reserves the right to terminate water and sewer service to such Consumer until such time as the District is assured that such excess usage will be discontinued. In addition, any violation for exceeding allocated capacity shall be subject to the fines and/or penalties expressed in Article IV, Section B of this Rate Order.

10. Miscellaneous Services.

(a) The District, acting through its Office Manager, may perform other services for Persons requesting those services such as contacting general contractors, road contractors and utility service contractors for the purpose of location of water and/or sewer lines for such Persons, however, any costs incurred by the District will be billed to such Persons at an amount equal to the District's cost plus ten percent (10%). If the District does not have a contract with such Person, payment arrangements satisfactory to the Office Manager should be made in advance; provided, however, this charge shall not apply in the case of a homebuilder attempting to locate the District's facilities for the purpose of installing a tap.

(b) Any Person, working on sewer taps, working in the District's easements shall be required to contact the District's Office Manager and shall be prohibited from working in or around the District's facilities unless and until such person has provided sufficient security to the District to satisfy any potential damages to the District's water or sewer System in an amount determined by the District.

11. Review. It shall be the policy of the District to review this Rate Order at least annually and revise same as may be required by the District's financial situation, including taking into consideration projected maintenance and capital projects.

### ARTICLE III

#### WATER AND SEWER RATES; BASIC RESIDENTIAL SERVICE FEE

##### A. MONTHLY RATES FOR WATER AND SEWER SERVICE FOR SINGLE-FAMILY RESIDENTIAL CONSUMERS

###### WATER

Minimum \$14.50\*  
(includes first 3,000 Gallons)

3,001-8,000 Gallons  
\$2.25 per Thousand Gallons

8,001-13,000 Gallons  
\$2.85 per Thousand Gallons

13,001-18,000 Gallons

###### SEWER

Minimum \$17.50  
(includes first 3,000 Gallons)

Over 3,000 Gallons  
\$2.50 per Thousand Gallons

###### \*Monthly Minimums are as follows:

Size	Monthly Minimum Charge
5/8" or 3/4"	\$14.50
1"	\$21.93

\$3.25 per Thousand Gallons	1½"	\$39.07
Over 18,001 Gallons	2"	\$60.54
\$3.85 per Thousand Gallons	3"	\$110.89
	4"	\$180.55
	6"	\$706.77
	8"	\$1248.39
	10"	\$1813.22

**B. MONTHLY RATES FOR WATER AND SEWER SERVICE FOR APARTMENTS**

	<b>WATER</b>	<b>SEWER</b>
For the basic usage of 3,000 gallons per apartment unit	\$14.50 per unit	\$21.70 per unit
over the basic usage of 3,000 gallons per apartment unit	\$3.00 per 1,000 gallons	\$3.25 per 1,000 gallons

**C. MONTHLY RATES FOR WATER AND SEWER SERVICE FOR COMMERCIAL CONSUMERS**

**WATER**  
Minimum \$18.50\*  
(includes first 3,000 Gallons)

**SEWER**  
Minimum \$25.00  
(includes first 3,000 Gallons)

3,001-8,000 Gallons  
\$2.25 per Thousand Gallons

Over 3,000 Gallons  
\$3.00 per Thousand Gallons

8,001-13,000 Gallons  
\$2.85 per Thousand Gallons

13,001-18,000 Gallons  
\$3.25 per Thousand Gallons

Over 18,001 Gallons  
\$3.85 per Thousand Gallons

**\*Monthly Minimums are as follows:**  
Meter Size      Monthly Minimum Charge

5/8" or 3/4"	\$18.50
1"	\$25.93
1 ½"	\$43.07
2"	\$64.54
3"	\$114.89
4"	\$184.55
6"	\$710.77
8"	\$1252.39
10"	\$1817.22

**D. BASIC SERVICE FEE.**

A basic residential service fee shall be charged to Single-Family Residential customers receiving water and/or wastewater service from the District. The charge covers various other services, including administrative services that are not readily assessed to either the water or wastewater components of the customers' bills. A Basic Service Fee shall be separately assessed on the residential customer's bills in the amount of \$14.00.

**E. GROUNDWATER REDUCTION PLAN FEE.**



A Groundwater Reduction Plan ("GRP") fee shall be charged to all customers receiving water service from the District. Due to the District's obligation to reduce the amount of water pumped from the District's water wells, in compliance with the rules and regulations of the Harris-Galveston Subsidence District, the District has entered into water supply agreements and a groundwater reduction plan agreement with the City of Houston. To provide funds for the additional costs associated with these agreements with the City of Houston, each customer shall be assessed a separate additional charge. Effective with the first cycle of bills after July 1, 2014, each customer shall be assessed a separate additional charge of \$1.80 per thousand gallons used.

**F. CITY OF HOUSTON WATER IMPACT FEE .**

The City of Houston Impact Fee shall be assessed on any service request that relates to new development, as identified by the City of Houston Code of Ordinances, Section 47-384. The cost of the Impact Fee shall be assessed according to service units requested and according to the City of Houston's Impact Fee Service Unit Equivalent Table, and may be amended from time to time.

**G. IRRIGATION METER.**

Customers may request a water tap and meter to accommodate service for such customer's sprinkler system, which irrigates the customer's property only. Customers shall pay the water tap charges and inspection fees and will be assessed fees for usage according to the same rates as are charged to District customers in Section A, above, for water usage. No wastewater or basic service fees shall be charged on irrigation meter accounts. Additionally, all irrigation connections shall include a testable backflow prevention assembly and comply with Article II, Section J, of this Rate Order.

**H. PRORATION OF CHARGES.**

Each Customer's bill upon initiation of service shall be prorated for the billing period in which service commences. Such proration shall apply to the base water and wastewater charges, but not the Basic Service Fee and GRP fee, which shall be paid in full for the billing period. Likewise, each Customer's final bill shall be prorated for the billing period in which service is terminated.

**I. WINTER AVERAGING FOR SINGLE-FAMILY RESIDENTIAL.**

The District will implement "winter averaging" for the Single-Family Residential customers by averaging the usage figures for December, January, and February and using such average for determining the wastewater charges for the residential customers for the following March through February twelve-month period. To provide for winter averaging of new residential customers, the District will use 9,450 gallons as the average usage figure to determine the wastewater charge.

**J. BULK WATER RATE.**

Bulk Water Customers shall be billed a rate of \$5.77 per 1,000 gallons used, which is comprised of the cost for operations and maintenance of the water facilities, plus the current City of Houston contract water rate (rounded to the nearest cent).

**ARTICLE IV**

**RULES AND REGULATIONS GOVERNING DISTRICT SERVICES**

The following Rules and Regulations (the "Rules and Regulations") shall govern the installation of connections or taps to the District's Waterworks and Sanitary Sewer System, the limitations on flow of waste into the Sanitary Sewer System, the protection of all facilities which are part of the District's Waterworks and Sanitary Sewer System, and set performance standards for water fixtures in new construction.

**A. WATER SERVICE LINES AND WATER TAPS**

1. All connections to the District's Water Mains shall be made by the District's Operator or a contractor designated by the Operator. The connection shall include the furnishing and installing of the service tap line, water meter, and water meter box or vault.
2. The connections to the District's Water Mains and Sanitary Sewers may be made at different times.
3. The following materials are allowable for users extension from building to the District's Water Service Line: (All installations must comply with the plumbing code)\*
  - (a) Brass curb stops, corp stops, and U-branch and related fittings manufactured by Ford, Hays or Muller
  - (b) Polyethylene water service pipe, 3/4" to 3", per AWWA C901
  - (c) Type K, Class 1 copper water service pipe
  - (d) Water main pipe, 4" and larger, of PVC, AWWA C-900, 150 (DR-18)
  - (e) Plastic meter box up to 1" meter
  - (f) Concrete meter box or vaults, 2" meters and larger

**B. SANITARY SEWER SERVICE LINE**

1. Only one (1) service line may be connected to the District's sanitary sewage collection System for each residence or commercial building. (All installation must comply with the plumbing code.)\*
2. Only the following types of pipe and fitting materials are approved for constructing service lines. Pipe and fittings on each individual service line must consist of the same material.