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PUC DOCKET NO. 57445

PETITION OF HERITAGE CARDIFF	§	
SPE, LLC, PURSUANT TO TEXAS	§	
WATER CODE § 13.043 FOR REVIEW	§	PUBLIC UTILITY COMMISSION
OF DECISION BY NORTHWEST	§	
HARRIS COUNTY MUNICIPAL	§	OF
UTILITY DISTRICT NO. 36 TO	§	TEXAS
CHANGE RATES	§	

**HERITAGE CARDIFF SPE, LLC'S RESPONSE TO
NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36'S
MOTION TO DISMISS AND REQUEST FOR SUSPENSION OF PROCEDURAL
DEADLINES**

Pursuant to Order No. 2, Heritage Cardiff SPE, LLC ("Heritage") files this Response to Northwest Harris County Municipal Utility District No. 36's ("District") Motion to Dismiss. The District's Motion to Dismiss was filed on January 17, 2025,¹ and Order No. 2 established a deadline of February 6, 2025, for Heritage to respond.² Accordingly, this Response is timely filed. In support, Heritage shows as follows:

I. SUMMARY

The District filed its Motion to Dismiss under 16 TAC §§ 22.181(d)(1) and (8), arguing that the Public Utility Commission of Texas ("Commission") lacks jurisdiction over Heritage Cardiff's Original Petition³ and that Heritage failed to state a claim on which relief may be granted.⁴ The Motion to Dismiss, however, is without merit because (i) the District's jurisdiction argument is now moot; (ii) the Original Petition was filed within 90 days after the effective date of the rate change for Heritage Cardiff, as required under Texas Water Code ("TWC") § 13.043(c)

¹ Northwest Harris County Municipal Utility District No. 36's Response to Heritage Cardiff SPE, LLC's Petition, Motion to Dismiss for Lack of Jurisdiction, and Response to Request for Interim Rates, Request for Referral to SOAH, and Proposed Procedural Schedule (Jan. 17, 2025).

² See Order No. 2 Finding Petition Administratively Complete and Notice Sufficient, Setting Deadline for Responses to the Motion to Dismiss, and Addressing Requests for Extension and Referral (Jan. 27, 2025); see also 16 Texas Administrative Code ("TAC") § 22.181(c)(3).

³ Petition of Heritage Cardiff SPE, LLC Appealing the decision of Northwest Harris County Municipal Utility District No. 36 to Change Rates (December 16, 2024).

⁴ See Northwest Harris County Municipal Utility District No. 36's Response to Heritage Cardiff SPE, LLC's Petition, Motion to Dismiss for Lack of Jurisdiction, and Response to Request for Interim Rates, Request for Referral to SOAH, and Proposed Procedural Schedule, at 7-9.

and previously contemplated by the Commission in Docket No. 56636; and (iii) the Original Petition alleged violations of TWC § 13.043(j) and 16 TAC § 24.101(i), for which the Commission may grant relief under TWC § 13.043(e). For these reasons and those stated below, the Commission should deny the District’s Motion to Dismiss.

II. EXHIBITS

- Exhibit A: Nov. 26 Bill
- Exhibit B: Oct. 29 Bill
- Exhibit C: Amended Rate Order

III. BACKGROUND

A. Property Tax Exemption

Heritage Cardiff is the owner of a 168-unit multi-family housing complex known as Cardiff at Louetta Lakes constructed on land located at 3400 Louetta Road, Spring, Texas 77388 (the “Property”). Houston Housing Authority (“HHA”) owns the underlying land and ultimately controls Heritage Cardiff’s managing member. Heritage Cardiff leases the underlying land from HHA pursuant to a ground lease and subject to a regulatory agreement that requires Heritage to reserve no less than 50% of the units at the Property for occupancy by individuals and families earning less than 80% of the median family income.

HHA is a municipal housing authority and governmental entity created under Chapter 392 of the Texas Local Government Code. The Property and the underlying land are exempt from ad valorem taxation under Chapter 392 of the Texas Local Government Code and the Texas Constitution. As a result, the District does not derive any tax revenue from the Property or the underlying land. As contemplated by the Legislature, the reduction in operating costs provided by the tax exemption is a critical component that allows HHA to accomplish its mission to provide decent, safe, and sanitary housing for persons of low to moderate income.

B. Water and Sewer Rates

The District provides water and sewer services to Heritage Cardiff, which pays for such services on behalf of the residents who reside at the Property. In response to the property tax exemption applied to the Property, on November 26, 2024, the District’s Board of Directors drastically increased the water and sewer rates charged to Heritage SPE (“Nov. 26 Bill”).⁵ Prior to

⁵ See Ex. A (Nov. 26 Bill).

receipt of the Nov. 26 Bill, the District did not include the “Water Adjustment” and “Sewer Adjustment” charges in the bills sent to Heritage SPE.⁶ The Nov. 26 Bill reflects movement of Heritage SPE to the Non-Taxable Multi-Family rate class, as adopted in the District’s Order Adopting Amended Rate Order (“Amended Rate Order”).⁷ Although the Amended Rate Order was effective on February 21, 2024, Heritage Cardiff’s water and sewer rates were not changed until issuance of the Nov. 26 Bill.

The Amended Rate Order established two separate rate classes for multi-family housing developments: the Multi-Family rate class and the Non-Taxable Multi-Family rate class. The Amended Rate Order included the following definitions:

“Multi-family Units” – shall mean the individual dwelling units served through the Multi-family Residential Connection’s master meter and shall include condominiums and all individual dwelling units served by a master meter.

“Non-taxable” – shall mean any entity not subject to property taxation pursuant to the provisions of the Texas Property Tax Code.⁸

The Amended Rate Order established higher water and sewer rates in the Non-taxable Multi-Family rate class than in the Multi-Family rate class.⁹ The Amended Rate Order implemented the following monthly rates for water and sewer for the Multi-Family and Non-Taxable Multi-family rate classes:

Water:

<u>GALLONS USED</u>	<u>MULTI-FAMILY RATE</u>	<u>NON-TAXABLE MULTI-FAMILY RATE</u>
0 – 5,000 gallons	\$20.00 (minimum) per unit	\$50.00 per unit for all usage
5,001 – 10,000 gallons	\$1.10 per 1,000 gallons	
10,001 – 15,000 gallons	\$1.25 per 1,000 gallons	
15,001 – 20,000 gallons	\$1.50 per 1,000 gallons	

⁶ Compare Ex. A (Nov. 26 Bill) with Ex. B (Oct. 29 Bill).

⁷ See Ex. C (Amended Rate Order).

⁸ See *id.*

⁹ According to survey data maintained by the Texas Water Development Board, there were 498 multi-family connections that used 14,979,000 gallons of water in calendar year 2022. This amounts to roughly 2,507 gallons per unit per month.

20,001 – 25,000 gallons	\$1.75 per 1,000 gallons	
25,001 – 30,000 gallons	\$2.00 per 1,000 gallons	
30,001 – 50,000 gallons	\$3.75 per 1,000 gallons	
50,001 and thereafter	\$5.00 per 1,000 gallons	

Sewer:

<u>GALLONS USED</u>	<u>MULTI-FAMILY RATE</u>	<u>NON-TAXABLE MULTI-FAMILY RATE</u>
0 – 10,000 gallons	\$20.00 (minimum) per unit	\$59.32 per unit for all usage
10,001 and thereafter	\$1.00 per 1,000 gallons	

C. Docket No. 56636 (WGA Cardiff, LLC and Heritage Cardiff SPE, LLC’s Appeal of the Decision by Northwest Harris County Municipal Utility District No. 36 to Change Rates)

The Amended Rate Order was approved by the District’s Board of Directors prior to the close of the transactions that resulted in the Property becoming exempt from ad valorem taxation. Out of an abundance of caution, Heritage Cardiff filed an appeal of the Amended Rate Order with the Commission challenging the rates established therein as unjust and unreasonable under TWC § 13.043(j).¹⁰ The underlying transactions closed on June 21, 2024, while Docket No. 56636 was still pending. Contrary to the claims made in its Motion to Dismiss, Northwest MUD was made aware of the closing on June 26, 2028, at the latest.¹¹

Although the Commission ultimately dismissed the appeal, they did so *without prejudice*. In its final order, the Commission anticipated that Heritage Cardiff should be permitted to refile its petition upon movement to the Non-Taxable Multi-Family rate class:

The Commission modifies the Proposal for decision to dismiss this proceeding *without prejudice*. This is not a situation in which the Commission lacks jurisdiction over the appeal because the statutory deadline to file an appeal had expired before the appellants filed. For this reason, there is no need to dismiss this appeal with prejudice. Additionally, the appellants have suggested that they might file a new

¹⁰ See WGA Cardiff, LLC and Heritage Cardiff SPE, LLC’s Appeal of the Decision by Northwest Harris County Municipal Utility District No. 36 to Change Rates, Docket No. 56636 (May 20, 2024).

¹¹ See Docket No. 56636, Petitioners’ Response to Order No. 2 at 3 (“On June 21, 2024, Heritage SPE and HHA closed the final transactions for the Property[.]”).

appeal if Northwest Harris County MUD 36 moves the appellants to the non-taxable multifamily water and sewer rate class. Therefore, the Commission modifies ordering paragraph 2.

Ordering Paragraph No. 2: The Commission dismisses WGA Cardiff's and Heritage Cardiff's appeal, without prejudice, due to lack of jurisdiction.¹²

The District ultimately waited well beyond 90 days before moving Heritage Cardiff to the Non-Taxable Multi-Family rate class in an apparent attempt to try to prevent Heritage Cardiff from challenging the change in water and sewer rates. In fact, the District did not charge Heritage Cardiff under the new rates until after Docket No. 56636 had been dismissed.

IV. DISCUSSION

The District asserts that this appeal must be dismissed pursuant to 16 TAC §§ 22.181(d)(1) and (8), for “lack of jurisdiction” and “failure to state a claim for which relief can be granted[.]”¹³ First, the District’s claim that Heritage Cardiff missed its 90-day window to file its appeal is moot. Second, contrary to the District’s assertion, Heritage Cardiff filed this appeal within 90 days after the effective date of the rate change (November 26, 2024). Third, the Commission may grant relief to Heritage Cardiff under TWC § 13.043(e) for violations of TWC § 13.043(j) and 16 TAC § 24.101(i). Specifically, the Commission may fix the Non-Taxable Multi-Family rate so that it is just and reasonable, and not unreasonably preferential, prejudicial, or discriminatory.

A. The Commission already determined that Heritage Cardiff satisfied all administrative pre-requisites.

In its Recommendation on Sufficiency of the Petition and Proposed Procedural Schedule, Commission Staff concluded that “Heritage fulfilled the 90-day requirement for its petition pursuant to TWC § 13.043(f).”¹⁴ In response, the Honorable Administrative Law Judge Aaron Haas found that the Original Petition was administratively complete.¹⁵ Consequently, the District’s arguments that Heritage Cardiff did not timely file its Original Petition is now moot.

¹² Docket No. 56636, Order at 1, 6 (Oct. 3, 2024) (emphasis added).

¹³ Northwest Harris County Municipal Utility District No. 36’s Motion to Dismiss and request for Suspension of Procedural Deadlines, at 4–5; *see also* 16 TAC § 22.181(d)(1), (8).

¹⁴ Commission Staff’s Recommendation on Sufficiency of the Petition Proposed Procedural Schedule, at 1–2 (Jan. 17, 2025).

¹⁵ *See* Order No. 2 (“The administrative law judge . . . finds the petition administratively complete[.]”).

B. The Commission has jurisdiction over this matter because Heritage Cardiff timely filed its Original Petition.

1. The “rate change” occurred on November 26, 2024.

In relevant part, TWC § 13.043(c) provides that:

An appeal under [Section 13.043(b)] must be initiated by filing a petition for review with the utility commission and the entity providing service within 90 days after the effective day of the rate change or, if appealing under Subdivision (b)(2) or (5), within 90 days after the date on which the governing body of the municipality or affected county makes a final decision.¹⁶

Although the Amended Rate Order went into effect on February 21, 2024, the District changed the water and sewer utility rates charged to Heritage Cardiff on November 26, 2024.¹⁷ The Nov. 26 Bill attached as Exhibit B was the first month in which the District billed Heritage Cardiff at the Non-Taxable Multi-Family rate.¹⁸ Heritage Cardiff filed its Original Petition on December 16, 2024, well within the 90-day period under § 13.043(c). Accordingly, the District is wrong on this issue and the Commission should deny their Motion to Dismiss.

2. The Commission already rejected the District’s arguments in Docket No. 56636.

Docket No. 56636 addressed the same Property and the Non-Taxable Multi-Family rates established within the Amended Rate Order. Because Heritage Cardiff was in the process of acquiring the Property when it filed the petition and, according to the Commission, neither petitioner consisted of an “affected” ratepayer at that time, the appeal was dismissed without prejudice.¹⁹ The history of the final order in Docket No. 56636 demonstrates that the Commission anticipated that the District would later claim Heritage Cardiff missed its 90-day deadline, and sought to prevent the injustice that would result if this appeal was dismissed.

¹⁶ Tex. Water Code § 13.043(c).

¹⁷ See Ex. A (Nov. 26 Bill).

¹⁸ Compare Ex. A (Nov. 26 Bill) with Ex. B (Oct. 29 Bill).

¹⁹ Docket No. 56636, Order, at 4–5 (Findings of Fact Nos. 22–25, and 29), and 6 (Conclusion of Law No. 8, and Ordering Paragraph No. 2).

In Docket No. 56636, the Honorable Administrative Law Judge Susan E. Goodson filed her Proposal for Decision on July 15, 2024.²⁰ Concluding that neither petitioner was affected by the Amended Rate Order at the time of filing of the petition, the Judge proposed to dismiss Docket No. 56636 with prejudice.²¹ In response, Heritage Cardiff filed its Exceptions and Corrections to the Proposal for Decision, asking that Docket No. 56636 be dismissed without prejudice to preserve the right to refile its appeal once Heritage Cardiff was charged under the Non-Taxable Multi-Family rate.²²

The District, however, asked that Docket No. 56636 be dismissed with prejudice, arguing “[e]ven if a future appeal was filed related to a future rate order, it could not be an appeal of the February 21, 2024 rate order, which must be filed within 90 days.”²³ In response, Heritage Cardiff filed its Sur-Reply, explaining that due process requires that a ratepayer be permitted to appeal its utility rates with the Commission upon being charged new rates.²⁴ Specifically, Heritage Cardiff warned of the implications of adopting the District’s position:

The District’s position would block [Heritage Cardiff] from disputing a change in its water and sewer utility rates. Essentially, the District will have prevented any ratepayer from challenging the Amended Rate Order. Further, if the Commission were to adopt the District’s position, then any water utility provider would have an easy roadmap to avoid Commission review of adopted water utility rates: (1) adopt a new water rate; (2) do not move any ratepayer into the new rate class for 90 days after adoption; and (3) and then after the expiration of 90 days, move ratepayers into the new rate class. According to the District’s arguments, no ratepayer could then file an appeal under TWC § 13.043 disputing the justness and reasonableness of those rates.²⁵

Chairman Commissioner Thomas Gleeson agreed with Heritage Cardiff and in his memorandum explained:

²⁰ Docket No. 56636, Proposal for Decision (July 15, 2025).

²¹ *Id.* at 6 (Proposed Ordering Paragraph No. 2)

²² Docket No. 55636, Petitioners’ Exceptions and Corrections to Proposal for Decision, at 2 (Aug. 28, 2024).

²³ Docket No. 56636, Northwest Harris County Municipal Utility District No. 36’s Reply to Exceptions to the Proposal for Decision, at 2–3 (Sept. 5, 2024).

²⁴ Docket No. 56636, Petitioners’ Sur-Reply to Northwest Harris County Municipal Utility District No. 36’s Reply to Exceptions to the Proposal for Decision, at 2 (Sept. 26, 2024).

²⁵ *Id.* at 2–3.

In their exceptions to the PFD, the appellants request that the Commission modify the PFD to dismiss the petition without prejudice rather than with prejudice. This is not a situation in which the Commission lacks jurisdiction over the appeal because the statutory deadline to file an appeal had expired before the appellants filed. For this reason, there is no need to dismiss this appeal with prejudice. *Additionally, the appellants have suggested that they might file a new appeal if the district moves the appellants to the non-taxable multi-family water and sewer rate class.* Therefore, I recommend that the Commission dismiss the appeal in this docket without prejudice and that the Commission make the following modification to the PFD.²⁶

The other Commissioners agreed with Chairman Commissioner Gleeson, incorporating the above language into the final order and dismissing Docket No. 56636 without prejudice.²⁷ The Commission clearly sought to prevent the injustice that would result if Heritage Cardiff were denied the right to appeal the rates established in the Amended Rate Order and then subsequently denied the right to appeal the change in its water and sewer rates. Due process requires that the Commission deny the District's Motion to Dismiss.

C. The Original Petition stated a claim for which relief may be granted.

First, contrary to the District's arguments, TWC § 49.2122 is not relevant to this proceeding—Heritage Cardiff's Original Petition made claims under § 13.043(j) and 16 TAC § 24.101(i). Heritage does not have to overcome any § 49.2122(b) presumption. Instead, the District bears the burden to demonstrate that its rates are just and reasonable. This issue was resolved in another Commission Docket: Docket No. 54966 (Petition of Ariza Gosling Owner LLC Appealing the Water Rates Established by Northampton Municipal Utility District). In that Docket, it was determined:

(1) The TWC § 49.2122(b) reasonableness presumption applies only to the establishment of the District's customer classes, not the District's rates; (2) [the ratepayer] is not required to first demonstrate that the District acted arbitrarily and capriciously in establishing the appealed rate pursuant to TWC § 49.2122(b) before a just and reasonable determination regarding the appealed rate can be made under TWC § 13.043(j); and (3) the District bears the burden to prove its appealed rate is just and reasonable.²⁸

²⁶ Docket No. 56636, Chairman Thomas Gleeson Memorandum (Oct. 2, 2024) (emphasis added).

²⁷ Docket No. 56636, Order, at 1, 6 (Ordering Paragraph No. 2).

²⁸ Petition of Ariza Gosling Owner LLC appealing the Water Rates Established by Northampton Municipal Utility District, Docket No. 54966, SOAH Order No. 9 Ruling on Burden of Proof, at 3 (Sept. 11, 2024).

The above analysis aligns with the rest of § 13.043.

The Commission may grant relief to Heritage Cardiff under § 13.043(e) for violations of § 13.043(j) and 16 TAC § 24.101(i).²⁹ TWC § 13.043(b) permits a party to a rate proceeding to appeal a governing body's decision to the Commission.³⁰ In an appeal under § 13.043(b), the Commission "shall hear the appeal de novo and *shall fix in its final order the rates the governing body should have fixed in the action from which the appeal was taken.*"³¹ Pursuant to § 13.043(j), when fixing an appealed rate, the Commission must ensure that the rate is just and reasonable, and not "unreasonably preferential, prejudicial, or discriminatory" but instead "sufficient, equitable, and consistent in application to each class of customer."³² 16 TAC § 24.101(j) contains a similar mandate.³³

The District argues that the Original Petition does not state a claim for which relief may be granted.³⁴ In *Jasinski v. Public Utility Commission*, the Third Court of Appeals addressed the standard for determining whether a party stated a claim for which relief could be granted under the predecessor to 16 TAC § 22.181(d)(8).³⁵ The controversy in *Jasinski* arose from Oncor Electric Delivery Company LLC's trimming of a live oak tree on the appellant's property to provide clearance for a distribution line.³⁶ The appellant argued that the Commission erred in dismissing his claim for failure to state a claim on which relief could be granted.³⁷ In its analysis, the appellate

²⁹ Original Petition of Petitions Pursuant to Texas Water Code § 13.043 for Revic of Decision by the District to Change Rates, at 7–9.

³⁰ *Id.* § 13.043(b).

³¹ *Id.* § 13.043(e) (emphasis added).

³² *Id.* § 13.043(j).

³³ 16 TAC § 24.101(i) ("In an appeal under this section, the commission will ensure that every appealed rate is just and reasonable. Rates must not be unreasonably preferential, prejudicial, or discriminatory but must be sufficient, equitable, and consistent in application to each class of customers."). Contrary to the District's claims, the facts do not demonstrate that the appealed rates are just and reasonable. Instead, those assertions are nothing more than *ipse dixit*.

³⁴ The District also frequently asserts that the claims in this appeal are uncontested – that is false. Heritage Cardiff disputes whether the rates now applicable to Heritage Cardiff are just and reasonable.

³⁵ *Jasinski v. Pub. Util. Comm'n*, No. 03-16-00725-CV, 2017 WL 2628071, *4 (Tex. App.—Austin, June 14, 2017, pet. denied (mem. op.)).

³⁶ *Id.* at *1.

³⁷ *Id.* at *4–5.

court emphasized that “there must be some prohibition, statutory or otherwise, against Oncor’s vegetation management practice of trimming trees to create a ten-foot clearance between the trees and Oncor’s distribution lines.”³⁸ The Third Court of Appeals found that there was no prohibition preventing a utility from implementing vegetation management practices at issue.³⁹ Consequently, the court upheld the dismissal of appellant’s claims.⁴⁰

Unlike the appellant in *Jasinski*, the Original Petition clearly alleged violations committed by the District, in this case TWC § 13.043(j) and 16 TAC § 24.101(i). The rates charged to Heritage Cardiff are unjust and unreasonable, and unreasonably preferential, prejudicial or discriminatory. Moreover, Heritage Cardiff requested relief by asking that the Commission review and fix the District’s rates under § 13.043(e). Thus, Heritage Cardiff has made claims for which relief may be granted. Accordingly, the Commission should deny the District’s Motion to Dismiss on this basis.⁴¹

V. CONCLUSION

Heritage Cardiff timely filed its Original Petition and, therefore, the Commission has jurisdiction over the Original Petition filed by Heritage Cardiff under § 13.043(c). And the Commission may grant relief to Heritage Cardiff’s claims under § 13.043(e) for the District’s violations of § 13.043(j) and 16 TAC § 24.101(i). Thus, contrary to the District’s arguments, Heritage Cardiff has stated a claim for which relief may be granted. For these reasons, the Commission should deny the District’s Motion to Dismiss.

VI. PRAYER

WHEREFORE, PREMISES CONSIDERED, Heritage Cardiff respectfully requests that the Commission (1) deny the District’s Motion to Dismiss; (2) enter an order reflecting the same; and (3) grant any such other relief to which Heritage Cardiff may be entitled.

³⁸ *Id.* at *5.

³⁹ *Id.* at *5–6.

⁴⁰ *Id.* at *6.

⁴¹ Although Order No. 2 did not require Heritage Cardiff to reply to the District’s Response to Heritage Cardiff’s request to establish interim rates, Heritage notes that it previously asked that this case be referred to the State Office of Administrative Hearings (“SOAH”), where the parties may file evidence and conduct a hearing on interim rates. The District argues that Heritage Cardiff has not experienced unreasonable economic hardship due to the Amended Rate Order. The bill attached as Exhibit A demonstrates unreasonable economic hardship on its face – the newly applied rates grossly excessive. **Heritage Cardiff re-asserts its request for referral to SOAH so that a hearing on interim rates may be quickly set.**

Dated: February 6, 2025

Respectfully submitted

/s/ Lauren Fincher

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ATTORNEYS FOR HERITAGE CARDIFF SPE, LLC

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties in this proceeding on February 6, 2025 via email in accordance with the Commission's Second Order Suspending Rules issued in Project No. 50664 on July 16, 2020.

/s/ Cole Hutchison

Cole Hutchison

EXHIBIT A

NW Harris County MUD No. 36PO BOX 11750
SPRING, TX 77391

"For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database (spdpid.comptroller.texas.gov)"

Account Number	Billing Date	Past Due	After Due Date Pay This Amount	Due Date	Amount Due Now
	11/26/2024	0.00	\$80,117.73	12/18/2024	\$78,127.83

Billing questions M-F 8:30-4:00(c.s.t.) Call (281) 374-8989 for billing, service, and emergencies .

HERITAGE CARDIFF SPE, LLC
3400 LOUETTA ROAD
SPRING TX 77388**Usage History**

Billing Date	Usage (In Thousands)
10/29/2024	349
9/27/2024	397
8/28/2024	369
7/29/2024	105

Service Address:3400 LOUETTA RD**Important Messages****Meter Reading Usage Information**Billing Period: 10/17/2024 to 11/18/2024Meter Read Information (In Thousands)

Current	102
Previous	102
Total Gallons Used	429

Summary Of Current Charges

WATER	\$ 8400.00
SEWER	\$ 9965.76
TEX REG ASM	\$ 91.83
NHCRWA	\$ 1441.44
WATER ADJUSTMENT	\$ 25200.00
SEWER ADJUSTMENT	\$ 33028.80
CURRENT CHARGES	\$ 78127.83

NW Harris County MUD No. 36PO BOX 11750
SPRING, TX 77391

Electronic Account #:

Electronic Box #:

HERITAGE CARDIFF SPE, LLC
3400 LOUETTA RD

Amount Due By Due Date	Payment Due On Or Before	Amount Due After Due Date	Account Number
\$78,127.83	12/18/2024	\$80,117.73	

HERITAGE CARDIFF SPE, LLC
3400 LOUETTA ROAD
SPRING TX 77388Please make check payable to.
NW Harris County MUD No. 36

For any address/phone changes check this box and make correction on reverse side.

☐

EXHIBIT B

NW Harris County MUD No. 36PO BOX 11750
SPRING, TX 77391

"For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database (spdpid.comptroller.texas.gov)"

Account Number	Billing Date	Past Due	After Due Date Pay This Amount	Due Date	Amount Due Now
	10/29/2024	0.00	\$9,141.15	11/18/2024	\$8,310.14



Billing questions M-F 8:30-4:00(c.s.t.) Call (281) 374-8989 for billing, service, and emergencies .


HERITAGE CARDIFF SPE, LLC
3400 LOUETTA ROAD
SPRING TX 77388

Usage History	
Billing Date	Usage (In Thousands)
9/27/2024	397
8/28/2024	369
7/29/2024	105

Service Address:3400 LOUETTA RD

Important Messages	
Meter Reading Usage Information	Summary Of Current Charges
<u>Billing Period:</u> 9/18/2024 to 10/17/2024	WATER \$ 3360.00
<u>Meter Read Information</u> (In Thousands)	SEWER \$ 3360.00
Current 102	TEX REG ASM \$ 33.60
Previous 100	NHCRWA \$ 1556.54
Total Gallons Used 349	CURRENT CHARGES \$ 8310.14

NW Harris County MUD No. 36PO BOX 11750
SPRING, TX 77391Electronic Account #: 
Electronic Box #: 
HERITAGE CARDIFF SPE, LLC
3400 LOUETTA RD

Amount Due By Due Date	Payment Due On Or Before	Amount Due After Due Date	Account Number
\$8,310.14	11/18/2024	\$9,141.15	

HERITAGE CARDIFF SPE, LLC
3400 LOUETTA ROAD
SPRING TX 77388Please make check payable to.
NW Harris County MUD No. 36For any address/phone changes check this box and make correction on reverse side. ☐

EXHIBIT C

CERTIFICATE FOR ORDER

STATE OF TEXAS §

COUNTY OF HARRIS §

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36 §

I, the undersigned Secretary of the Board of Directors of Northwest Harris County Municipal Utility District No. 36 of Harris County, Texas (the "District"), hereby certify as follows:

1. The Board of Directors of the District convened in regular session on the 21st day of February, 2024, at the regular meeting place thereof, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Stuart Spoonemore	-	President
Gary L. Meyer	-	Vice President
Mark B. Smith	-	Secretary
Douglas B. Tosh	-	Assistant Secretary
Alan Westmoreland	-	Director

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

ORDER ADOPTING AMENDED RATE ORDER

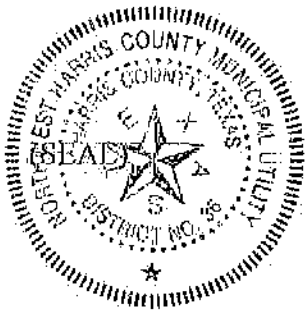
was introduced for the consideration of the Board. It was then duly moved and seconded that the Order be adopted, and, after due discussion, the motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES: 5 NOES: 0

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; and that said Order has been duly recorded in said Board's minutes of said meeting; that the persons named in the above and foregoing paragraph were duly chosen, qualified and acting officers and members of the Board as indicated therein, that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; that

public notice of the time, place and subject of said meeting was given as required by the Texas Government Code, §551.043, as amended, and that the undersigned are the duly chosen, qualified and acting officers of the current Board of Directors.

SIGNED AND SEALED the 21st day of February, 2024.




Secretary, Board of Directors

ORDER ADOPTING AMENDED RATE ORDER

THE STATE OF TEXAS

COUNTY OF HARRIS §

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36 §

WHEREAS, the Board of Directors (the "Board") of Northwest Harris County Municipal Utility District No. 36 (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; and

WHEREAS, the Board of the District has determined that it is in the best interest of the District to amend and restate its Rate Order;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36 THAT:

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

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

H. "Publicly Served Area" - shall mean a water system connection serving public right-of-way or other public common areas.

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

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

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

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

ARTICLE II TAP FEES AND CONNECTION POLICY

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

Section 2.02. Policies Governing Initial Connections:

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

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

Section 2.03. Connections by District Operator. All connections to the District's sewer system shall be made in accordance with the District's Rules and Regulations. No person except the District's Operator or his authorized agent shall be permitted to tap or make any connection to the mains or distribution piping of the District's water system, except for emergency fire-fighting purposes, or make any repairs or additions to or alterations in any meter, box, tap, pipe, cock or other fixture connected with the water service.

Section 2.04. Inspections and Fees.

A. Sewer Inspection and Fees. Sewer connections and house service Lines shall be inspected by the District's Operator for compliance with the Rules and Regulations. An inspection fee of \$50.00 shall be charged for all connections. Installations which fail to conform at any time to the Rules and Regulations shall be disconnected. Any Customer whose connection is disconnected for such failure shall be notified as to the basis for such disconnection. After noted deficiencies have been corrected, a reinspection shall be made upon payment to the District of a reinspection fee of \$50.00 per reinspection.

B. Customer Service Inspection Fees. If the District's Operator performs the inspection and completes the Customer Service Inspection Certification required by Article III of the Rules and Regulations, the District shall charge the Customer a fee of \$75.00 to cover the costs of such inspection and certification.

C. Final Builder Inspection and Fees. Upon receipt of instruction from a builder to transfer an account to an initial Customer, the District's Operator shall make a final inspection of the property and make note of the condition of all District facilities. The District's Operator will repair any damaged District facilities, and the builder will be held responsible for all costs incurred. A fee of \$75.00 shall be charged by the District to cover the cost of such inspection and will be collected at the time the tap fee is paid.

Section 2.05. Builder's Deposit. Each builder of a residence, commercial building or other structure shall, at the time a request for a water tap is made, pay a deposit of \$500. The deposit shall be refunded within ninety (90) days after the builder certifies the sale of its last residence, commercial building or other structure within the District, less any amounts forfeited as provided herein. The District shall deduct from the deposit the cost to repair any damage caused to the District's property by the builder or the builder's employees, contractors, subcontractors or agents and shall deduct any delinquent water and sewer service bills of the builder. In the event any amounts are so deducted from the builder's deposit, it will be incumbent on the builder to reinstate the original amount of the deposit, and failure to do so will result in the suspension of any additional water taps for the builder.

Section 2.06. Temporary Water Service.

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

B. Application and Deposit. Each temporary Customer desiring temporary water service shall be required to execute an application for such temporary service and shall provide a security deposit of \$500.00 plus the actual cost of the tap. The deposit shall be made by cashier's check or money order payable to the District. The deposit shall be used by the District to secure the payment for temporary water supplied by the District, the installation fee, and the cost of repair of any damages caused by the temporary Customer. The balance of the security deposit, if any, shall be refunded after disconnection from the District's System.

C. Fees and Rates. The rates for the sale of water for each temporary water service connection shall be equal to the commercial rates in effect at the time of the water use.

Section 2.07. Service to Out-of-District Customers. All requests for water and sewer service from parties located outside the boundaries of the District shall be considered on a case by case basis and governed by separate agreement.

Section 2.08. Water Taps. The following charges for the tap of water lines shall be in effect within the District from and after the effective date hereof until amended by the Board of the District:

- | | | |
|----|------------------------|--|
| A. | Residential taps: | 3/4" \$600.00
1" \$750.00 |
| B. | Commercial: | 3 times the cost to the District |
| C. | Non-taxable: | the actual cost to the District, including the pro rata share of costs of all facilities necessary to provide District services to such non-taxable entity where such facilities are financed or to be financed by tax-supported bonds of the District |
| D. | Publicly Served Areas: | the actual cost to the District |

Section 2.09. Title to Facilities. Title to all water meters, water and sewer taps, and all other appurtenances, including meter boxes, shall lie in the District.

ARTICLE III SERVICE RATES

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

<u>TYPE OF CONNECTION</u>	<u>GALLONS USED</u>	<u>RATE</u>
A. Single-family	0 - 5,000 gallons	\$18.50 (minimum)
	5,001 - 10,000 gallons	\$1.25 per 1,000 gallons
	10,001 - 15,000 gallons	\$1.50 per 1,000 gallons
	15,001 - 20,000 gallons	\$2.00 per 1,000 gallons
	20,001 - 25,000 gallons	\$2.25 per 1,000 gallons

		25,001 - 30,000 gallons	\$2.50 per 1,000 gallons
		30,001 - 50,000 gallons	\$3.25 per 1,000 gallons
		50,001 and thereafter	\$5.00 per 1,000 gallons
B.	Multi-Family	0 - 5,000 gallons	\$20.00 (minimum) per unit
		5,001 - 10,000 gallons	\$1.10 per 1,000 gallons
		10,001 - 15,000 gallons	\$1.25 per 1,000 gallons
		15,001 - 20,000 gallons	\$1.50 per 1,000 gallons
		20,001 - 25,000 gallons	\$1.75 per 1,000 gallons
		25,001 - 30,000 gallons	\$2.00 per 1,000 gallons
		30,001 - 50,000 gallons	\$3.75 per 1,000 gallons
		50,001 and thereafter	\$5.00 per 1,000 gallons
C.	Commercial, and Non-taxable	0 - 5,000 gallons	\$10.00 (minimum)
		5,001 - 10,000 gallons	\$1.10 per 1,000 gallons
		10,001 - 15,000 gallons	\$1.25 per 1,000 gallons
		15,001 - 20,000 gallons	\$1.50 per 1,000 gallons
		20,001 - 25,000 gallons	\$1.75 per 1,000 gallons
		25,001 and thereafter	\$2.00 per 1,000 gallons
D.	Publicly Served Areas	All usage	\$0.65 per 1,000 gallons
E.	Non-taxable Multi-Family	All usage	\$50.00 per unit

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

<u>TYPE OF CONNECTION</u>	<u>GALLONS OF WATER USED</u>	<u>RATE</u>
A. Single-family Residential		\$23.00 (flat rate)
B. Multi-family	0 - 10,000 gallons	\$20.00 (minimum) per unit
	10,001 and thereafter	\$1.00 per 1,000 gallons
C. Commercial and Non-taxable	0 - 10,000 gallons	\$14.00 (minimum)
	10,001 - 40,000 gallons	\$1.00 per 1,000 gallons
	40,001 - 100,000 gallons	\$2.00 per 1,000 gallons

100,000 gallons and thereafter \$2.25 per 1,000 gallons

D. Non-taxable All usage \$59.32 per unit
 Multi-family

Section 3.03. Regulatory Assessment. Pursuant to Section 5.235, Texas Water Code, as amended, the District shall pay a regulatory assessment to the Texas Commission on Environmental Quality (the "TCEQ") annually in the amount required by law on the total charges for retail water and sewer service billed to its Customers. At the end of each calendar year, the Operator shall prepare a written statement indicating (i) the total charges for retail water and sewer service for the year and (ii) the regulatory assessment due and payable to the TCEQ.

Each customer's billing statement will include a line item reflected as "Texas Regulatory Assessment Fee." Such fee will be calculated based upon the customer's actual water and sewer usage for the previous month multiplied by 0.5%.

Section 3.04. North Harris County Regional Water Authority Fees. Pursuant to an order adopted March 7, 2000, the North Harris County Regional Water Authority (the "RWA"), a regional water authority created pursuant to H.B. 2965 of the 76th Legislature (1999) and Article XVI, § 59 of the Texas Constitution, assessed well pumpage fees upon all non-exempt wells located within its boundaries. The District lies within the boundaries of the RWA. The RWA sets the rates charged to the District for groundwater withdrawal ("Groundwater Pumpage Fee") and for surface water purchased from the Authority ("Surface Water Fee").

Each customer's billing statement will include a line item reflected as "RWA Fee," which shall be calculated based upon the customer's actual water usage for the previous month. The RWA Fee shall be determined by multiplying the customer's actual usage by the Surface Water Fee, plus 10% of the total. The Board of Directors may from time to time change the percentage allocation between the Groundwater Pumpage Fee and the Surface Water Fee based on operating experience. The water and sanitary sewer service rates set forth above in Sections 3.01 and 3.02, inclusive, do not include the RWA Fees imposed in accordance with this Section.

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

ARTICLE IV SERVICE POLICY

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

A. Transfer Fees. Each new Customer establishing an account with the District shall be required to pay a non-refundable transfer fee of \$25.00.

B. Residential Deposits. Each Customer establishing a new account for single-family residential service shall be required to pay, prior to the District providing service, a security deposit of \$125.00, and each customer re-establishing an account for single-family residential service that has been terminated for non-payment shall be required to pay, prior to the District restoring service, a security deposit of \$50.00.

C. Commercial Deposits. Each Customer establishing a commercial account or multi-family residential account, and each Customer re-establishing a commercial account or multi-family residential account that has been terminated for non-payment, shall be required to make a security deposit equal to two (2) times the estimated average monthly bill for all charges as calculated pursuant to this Rate Order shall be charged and collected on all such connection, as determined by the District based on typical requirements for similar uses. The District's Operator shall be authorized to increase said deposit should the Operator determine that same is insufficient to cover two times the average monthly bill based upon actual current usage by the customer. The deposit shall be refundable after a customer terminates service, in the amount of the original deposit less any and all charges then owed to the District.

D. Full Payment Required. Service shall be initiated upon payment of the security deposit and all other fees and charges.

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

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

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

B. Notice and Appeal. Prior to termination of service, a Customer who is delinquent in payment shall be sent a notice that service will be discontinued unless payment in full is received. Notice shall be sent by first class United States mail and will provide the Customer with an opportunity to appear in person or by written correspondence at a scheduled meeting of the Board of the District to contest, explain, or correct the charges, services, or disconnection. The notice shall inform the Customer of the amount of the delinquent bill, the date service will be disconnected if payment is not made, and of the right to contest, explain, or correct the charges, services, or disconnection. Service shall not be disconnected where a Customer has informed the District or the District's Operator of his or her desire to contest or explain his bill. If the Customer appears before the Board, in person or by written correspondence, the Board shall hear and consider the matter and inform the Customer of the Board's determination by sending written notice to the Customer by first class United States mail stating whether service will be continued or disconnected. If service is discontinued, it shall be reinstated only upon payment in full of all amounts due, including any late charges, the security deposit set out in Section 4.01, and a reinstatement charge of \$50.00.

If the District's Operator must make service calls to disconnect a Customer, the fee to the Customer for each such service call shall be \$25.00. If it becomes necessary for the District's Operator to remove a Customer's water meter, there shall be a \$100.00 replacement fee plus the cost of the damage charged to the Customer.

C. Returned Checks. A \$25.00 charge will be charged to the Customer's account for any check returned by the bank. Any amounts due on an account which have been paid with a check that has been returned by the bank must be paid in full by cash, cashier's check or money order, including all late charges and returned check charges, within five (5) days from the day the Operator hangs a notice on the Customer's door or otherwise notifies the Customer that the check has been returned by the bank.

Section 4.03. Entitlement. Customers are not guaranteed a specific quantity or pressure of water or specific capacity in sewer facilities for any purpose whatsoever; furthermore, in no instance shall the District be liable for failure or refusal to furnish water or any particular amount or pressure of water or to provide capacity in sewer facilities.

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

Section 4.05. Damage to District Facilities.

A. Damage to Meter and Appurtenances. No person other than a duly authorized agent of the District shall open a meter box, tamper with or in any way interfere with a meter, meter box, service line or other water and/or sewer system

appurtenance. The District reserves the right, immediately and without notice, to remove the meter or disconnect water service to any Customer whose meter has been tampered with and to assess repair charges to the Customer, plus a damage fee of \$200.00.

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

ARTICLE V

ADOPTION OF RULES AND REGULATIONS CONCERNING WATERWORKS AND SANITARY SEWER SYSTEM

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

ARTICLE VI

DROUGHT CONTINGENCY PLAN

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

ARTICLE VII

WASTEWATER CONTROL ORDER

The Board of the District hereby adopts the Amended and Restated Wastewater Control Order, attached hereto as Appendix "C" and incorporated herein for all purposes.

ARTICLE VIII

ENFORCEMENT/CIVIL PENALTIES

Section 8.01. Enforcement.

A. Civil Penalties. The Board hereby imposes the following civil penalties for breach of any rule of the District: The violator shall pay the District twice the costs the District has sustained due to the violation up to \$5,000. A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the

District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorneys' fees shall be fixed by the court.

B. Liability for Costs. Any person violating any of the provisions of this Order and/or the Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections shall become liable to the District for any expense, loss or damage occasioned by the District by reason of such violation, and enforcement thereof shall be in accordance with Section 8.01(A) of this Order and Article X of the Rules and Regulations.

B. Control of Facilities. The District reserved the right to enforce a violation, or suspected violation, of this Order through the exercise of control over its systems and facilities as the District sees fit, including but not limited to disconnection of services.

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

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

ARTICLE IX SOLID WASTE

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

ARTICLE X MISCELLANEOUS

Section 10.01. Amendments. The Board of the District has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

Section 10.02. Severability. The provisions of this Order are severable, and if any provision or part of this Order or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Order and application of such provision or part of this Order shall not be affected thereby.

Section 10.03. Headings. The section and paragraph headings used herein are for reference only and are not to be construed as part of the text of the section or paragraph.

ARTICLE XI
REPEAL OF PREVIOUS ORDERS

All previous Orders adopted by the Board of Directors pertaining to the subject matter hereof are each hereby repealed in their entirety as of the effective date hereof.

ARTICLE XII
EFFECTIVE DATE

This Order shall be effective February 21, 2024

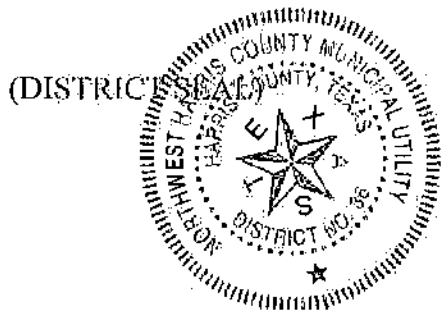
The President or Vice President is authorized to execute and the Secretary or any Assistant Secretary is authorized to attest this Order on behalf of the Board and to do all things necessary and proper to carry out the purpose and intent hereof.

PASSED, ADOPTED, ORDERED and APPROVED as of the 21st February 2024

/s/: Stuart Spoonemore
President, Board of Director

ATTEST:

/s/: Mark Smith
Secretary, Board of Directors



LIST OF APPENDICES AND EXHIBITS

APPENDIX "A" - Amended and Restated Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections

Exhibit 1 - Service Inspection Certification

Exhibit 2 - Backflow Prevention Assembly Test and Maintenance Report

Exhibit 3 - Customer Service Agreement

Exhibit 4 - Application for Service

Exhibit 5 - Sanitary Sewer Inspection Form

APPENDIX "B" - Amended Drought Contingency Plan

APPENDIX "C" - Amended and Restated Wastewater Control Order

APPENDIX A

AMENDED AND RESTATED RULES AND REGULATIONS
GOVERNING WATER AND SANITARY SEWER FACILITIES,
SERVICE LINES, AND CONNECTIONS

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§
NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36	§

ARTICLE I.
PURPOSE

The following Amcnded and Restated Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections (the "Rules and Regulations") shall govern the design, installation and inspection of all connections and taps made to the District's water distribution system and sanitary sewer collection system, the limitations of the flow of waste into the sanitary sewer system, protection of all facilities which are part of the District's waterworks and sanitary sewer system, and the enforcement of these Rules and Regulations.

ARTICLE II.
GENERAL

Section 2.01. Definitions

1. Customer is any person, partnership, corporation, non-profit corporation, trust or other legal entity served by the District with water and/or sewer services to a residence or business establishment.
2. District is Northwest Harris County Municipal Utility District No. 36 of Harris County, Texas, a political subdivision of the State of Texas.
3. Engineer is the person, company or corporation which is under contract with the District to design the District's Water Supply System and Sanitary Sewer Collection System and performs any additional services as set forth in the contract with the District.
4. High Health Hazard is a cross-connection, potential cross-connection, or any other situation involving any substance that can cause death, illness, spread of disease, or that has a high possibility of causing such effects if introduced into the District's Water Supply System.

5. Operator is the person, company or corporation which is under contract with the District to operate the District's Water Supply System and Sanitary Sewer Collection System, collect amounts owed to the District for such services, report monthly to the District on the operations of the District's Water Supply System and Sanitary Sewer Collection System and perform any additional services as set forth in the contract with the District.

6. Rate Order shall mean the District's Order Adopting Consolidated Rate Order and Rules and Regulations; Establishing Policy Regulating Water Use During Emergencies; Establishing a Wastewater Control Order; and Providing Penalties for Violation Thereof which may be amended from time to time.

7. Sanitary Sewer Collection System constitutes the underground sanitary sewer lines owned or leased and operated by the District. This system is composed of all interconnecting laterals, mains, and trunk lines with manholes, clean-outs, stacks, tees, and wyes located within the publicly dedicated utility easements owned or leased and operated by the District. This system is maintained by the District.

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

9. Sewer Tap is the physical connection between the Sanitary Sewer Service Line and the District's Sanitary Sewer Collection System.

10. Sewer Tap Inspection is the inspection performed by the District's Operator to assure that the proper materials and connections to the Sanitary Sewer Collection System have been accomplished in accordance with these Rules and Regulations.

11. State Approved Plumbing Code is a set of rules governing plumbing practices which are at least as stringent and comprehensive as one of the following nationally recognized codes:

- a. Southern Standard Plumbing Code.
- b. Uniform Plumbing Code.
- c. National Standard Plumbing Code.

12. Tap Fee is the fee paid to the District to obtain a water meter and sewer inspection for any dwelling. The amount of the Tap Fee shall be established in the District's Rate Order and may be modified or changed at any time.

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

14. Water Supply System is composed of all water lines, valves, valve boxes, flushing valves, blow off valves, water meters, water meter service lines, and meter boxes located within public rights-of-way or easements owned or leased and operated by the District. This system is maintained by the District.

15. Water Meter is the recording device that registers the amounts of water consumed by each Customer of the District. This meter is owned and maintained by the District.

16. Water Service Line is any line from a residential dwelling or commercial building, which connects to the District's Water Supply System. This service line is owned and maintained by the property owner of the residential dwelling or commercial structure.

17. Water Tap is the physical connection of any Water Service Line to the District's Water Supply System. Such connection will be made only by the District's Operator.

Section 2.02. Platting Requirement.

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

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

Section 2.03. Approval of Plans and Specifications.

Prior to any non-residential connection to the District's Water Supply System or the Sanitary Sewer Collection System, the plans and specifications for the Sanitary Sewer Service Line and the Water Service Line must be submitted the District's Engineer for review and approval. Upon the Engineer's review and approval, the plans and specifications shall then be submitted to the District's Operator for review and approval. The cost of the review and approval of the plans and specification by the District's Engineer and Operator shall be paid by the Customer.

ARTICLE III. WATER CONNECTIONS

Section 3.01. Water Tap Materials: Only the following types of pipe and fitting materials shall be approved for the installation of Water Taps, including residential Water Taps and commercial Water Taps:

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

Section 3.02. Plumbing Material Prohibitions: Prohibited Materials.

The use of the following materials are prohibited for the installation and repair of the District's Water Supply System and for the installation and repair of any private plumbing facilities:

1. any pipe or pipe fitting which contains more than 0.25% lead; and
2. any solder or flux which contains more than 0.2% lead.

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

Section 3.03. Installation.

1. An Application for Service, a copy of which is attached hereto as Exhibit "4," must be filed with the District's Operator. The Customer must pay to the District's Operator all Tap Fees, inspection fees and deposits, as described in the District's Rate Order.
2. All Water Taps to the District's Water Supply System shall be installed only by the District's Operator.
3. The District's Operator shall install Water Taps and set meters at a location on adjoining property lines, whenever possible, with the meter box being located in the easement adjacent to the property line and with two (2) meters per box, where appropriate.

4. The District's Operator shall be responsible for all repairs to the Water Taps.
5. After installation of the Water Tap, connection of the Water Service Line shall be made at the expense of the Customer. (Note: This line shall be tested for leak since all water recorded through the meter will be charged to the Customer).
6. After connection to the District's Water Supply System, the Water Service Line should be thoroughly flushed as to prevent foreign matter from entering the household system.

Section 3.04. Customer Service Inspection Certifications.

A. A Customer Service Inspection Certification, as described in Exhibit "I" attached hereto, shall be completed prior to providing continuous water service to any new construction, on any existing service where the District has reason to believe that cross-connections or other unacceptable plumbing practices exist, and after any material improvement, correction, or addition to private plumbing facilities. Prior to the District initiating continuous service, a Customer shall provide a Customer Service Inspection Certification to the District. The Customer Service Inspection Certification may only be performed by those individuals described in Subsection B of this Section 3.04. For Customer Service Inspection Certifications performed by the District's Operator, the Customer must pay the District the Customer Service Inspection Fee prior to the Operator performing the inspection and certification. Copies of properly completed Customer Service Inspection Certifications shall be kept on file by the District's Operator and made available, upon request, for Texas Natural Resource Conservation Commission ("Commission") review. Inspection certifications shall be retained for a minimum of ten (10) years. Failure to provide a Customer Service Inspection Certification in accordance with this Section 3.04 shall constitute a violation of these Rules and Regulations and such violation shall be subject to the enforcement provisions set forth in Article X hereof.

B. Individuals with the following credentials shall be recognized as capable of conducting a Customer Service Inspection Certification:

1. Plumbing Inspectors and Water Supply Protection Specialists licensed by the Texas State Board of Plumbing Examiners; and
2. Certified Waterworks Operators and members of other water related professional groups who have completed a training course, passed an examination administered by the Commission or its designated agent, and hold an endorsement granted by the Commission or its designated agent.

C. Private plumbing facilities in violation of Article III hereof shall constitute an unacceptable plumbing practice and violation of these Rules and Regulations. If an unacceptable plumbing practice is discovered, the Customer shall eliminate the unacceptable plumbing practice within thirty (30) days from the date of discovery to

prevent possible contamination of the District's Water Supply System. The existence of a serious threat to the integrity of the District's Water Supply System shall be considered sufficient grounds for immediate termination of water service. Service can be restored only when the source of potential contamination no longer exists, or when sufficient additional safeguards have been taken, and a Customer Service Inspection Certification confirming correction of unacceptable plumbing practices has been submitted to the District.

D. The Customer Service Inspection Certification shall certify that:

1. No direct connection between the District's Water Supply System and a potential source of contamination exists. Potential sources of contamination are isolated from the District's Water Supply System by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing regulations.
2. No cross-connection between the District's Water Supply System and a private water source exists. Where an actual air gap is not maintained between the District's Water Supply System and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a recognized backflow prevention assembly tester.
3. No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the District's Water Supply System.
4. No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988.
5. No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.
6. No new or replacement plumbing fixture is installed which is not in compliance with a State Approved Plumbing Code.

Section 3.05. Prohibited Connections.

A. No water connection from the District's Water Supply System shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. Where a containment air gap is impractical, individual "internal" air gaps or mechanical backflow prevention devices shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA

Standards C510 and C511 and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health.

B. No water connection from the District's Water Supply System shall be made to any condensing, cooling, or industrial process or any other system of nonpotable usage over which the District does not have sanitary control, unless the said connection is made in accordance with the requirements of paragraph (A) of this section. Water from such systems cannot be returned to the District's Water Supply System.

C. Overhead bulk water dispensing stations must be provided with an air gap between the filling outlet hose and the receiving tank to protect against back siphonage and cross-contamination.

Section 3.06. Backflow Prevention Assemblies.

A. Backflow prevention assemblies shall be installed on any connection which poses a High Health Hazard and any other connection which the District or the District's Operator reasonably believes poses a threat to the District's Water Supply System. Water service provided for lawn sprinklers, swimming pool supply, reflection pool supply or other such applications must incorporate a back flow prevention assembly in accordance with a State Approved Plumbing Code for the particular designated use. No permanent water service will be provided or continued to any new connection in the District which requires a backflow prevention assembly, unless the Customer provides the District with a Backflow Prevention Assembly Test and Maintenance Report (the "Test Report"), as described in Exhibit "2" attached hereto. At the request of the customer, the District's Operator may, on behalf of the District, install the backflow prevention assembly and complete the Test Report at the Customer's cost.

B. Effective January 1, 1996, all backflow prevention assemblies shall be tested upon installation by a Recognized Backflow Prevention Assembly Tester and certified to be operating within specifications. The Test Report, as described in Exhibit "2" attached hereto, shall be retained for a minimum of three (3) years. The District shall provide these records to the Commission for inspection upon request. Backflow prevention assemblies which are installed to provide protection against High Health Hazards must also be tested and certified to be operating within specifications at least annually by a Recognized Backflow Prevention Device Tester.

C. Recognized Backflow Prevention Device Testers shall have completed a Commission approved course on cross-connection control and backflow prevention and passed an examination administered by the Commission or its designated agent. The accredited tester classification shall be broken down into two categories:

1. The "General Tester" is qualified to test and repair backflow prevention assemblies on any domestic, commercial, industrial or irrigation service.

2. The "Fireline Tester" is qualified to test and repair backflow prevention assemblies on firelines only. The State Fire Marshall's office requires that a person performing maintenance on firelines must be employed by an Approved Fireline Contractor.

D. Individuals who can show proof of completion of a course and passage of an exam based on the ABPA or ASSE National Exam, prior to the effective date of these regulations, may be recognized as accredited for the term of their current certification (not to exceed three (3) years).

E. Gauges used in the testing of backflow prevention assemblies shall be tested for accuracy annually in accordance with the University of Southern California's Foundation of Cross- Connection Control and Hydraulic Research and/or the American Water Works Association Manual of Cross Connection Control (Manual M-14). Test gauge serial numbers must be included on the Test Report and Recognized Backflow Prevention Device Testers shall have gauges tested for accuracy.

F. A Test Report must be completed by the Recognized Backflow Prevention Assembly Tester for each assembly tested. The signed and dated original must be submitted to the District's Operator for record keeping purposes.

G. Repairs to backflow prevention assemblies shall be performed by authorized individuals as recognized by the Texas State Board of Plumbing Examiners, the Commission, Texas Irrigators Advisory Council, or the Texas Commission on Fire Protection-State Fire Marshall's Office, depending upon application and use.

H. The use of a backflow prevention device at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by a State Approved Plumbing Code.

Section 3.07. Customer Service Agreements:

A. The District is responsible for protecting its Water Supply System from contamination or pollution which can result from unacceptable plumbing practices. To this end, the District has adopted plumbing restrictions to provide protection to the District's Water Supply System. To notify Customers of the plumbing restrictions which are in place, each Customer shall be required to receive a Customer Service Agreement, as described in Exhibit "3" attached hereto. The Customer Service Agreement will be sent to the Customer with the first billing from the District.

B. The Customer shall allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing

practices exist; or after any major changes to the private plumbing facilities. Inspections shall be conducted during the District's normal business hours.

C. The District shall notify the Customer in writing of any cross-connection or other unacceptable plumbing practices which have been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately correct any undesirable plumbing practice on his/her premises.

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

F. If a Customer fails to comply with the terms of the Customer Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of the Customer Service Agreement shall be billed to the Customer.

ARTICLE IV. SANITARY SEWER CONNECTIONS

Section 4.01. Sanitary Sewer Service Line Installation.

A. Only one Sanitary Sewer Service Line connection to the District's Sanitary Sewer Collection System is permitted for each residence or commercial building. The Sanitary Sewer Service Line shall remain fully within the boundaries of the lot until the line reaches a utility easement or street right-of-way.

B. No opening in the District's Sanitary Sewer Collection System will be allowed to remain overnight or during rain.

C. All Sanitary Sewer Service Lines must be constructed to true alignment and grade. Warped and/or sagging lines will not be permitted. Sanitary Sewer Service Lines must have continuous contact with firm trench bottom throughout their entire run. Lines placed in such manner as to increase the likelihood of being displaced during backfill will be rejected.

D. All Sanitary Sewer Service Lines should be run from wyes or stacks directly to the houses without meanders or bends.

Section 4.02. Sanitary Sewer Service Line Materials. Only the following types of pipe and fitting materials are approved for constructing Sanitary Sewer Service Lines. Pipe and

ittings in each Sanitary Sewer Service Line must consist of the following material or other material approved by the District's Engineer:

1. Cast iron soil pipe, standard weight, conforming to ASTM Specification A74 with rubber gasket joint coupling conforming to ASTM Specification C564.
2. Poly-vinyl-chloride PSM (PVC) pipe conforming to ASTM Specification D3034 or ASTM specification F789 (with UL listing) and installed according to ASTM D2321.
3. Ductile Iron Pipe conforming to ANSI A21.51 with rubber gasket joints ANSI A21.11 and installed according to manufacturer's recommendations.
4. Acrylonitrile-butadiene-styrene (ABS) pipe material conforming to ASTM Specification D2751.

Section 4.03. Size and Grade of Sanitary Sewer Service Lines.

A. Minimum Sizes for Sanitary Sewer Service Lines shall be as follows:

1. Residential - - - 4 inches in diameter; and
2. Commercial - - - 6 inches in diameter.

B. The minimum grades for Sanitary Sewer Service Lines shall be as follows:

1. 4 inch pipe - - - 14 inch drop per hundred feet (1.2%);
2. 6 inch pipe - - - 8 inch drop per hundred feet (0.7%); and
3. 8 inch pipe - - - 5 inch drop per hundred feet (0.4%).

C. The maximum grades for Sewer Service Lines shall be as follows:

1. 4 inch pipe - - - two and one-half feet drop per hundred feet (2.5%);
2. 6 inch pipe - - - one and one-half feet drop per hundred feet (1.5%); and
3. 8 inch pipe - - - one foot drop per hundred feet (1%).

Section 4.04. Connection of Building Sewer Outlet.

A. On all building waste outlets, the building tie-on connections shall be made directly to the stub-out from the building plumbing at the foundation.

B. Water-tight adapters of a type compatible with the materials being joined shall be used at the point of connection of a Sanitary Sewer Service Line to the building plumbing. No cement grout materials shall be permitted.

C. Unless an exception is permitted by the District's Operator, existing wye and stack connections must be utilized for connection of a Sanitary Sewer Service Line to the District's Sanitary Sewer Collection System.

D. Commercial users shall install a sampling well constructed to City of Houston standards and a grease trap with sampling port constructed to City of Houston standards when required by the District's Engineer and Operator.

Section 4.05. Fittings and Cleanouts.

A. No bends or turns at any point will be greater than forty-five degrees (45E).

B. Each horizontal Sanitary Sewer Service Line will be provided with a cleanout at its upper terminal; and each such run of piping which is more than ninety (90) feet in length will be provided with a cleanout for each ninety (90) feet or fraction thereof in the length of such piping.

C. Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of wye branch and end-of-the-line cleanouts, cleanouts will be installed vertically above the flow line of the pipe.

D. Cleanouts will be made with air-tight mechanical plug.

Section 4.06. Installation of Sewer Taps and Issuance of Permits.

A. Sanitary Sewer Service Lines must be at least 24 inches below (vertically) and at least 9 feet from (horizontally) any Water Service Line (far side or near side connection). If this is not possible, a cast iron casing over the Water Service Line must be installed by the Customer, which casing will be inspected by the Operator.

B. Excavation for Sewer Taps shall be water tamped in all areas within 5 feet (vertically or horizontally) of any existing sewer lines, sidewalks or driveways. Soil not suitable for water tamping (clay modules, organic material or silty soils) shall be removed and replaced with suitable backfill materials.

C. All stacks shall be installed in locations shown on the plans. Stacks shall be capped and the cap lightly cemented in place. Wyes will not be installed by the line contractor. Wye saddles will be paid for in the line contract, but will be

delivered to the District's Operator. The District's Operator will furnish the Customer a saddle at the time of inspection.

D. An Application for Service (a copy of which is attached as Exhibit "4") must be filed with the District's Operator prior to construction of any Sanitary Sewer Service Line, and the Tap Fee and/or Sewer Tap Inspection fee as established in the District's most current Rate Order should accompany the application. (Application forms are available from the District's Operator.) Construction of any Sanitary Sewer Service Line must not begin until the design of the Sanitary Sewer Service Line is approved by the District's Engineer and construction is authorized by the District's Operator.

E. When the Sanitary Sewer Service Line is complete, and prior to backfilling the pipe trench, the Customer shall request an inspection of the Sanitary Sewer Service Line. Requests for inspections (or reinspections) shall be made to the District's Operator at least twenty-four (24) hours in advance of the inspection.

F. The Sewer Tap shall be made only under the supervision of the District's Operator by use of an adapter of a type compatible with materials being joined. The Sewer Tap shall be watertight. No cement grout materials are permitted.

G. Any damage to the District's facility shall be repaired promptly by the Customer under the direction of the District's Operator. Major damage will be repaired by the District's Operator at the Customer's expense.

H. Backfilling of a Sanitary Sewer Service Line trench must be accomplished within twenty-four (24) hours of inspection and approval. Backfill material shall be sand or loam free of large lumps or clods. No debris will be permitted in the trench or backfill.

I. During inspection of the Sanitary Sewer Service Line, the District's Operator will examine all District facilities, such as manholes, valves, flush valves, and inlets on and adjacent to the lot. The connection permit will not be granted until any damage to these facilities has been repaired.

J. The District's Operator will complete the Inspection Form (a copy of which is attached as Exhibit "5") and file it for record with the Application.

K. A connection permit will be issued after the Sewer Tap Inspection is performed and the District's Operator confirms that all requirements of these Rules and Regulations have been met.

L. Connection permits which are rejected for any deficiency shall be promptly corrected and a reinspection requested. A reinspection fee as set forth in the District's Rate Order shall be paid at the time the reinspection is requested.

ARTICLE V.
FEES AND CHARGES

The District's fees and charges shall be as established by its Rate Order.

ARTICLE VI.
EXCLUDED FLOW AND WASTE

A. No waste material which is not biologically degradable will be permitted to discharge into the District's Sanitary Sewer Collection System, including mud and debris accumulated during service line installation. The Customer should refer to the District's Rate Order and Wastewater Control Order for specific information concerning acceptable discharges into the District's Sanitary Sewer Collection System. The Customer is to be fully responsible for cleaning and jetting lines of any dirt or debris permitted to enter during service construction.

B. No surface runoff water will be permitted to be discharged into the District's Sanitary Sewer Collection System, including but not limited to, downspouts and yard or area drains.

C. Swimming pool and/or spa connections will not be made to the District's Sanitary Sewer Collection System unless specifically approved by the District in writing.

ARTICLE VII.
PRIVATE WELLS/TANKS

The construction of water wells and/or the installation of septic tanks is prohibited without prior written approval by the Board of Directors. Said approval, if granted by the Board of Directors, will state the purpose for the construction of a water well and the intended use of the water.

ARTICLE VIII.
AVAILABILITY OF ACCESS/OBSTRUCTIONS

By application for connection to the District's Sanitary Sewer Collection System and/or Water Supply System, the Customer shall be deemed to be granting to the District and its representatives a right of ingress and egress to and from the meter or point of service for such installation, maintenance and repair as the District, in its judgment, may deem reasonably necessary. The Customer shall also be deemed to be granting to the District and its representatives a right of ingress and egress to the Customer's property, including the interior and exterior of the Customer's premises, for the purpose of performing the inspections and completing the Customer Service Inspection Certifications required by these Rules and Regulations. Taps and connections will not be made when, in the opinion of the District's Engineer or Operator, the work area is obstructed by building materials or other debris or the

work area is not completed or finished to grade. When sidewalks, driveways or other improvements have been constructed prior to application for service, such application shall be construed and accepted as the Customer's waiver of a claim for any damages to such improvements resulting from the reasonable actions of the District's Operator in installation of the connection.

ARTICLE IX.

PROTECTION OF DISTRICT'S WATER SUPPLY SYSTEM AND SANITARY SEWER COLLECTION SYSTEM

A. Damage to the District's Water Supply System or the Sanitary Sewer Collection System by the District's Customers, including developers and builders' plumbers, will be repaired by the District at the Customer's expense.

B. After a water meter has been set or a fire hydrant installed, the Customer shall at all times keep the area in, around and upon such facilities and District easements and property under Customer's control free from rubbish or obstructions of any kind, including shrubbery. Failure to keep such facilities and District easements and property under Customer's control free from rubbish or obstructions of other kind, including shrubbery, shall result in disconnection of water service and/or the assessment of charges necessary to remove said obstructions. Customers are prohibited from introducing material into the District's Sanitary Sewer Collection System which could cause obstruction of said system. In the event that an inspection by the District's Engineer or Operator reveals foreseeable damage to the District's Sanitary Sewer Collection System resulting from a Customer's failure to prevent obstructions from entering said system, the District reserves the right to remove the obstruction immediately and without notice. Any costs incurred by the District for removal of an obstruction to the District's system, plus a District administration fee of 20% of said costs, shall be assessed to the Customer.

C. It shall be unlawful for any person, unless authorized in writing by the District's Operator, to tamper or interfere with, obstruct access to, or as a result of willful action injure, deface, or destroy any facilities that are a part of the District's Water Supply System or Sanitary Sewer Collection System, including, with respect to the waterworks system, water plants, flushing valves, valve boxes, and water lines up to the meter box and including meters; provided, however, that duly authorized members of the local fire department shall have the right to use such flushing valves for fire protection purposes.

D. It shall be unlawful for any person to connect any building to the District's Water Supply System without a meter or to have a straight line connection to a building without being metered. It shall also be unlawful for any person, other than the District's Operator or Engineer, to draw water from the District's Water Supply System (except for the use of water for firefighting purposes) without being metered, including the unauthorized use of a flushing valve or unmetered water taps.

E. It shall be unlawful for any person to deposit, throw, drain, discharge, or otherwise cause to be injected into any sewer, manhole, catch basin, flush tank, or other facility that is a part of the District's Water Supply System or Sanitary Sewer Collection System any debris or foreign substance that would interfere with the proper and routine functioning thereof.

ARTICLE X.
ENFORCEMENT OF RULES AND REGULATIONS

Any and all of the following remedies may be employed by the District to abate and prevent any violation of the provisions of these Rules and Regulations:

1. Discontinuance of water service.
2. Disconnection and sealing of sanitary sewer connection.
3. The Board hereby imposes the following civil penalties for breach of any rule or regulation of the District: The violator shall pay the District twice the costs the District has sustained due to the violation up to \$5,000. A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorneys' fees shall be fixed by the court.
4. A Customer found in violation of these Rules and Regulations shall be liable to the District for all expenses borne by the District including laboratory fees, legal fees, engineering fees and other costs incurred by the District in establishing the violation and resolving the cause of the violation.
5. A Customer found in violation of these Rules and Regulations who causes or contributes to a violation by the District's Sanitary Sewer Collection System of effluent parameters shall be liable to the District for all expenses borne by the District, including legal and engineering fees related to any lawsuit filed by federal, state, or local authorities regarding violations by the District of effluent parameters applicable to the District's Sanitary Sewer Collection System.

ARTICLE XI.
EFFECTIVE DATE

These Rules and Regulations shall become effective immediately..

EXHIBIT 1
TO APPENDIX A

Service Inspection Certification

Name of District: Northwest Harris County Municipal Utility District No. 36

District I.D. #: _____

Location of Service: _____

I, _____ (name of Inspector), upon inspection of the private plumbing facilities connected to the Water Supply System of Northwest Harris County Municipal Utility District No. 36, do hereby certify that, to the best of my knowledge:

Certificate of Non-Compliance on Compliance Compliance File

(1)	No direct connection between the District's Water Supply System and a potential source of contamination exists. Potential sources of contamination are isolated from the District Water Supply System by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.	<u>FOR DISTRICT USE ONLY</u>
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(2)	No cross connection between the District's Water Supply System and a private water system exists. Where an actual air gap is not maintained between the District's Water Supply System and a private water supply system, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.	
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(3)	No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the District's Water Supply System.	
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(4)	No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988.	
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(5)	No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(6)	No plumbing fixture is installed which is not in compliance with a State Approved Plumbing Code.	
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service Lines Lead ☐ Copper ☐ PVC ☐ Other ☐

Solder Lead ☐ Lead Free ☐ Solvent Weld ☐ Other ☐

I recognize that this document shall become a permanent record of the Water Supply System of Northwest Harris County Municipal Utility District No. 36 and that I am legally responsible for the validity of the information I have provided.

NOTE: THIS SERVICE INSPECTION CERTIFICATION IS FURNISHED FOR THE SOLE PURPOSE OF INSPECTING THE PLUMBING FACILITIES AT THE AFORESAID LOCATION OF SERVICE FOR UNACCEPTABLE PLUMBING PRACTICES IN ACCORDANCE WITH SAID DISTRICT'S RULES AND REGULATIONS GOVERNING WATER AND SANITARY SEWER FACILITIES, SERVICE LINES, AND CONNECTIONS. NO REPRESENTATION OR WARRANTY IS INTENDED OR MADE AS TO THE ADEQUACY, QUALITY OR FITNESS OF THE PRIVATE PLUMBING FACILITIES.

Signature of Inspector: _____

Registration Number: _____

Title: _____

Type of Registration: _____

Date: _____

EXHIBIT 2 TO APPENDIX A

Backflow Prevention Assembly Test and Maintenance Report

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the District for record keeping purposes:

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

Name of District: Northwest Harris County Municipal Utility District No. 36

PWS I.D. #: _____

Location of Service: _____

The backflow prevention assembly detailed below has been tested and maintained as required by Commission regulations and is certified to be operating within acceptable parameters.

TYPE OF ASSEMBLY

- ☐ Reduced Pressure Principle
☐ Double Check Valve
☐ Not Needed at this Address

- ☐ Pressure Vacuum Breaker
☐ Atmosphere Vacuum Breaker

Manufacturer _____

Model Number _____

Serial Number _____

Size _____

Located at _____

	Reduced Pressure Principle Assembly			Pressure Vacuum Breaker	
	Double Check Valve Assembly			Air Inlet	Check Valve
	1st Check	2nd Check	Relief Valve	Opened at _____ psid	
Initial Test	DC-Closed Tight <input type="checkbox"/> RP- _____ psid Leaked <input type="checkbox"/>	Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at _____ psid	Did not Open <input type="checkbox"/>	Leaked <input type="checkbox"/>
Repairs and Materials Used					
Test After Repair	DC-Closed Tight <input type="checkbox"/> RP- _____ psid	Closed Tight <input type="checkbox"/>	Opened at _____ psid	Opened _____ at _____ psid	_____ psid

The above is certified to be true.

Firm Name: _____

Firm Address: _____

Certified Tester: _____

Cert. Tester No.: _____

Date: _____

EXHIBIT 3
TO APPENDIX A

CUSTOMER SERVICE AGREEMENT

SECTION I. PURPOSE. Northwest Harris County Municipal Utility District No. 36 (the "District") is responsible for protecting its Water Supply System from contamination or pollution which could result from unacceptable plumbing practices. The purpose of this Service Agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. By accepting services from the District and making payment for same, the Customer consents to the terms of this Customer Service Agreement.

SECTION II. PLUMBING RESTRICTIONS. The following unacceptable plumbing practices are prohibited by State regulations:

- A. No direct connection between the District's Water Supply System and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention device.
- B. No cross-connection between the District's Water Supply System and a private water system is permitted. These potential threats to the District's Water Supply System shall be eliminated at the service connection by the installation of an air gap or a reduced pressure-zone backflow prevention device.
- C. No connection which allows water to be returned to the District's Water Supply System is permitted.
- D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

SECTION III. SERVICE AGREEMENT. The following are the terms of this Customer Service Agreement between Northwest Harris County Municipal Utility District No. 36 (the "District") and the Customer:

- A. The Customer shall allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall

be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. Inspections shall be conducted during the District's normal business hours.

- B. The District shall notify the Customer in writing of any cross-connection or other unacceptable plumbing practices which have been identified during the initial inspection or the periodic reinspection.
- C. The Customer shall immediately correct any unacceptable plumbing practice on his/her premises.
- D. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.

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

NOTE: THE PURPOSE OF THE CUSTOMER SERVICE AGREEMENT IS TO NOTIFY CUSTOMERS OF THE PLUMBING RESTRICTIONS OF THE DISTRICT ADOPTED TO PROTECT THE DISTRICT'S WATER SUPPLY SYSTEM. INSPECTIONS CONDUCTED BY THE DISTRICT'S OPERATOR IN ACCORDANCE WITH THIS SERVICE AGREEMENT ARE FOR THE SOLE PURPOSE OF DISCOVERING AND ELIMINATING UNACCEPTABLE PLUMBING PRACTICES. THE DISTRICT OR THE DISTRICT'S OPERATOR MAKES NO REPRESENTATION AS TO THE ADEQUACY, QUALITY, OR FITNESS OF THE CUSTOMER'S PRIVATE PLUMBING FACILITIES.

EXHIBIT 4
TO APPENDIX A

APPLICATION FOR SERVICE

(Please print or type)

Duplicate to
(address)

(Subdivision and Section)

_____ (Name of Applicant)	_____ (Lot)	_____ (Block)
_____ (Street Address)	_____ (Street Address)	
_____ (Phone)	_____ (City)	_____ (State) (Zip)

Installation to be performed by: _____
(Plumber or Sub-contractor) (Phone) _____

Type of pipe material to be used: PVC ____, ABS ____, VC ____, CI ____

Date: _____ Requested by: _____
(Signature)

Applicant to draw sketch of house layout and proposed location of water and sewer service line:

For District Use Only

Date Application Received: _____

Date Construction Authorized: _____

Connection Information: _____

WYE Location _____

Stack Location _____

Date of Inspection 1st _____ 2nd _____ 3rd _____

Date Permit Granted _____

Approved by _____ District Representative _____

EXHIBIT 5
TO APPENDIX A

INSPECTION FORM
SANITARY SEWER SERVICE

Lot _____ Block _____ Section _____

Street Address _____

Inspection Requested By: _____ Date _____

Date Tap to Be Made _____

Results of Inspection Made on _____ at _____ AM
_____ PM

Pipe Material: Size _____ PVC (D3034) _____ ABS(D2751) _____

Tap to: Wye _____ Stack _____

Cleanout: House _____ and _____

INSTALLATION

	<u>Satisfactory</u>	<u>Unsatisfactory</u>
Directness to Wye	_____	_____
Slope	_____	_____
Full Contact w/bedding	_____	_____
Connection w/Main	_____	_____
Condition of Other District Facilities on Lot	_____	_____
Connection Permit is approved (not approved).		
Water service to Lot is approved (not approved).		
This service reinspected on _____. (See Attached new report).		
Comments: _____		

Copy to:

Applicant _____	By: _____
	District Inspector
Manager _____	By: _____
	Authorized Representative of Applicant

APPENDIX B
ORDER ADOPTING DROUGHT CONTINGENCY PLAN

THE STATE OF TEXAS §

COUNTY OF HARRIS §

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36 §

WHEREAS, 30 T.A.C., Section 288.30(3)(B) of the Rules of the Texas Natural Resource Conservation Commission (the "TNRCC") require all retail public water suppliers with less than 3600 connections to prepare and adopt a drought contingency plan no later than September 1, 2000 to be available for inspection by the Executive Director of the TNRCC upon request, for implementation during periods of water shortage and drought; and

WHEREAS, the Board of Directors (the "Board") of Northwest Harris County Municipal Utility District No. 36 of Harris County, Texas (the "District"), has determined that the adoption of this Drought Contingency Plan (the "Plan") is necessary.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36 THAT:

ARTICLE I
DECLARATION OF POLICY, PURPOSE AND INTENT

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the District hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Plan are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section VI of this Plan.

ARTICLE II
DEFINITIONS

SECTION 2.01: DEFINITIONS.

A. The following terms shall have the meaning assigned to them below:

1. "Conservation" means those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

2. "Customer" means any person, company, or organization using water supplied by the District.

3. "Domestic water use" means water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

4. "Landscape areas" means areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

5. "Non-essential water use" means water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- a. irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- b. use of water to wash any motor vehicle, motorbike, boat trailer, airplane or other vehicle;
- c. use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- d. use of water to wash down buildings or structures for purposes other than immediate fire protection;
- e. flushing gutters or permitting water to run or accumulate in any gutter or street;
- f. use of water to fill, refill, or add to any indoor or outdoor swimming pools or jacuzzi-type pools;
- g. use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- h. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- i. use of water from hydrants for construction purposes or any other purposes other than firefighting.

ARTICLE III IMPLEMENTATION

SECTION 3.01: PUBLIC INPUT.

Opportunity for the public to provide input into the preparation of the Plan was provided by the District by means of scheduling and providing notice of a public meeting to accept input on the Plan.

The District shall make information available through its public participation program for plumbers and customers to utilize when purchasing and installing plumbing fixtures; lawn watering equipment or water using appliance. Information regarding retrofit devices, such as low flow shower heads or toilet dams, that reduce water used by replacing or modifying existing fixtures or appliances shall be provided.

SECTION 3.02: PUBLIC EDUCATION.

The District will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of (i) direct mailing of brochures, water bill inserts or newsletters to water users regarding the District's water conservation program; (ii) public meetings and events; and (iii) posters or public displays.

SECTION 3.03: COORDINATION WITH REGIONAL WATER PLANNING GROUPS

The service area of the District is located within Region H, and the District has provided a copy of this Plan to Region H Water Planning Group.

SECTION 3.04: AUTHORIZATION

The Board is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Board shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

SECTION 3.05: APPLICATION

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the District. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

ARTICLE IV
CRITERIA FOR INITIATION AND TERMINATION
OF DROUGHT RESPONSE STAGES

The Board shall monitor water supply and/or demand conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on system capacity limits, and the water levels in the District's well.

SECTION 4.01: STAGE 1 TRIGGERS - MILD DROUGHT CONDITIONS.

A. Requirements for Initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section V of this Plan when the demand on the District's water supply facilities reaches or exceeds sixty-five percent (65%) of the production capacity of such facilities for five (5) consecutive days, as determined by the District's operator.

B. Requirements for Termination. Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a minimum period of five (5) consecutive days.

SECTION 4.02: STAGE 2 TRIGGERS - MODERATE DROUGHT CONDITIONS.

A. Requirements for Initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 2 of this Plan when demand on the District's water supply facilities reaches or exceeds eighty percent (80%) of the production capacity of such facilities for three (3) consecutive days, as determined by the District's operator.

B. Requirements for Termination. Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a minimum period of five (5) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

SECTION 4.03: STAGE 3 TRIGGERS - SEVERE DROUGHT CONDITIONS.

A. Requirements for Initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when demand on the District's water supply facilities reaches or exceeds ninety-five percent (95%) of the production capacity of such facilities for twenty-four (24) hours, as determined by the District's operator.

B. Requirements for Termination. Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a minimum period of five (5) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

ARTICLE V DROUGHT RESPONSE MEASURES

SECTION 5.01: IMPLEMENTATION.

The Board shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section IV of this Plan, shall determine that a moderate, severe, or critical/emergency condition exists and shall implement the following notification procedures.

SECTION 5.02: NOTIFICATION.

A. Notification of the Public. The Board shall notify the public by means of any of the following:

1. direct mail to each customer at least 48 hours prior to the commencement of Drought Response Measures
2. signs posted at entrances to the District;
3. publication in a newspaper of general circulation; or
4. Posting on the District's web page.

B. Additional Notification. The Board shall notify directly or cause to be notified directly the following individuals and entities as deemed necessary by the Board of Directors:

5. County Judge and County Commissioner(s);
6. TNRCC (required when mandatory restrictions are imposed);
7. Major water users;
8. Critical water users, i.e. hospitals; or
9. Parks/street superintendents & public facilities managers.

SECTION 5.3: STAGE 1 RESPONSE - MILD DROUGHT CONDITIONS.

A. Supply Management Measures. The District shall reduce the system pressure at its water plant or plants to 55 psi.

B. Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

10. Irrigation of landscaped areas, including esplanades, with hose end

sprinklers or automatic or manual irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 10:00 p.m. and 6:00 a.m. on designated watering days; however, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system. For purposes of this paragraph, esplanade sprinklers shall be deemed to have odd numbered addresses.

11. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

SECTION 5.04: STAGE 2 RESPONSE - MODERATE DROUGHT CONDITIONS.

A. Voluntary Supply Management Measures. The District shall reduce the system pressure at its water plant or plants to 50 psi.

B. Water Use Restrictions. All requirements of Stage 1 shall remain in effect during Stage 2 except:

12. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 10:00 p.m. and 6:00 a.m. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
13. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 10:00 p.m. and 6:00 a.m.
14. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

15. Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the District.

The following uses of water are defined as non-essential and are prohibited:

- a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
- c. use of water for dust control;
- d. flushing gutters or permitting water to run or accumulate in any gutter or street; and
- e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

SECTION 5.05: STAGE 3 RESPONSE - SEVERE DROUGHT CONDITIONS.

A. Voluntary Supply Management Measures. The District shall reduce the system pressure at its water plant or plants to 45 psi.

B. Water Use Restrictions. All requirements of Stage 1 and 2 shall remain in effect during Stage 3 except:

16. Irrigation of landscaped areas shall be limited to designated watering days between the hours of 10:00 p.m. and 6:00 a.m. and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
17. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

SECTION 5.06: EXECUTION IMPLEMENTATION OF THE PLAN BY THE DISTRICT'S OPERATOR.

Without limitation to specific actions stated in this Plan to be taken by the District's operator, the District's operator will administer and enforce this Plan, and will oversee and be responsible for the execution and implementation of all elements of this Plan. The operator shall keep adequate records for plan verification. The District's operator shall report to the Board, at meetings of the Board, regarding actions taken and which need to be taken under this Plan. Without limiting the foregoing, the District's operator shall advise the President of the Board (or if the President is unavailable to receive notification, another member of the Board) as soon as reasonably practical when conditions require implementation of particular stages of this Plan.

ARTICLE VI
ENFORCEMENT

SECTION 6.01: PENALTIES.

The following penalties shall apply to any customer violating the terms of this Plan:

A. First Violation. Any customer who violates this Plan shall receive written notification of such violation, which notice shall set forth (i) the date of the violation, (ii) the nature of the violation, (iii) the Drought Response Measures then in effect, and (iv) the penalties applicable for any further violations of this Plan; provided, however, that if such person or entity has ever previously violated this Plan, the penalties set forth in Subsection B below, may, in the discretion of the Board, be imposed.

B. Subsequent Violations.

18. Monetary Penalties for Noncompliance. If any person or entity violates any provision of this Plan more than one time (which violation shall constitute an unauthorized use of District services and/or facilities), then the Board of the District may impose a penalty pursuant to the provisions of the District's Rate Order regarding penalties for violations. Each day that a breach of any provision of this Plan continues shall be considered a separate violation. This penalty shall be in addition to any other legal rights and remedies of the District as may be allowed by law.

19. Disconnection for Noncompliance. If any person or entity violates any provision of this Plan more than two (2) times (which violation shall constitute an unauthorized use of District services and/or facilities), then, in addition to any other remedies, penalties, sanctions and enforcement procedures provided for herein, the District shall have the right to terminate water service to such person or entity after notice and any other procedural requirements in the District's Rate Order are satisfied.

20. Payment of Expenses. Any person or entity that violates any provision of this Plan shall reimburse the District for any and all expenses incurred by the District, including reasonable attorneys' fees, in enforcing the terms of this Plan.

SECTION 6.02: REMEDIES CUMULATIVE.

All rights, remedies, sanctions, penalties and enforcement procedures provided for in this Plan are cumulative. In addition, the District shall have and may exercise and enforce any and all rights and remedies provided by law or in equity.

APPENDIX C

AMENDED AND RESTATED WASTEWATER CONTROL ORDER

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§
NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36	§

I.
PURPOSE

This Amended and Restated Wastewater Control Order set forth below is to govern all connections made to the sanitary sewer collection system within the District.

II.
DEFINITIONS

Definitions from the District's Order Adopting Consolidated Rate Order and Rules and Regulations; Establishing Policy Regulating Water Use During Emergencies; Establishing a Wastewater Control Order; and Providing Penalties for Violation Thereof are incorporated herein by reference. Unless the context requires otherwise, the terms and phrases used herein shall have meanings as follows:

1. The term "amenable to treatment" shall mean susceptible to reduction in concentration by Treatment routinely provided in the District's wastewater treatment plant, to a level which is in compliance with federal and state effluent limitations for discharges into the waters of the State of Texas.

2. The term "B.O.D." (Biochemical Oxygen Demand) means the quantity of oxygen by weight expressed in milligrams per liter ("mg/l") utilized in the biochemical oxidation of organic matter under standard laboratory conditions for five days at a temperature of twenty (20) degrees centigrade as determined by the procedures specified in the latest edition of Standard Methods, or such other manual of operations as the District may adopt from time to time in accordance with the latest rules of the Texas Natural Resource Conservation Commission (the "Commission").

3. The term "Control Manhole" or "Control Point" means a manhole, sample well or other facility which provides access to a Customer's Sanitary Sewer Collection System and is located at a point before the Waste discharges in the Waste Disposal System.

4. The term "C.O.D." (Chemical Oxygen Demand) means the measure of the oxygen-consuming capacity of inorganic and organic matter present in water or waste, expressed in milligrams per liter as the amount of oxygen consumed from a chemical oxidant as determined by Standard Methods, or such other manual of operations as the District may adopt from time to time in accordance with the latest rules of the Commission.

5. The term "Commercial Waste" means the liquid and water-carried waste resulting from any process of industry, manufacturing, trade, business, or commercial enterprise, or any other process resulting in the discharge of waste other than normal domestic wastewater, including any mixture of industrial waste with water or normal domestic wastewater, and such other waste as the District deems appropriate.

6. The term "Commercial Waste Charge" means the charge made to persons who discharge or are responsible for the discharge of non-residential waste into the Waste Disposal System which discharge is amenable to treatment but which exceeds the concentration levels of normal domestic wastewater.

7. The term "Customer" means any person who is served by the wastewater collection and treatment system of the District (the "Waste Disposal System").

8. The term "Customer's Sanitary Sewer Collection System" means the sanitary sewer system(s) now owned or operated or to be constructed or acquired by Customers of the District, including sanitary sewers (but excluding storm sewers), manholes, intercepting sewers, pumping works, and all other plants, works, and equipment for the collection and transportation of waste to the District's Waste Disposal System.

9. The term "daily composite" means the composite of all samples of a Customer's wastewater that may be taken in any 24-hour period selected by the District. A daily composite shall be prepared from not less than three (3) grab samples collected no closer together than one (1) hour per sample.

10. The term "discharge" includes the terms deposit, conduct, drain, emit, throw, run, seep, or otherwise release or dispose of, or to allow, permit, or suffer any of such acts or omissions.

11. The term "grab sample" means an individual sample collected in less than 15 minutes.

12. The term "grease" means fats, waxes, oils, and other similar volatile material and waste which are extracted by procedures specified in the latest edition of Standard Methods, or such other manuals as the District may adopt from time to time in accordance with the latest rules of the Commission.

13. The term "infiltration water" means water which leaks into the District's Waste Disposal System or its customers' sanitary sewer collection systems.

14. The term "interference" means the inhibition or disruption of the Waste Disposal System treatment process or operations which causes or contributes to causing a violation of the District's NPDES Permit or its permit issued by the Texas Natural Resource Conservation Commission.

15. The term "mg/l" means milligrams per liter.

16. The term "monthly average" means, at the option of the District, either (i) the arithmetic average of all grab samples taken during a calendar month or (ii) the arithmetic average of all daily composite samples taken during a calendar month.

17. The term "normal domestic wastewater" means waste, excluding industrial waste, discharged by a person into the Waste Disposal System or into a Customer's sanitary sewer collection system in which the average concentration of total suspended solids is not more than 200 mg/l, B.O.D. is not more than 200 mg/l, and $\text{NH}_3\text{-N}$ is not more than 35 mg/l.

18. The term "overload" means the imposition of organic or hydraulic loading on the Waste Disposal System in excess of either its designated hydraulic capacity, its installed rated capacity, or its organic loading capacity.

19. The term "person" means any individual, public or private corporation, district, authority, political subdivision, or other agency or entity of the State of Texas or of the United States of America; any incorporated city, town, or village, whether operating under general law or under its home rule charter; and any copartnership, association, firm, trust, estate, or any other entity whatsoever.

20. The term "pH" means the common logarithm of the reciprocal of the hydrogen ion concentration expressed in molecules per liter of solution.

21. The term "Pollutant" means any dredged spoil, solid waste, incinerator residue, waste, garbage, sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt and industrial, municipal and agricultural waste discharged into water.

22. The term "pretreatment" means the reduction of the amount of Pollutants, the elimination of Pollutants, or the alteration of the nature of the Pollutant properties in the wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such Pollutants into the Waste Disposal System.

23. The term "properly shredded garbage" means solid waste from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of produce that has

been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sanitary sewers, with no particle greater than one-half (1/2) inch in any dimension.

24. The term "slug" means any discharge of water which in the concentration of any given constituent or in the quantity of the flow, exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration or flow during normal operation.

25. The term "Standard Methods" means the examination and analytical procedures set forth in the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved, and published jointly by the American Public Health Association, the America Water Works Association, and the Water Pollution Control Federation.

26. The term "storm sewer" means sewers which carry storm and surface waters and drainage and into which waste is not intentionally discharged.

27. The term "suspended solids" means those solids that either float on the surface or are in suspension in waste or other liquids, expressed in terms of milligrams per liter.

28. The term "trap" means a device designed to skim, settle, or otherwise remove grease, oil, sand, flammable wastes, or other substances which may be harmful to either the Waste Disposal System or its treatment processes.

29. The term "waste" means normal domestic wastewater and commercial waste collected by a public sanitary sewer collection system, together with such infiltration water as may be present.

30. The term "Waste Disposal System" means all or any part of any disposal system or disposal facilities constructed or acquired by the District for receiving, transporting, treating, and disposing of waste collected by the sanitary sewer collection systems of the District's customers, together with such extensions, enlargements, and modifications as may be required in the future or as may be necessary to comply with any regulatory requirements.

31. The term "wastewater service charge" means the charge to all users of the District's Waste Disposal System whose wastes do not exceed the concentrations established herein as representative of normal domestic wastewater.

III. PROHIBITED DISCHARGE

A. DISCHARGES INJURING OR INTERFERING WITH WASTE DISPOSAL SYSTEM

All waste discharged into the Waste Disposal System shall conform to the requirements hereof and shall consist only of waste amenable to biological treatment or other processes employed by the District from time to time. No person may discharge into the Waste Disposal System any waste which by itself or by interaction with any other waste may (i) injure or interfere with the process or physical properties or facilities of the Waste Disposal System, (ii) constitute a hazard to humans or animals, and (iii) create a hazard in the receiving waters of the effluent of the Waste Disposal System. No person shall discharge any of the following substances into the Waste Disposal System:

1. Any inflows or infiltration, including but not limited to, storm water, groundwater, roof runoff, sub-surface drainage, noncontact cooling water, or from sources such as downspouts, yard drains, pool drains, yard fountains or ponds, or lawn sprinklers.

2. Any liquids, solids or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances, to cause fire or explosion or be injurious in any other way to the Waste Disposal System or to the operation of the Waste Disposal System. At no time shall two successive readings on an explosion hazard meter, at the point of discharge into the system (or at any point in the system), be more than five percent (5%) nor any single reading over ten percent (10%) of the Lower Explosive Limit (L.E.L.) of the meter. Prohibited materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides and sulfides and any other substances in concentrations which the District, the State or EPA has identified or hereafter identifies as a fire hazard or a hazard to the system.

3. Solid or viscous substances which may cause obstruction to the flow in a sewer or other interference with the operation of the Waste Disposal System including, but not limited to, garbage (other than properly shredded garbage) containing particles greater than one-half inch (1/2") in any dimension, animal guts or tissues, paunch manure, bones, hair hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, lettuce, rags, spent grains, spent hops, waste paper, wood, plastics, gas, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, mud, glass grindings or polishing wastes.

4. Any wastewater having a pH less than 6.0 or higher than 9.0, as determined from the average of at least four (4) grab samples taken at least one hour apart and measured instantaneously, or having a pH lower than 5.0 or higher than 10.0 for any single grab sample, or wastewater having any other corrosive property capable of causing damage or hazard to structures, equipment, and/or personnel of the Waste Disposal System.

5. Any wastewater containing toxic Pollutants in sufficient quantity, either singly or by interaction with other Pollutants, to injure or interfere with any wastewater treatment process, which constitute a hazard to humans or animals, which create a toxic effect in the receiving waters of the wastewater facilities, or which exceed the limitation set forth in a National Categorical Pretreatment Standard.

6. Any wastewater having a temperature which will inhibit biological activity in the wastewater treatment plant or result in the interference with the operations of such facility, but in no case wastewater with a temperature at the designated control point or sample well which exceeds 65EC (150EF) or which causes the temperature of waste at the entrance to the wastewater treatment plant to exceed 40EC (104EF). In addition, no wastewater with such a temperature that will cause the temperature of wastewater at the entrance to the wastewater treatment plant to rise more than 10NF per hour.

7. Any Pollutants, including oxygen demanding Pollutants released at a flow rate and/or Pollutant concentration which will cause interference to the Waste Disposal System. No slug discharges are allowed.

8. A volume of flow which will cause the influent flow to the Waste Disposal System to exceed 1.5 times the average dry weather flow rate for a period longer than one hour. The design and installation of surge basins shall be subject to the review and approval of the District and to the requirements of all applicable laws.

9. Waste containing B.O.D. or suspended solids in excess of 200 mg/l, or ammonia in excess of 35 mg/l, based on a grab sample, unless a variance is first obtained from the District. B.O.D. or suspended solids in monthly average concentrations above 200 mg/l, and ammonia in a monthly concentration above 35 mg/l, shall be subject to payment of Commercial Waste Charges pursuant to Section VIII herein.

Discharges prohibited by the foregoing parameters include, but are not limited to, slugs and materials which exert or cause: excessive discoloration or concentrations of suspended solids, B.O.D., C.O.D., or chlorine demands in excess of the ability of the Waste Disposal

System to treat adequately and dispose of such waste in compliance with applicable regulatory requirements.

B. CHEMICAL DISCHARGES

The following chemicals shall not be admissible into the Waste Disposal System:

1. Cyanide or cyanogen compounds capable of liberating hydrocyanic gas upon acidification when present in concentrations in excess of 0.5 mg/l by weight as cyanide (CN);
2. Fluorides other than those contained in the local public water supply for the area which is the source of the discharge;
3. Gasoline, cleaning solvents, benzene, naphtha, fuel oil, or other flammable or explosive liquids, solids, or gases;
4. Substances causing C.O.D. in excess of 500 mg/l for any daily composite sample or 1,000 mg/l for any grab sample;
5. Acids or alkalis having pH values lower than 6.0 or higher than 9.0, iron pickling wastes, or concentrated plating solutions whether neutralized or not;
6. Grease, whether emulsified or not, containing substances which may solidify or become viscous at temperatures between 32 degrees and 150 degrees Fahrenheit (0 degrees and 65 degrees Centigrade) or which exceeds on analysis an average of 100 mg/l of soluble matter;
7. Dissolved sulfides whose concentrations exceed 30 mg/l;
8. Radioactive materials or isotopes of such half-life or concentrations which will permit a transient concentration higher than the maximum allowable as specified by the governing standards of all local, State and federal regulatory authorities;
9. Any other corrosive, explosive, malodorous, or objectionable chemicals in liquid, solid, or gaseous form.

C. HEAVY METALS AND TOXIC MATERIALS

The following metals and toxic materials shall not be admissible into the District's Waste Disposal System:

1. Objectionable or toxic substances exerting an excessive chlorine requirement to such a degree that any such material received in the composite waste at the wastewater treatment plant exceeds the limits established from time to time by the District for such materials.
2. Obnoxious, toxic, or poisonous solids, liquids, or gases in quantities sufficient to violate the provisions of this Part III hereof.
3. Any substance having corrosive properties capable of causing damage or hazard to structures, equipment, or personnel operating the Waste Disposal System.
4. All waste or other substances containing phenols, hydrogen sulfide, or other taste or odor producing substances exceeding the concentration limits established from time to time by the District or which, after treatment of the composite waste, exceeds applicable regulatory requirements.
5. Antimony, beryllium, bismuth, boron, cobalt, molybdenum, tin, uranyl ion, uranium, rhenium, strontium, tellurium, and such other heavy metals as may be prohibited by the District.
6. The following heavy metals or the salts thereof in solution or suspension which upon analysis by Standard Methods exceed the concentrations listed below:

<u>Metal</u>	Not to Exceed (mg/l)		
	<u>Monthly Average</u>	<u>Daily Composite</u>	<u>Grab Sample</u>
Arsenic	1.000	1.500	3.000
Barium	5.000	7.500	15.000
Cadmium	0.083	0.125	0.250
Chromium	5.000	7.500	15.000
Copper	0.600	0.900	1.800
Lead	0.400	0.600	1.200
Manganese	2.000	3.000	6.000
Mercury	0.0005	0.0010	0.002
Nickel	5.000	7.500	15.000
Selenium	0.467	0.700	1.400
Silver	0.050	0.050	0.100
Zinc	2.000	3.000	6.000

7. Any other heavy metals or toxic materials except upon the conditions of pretreatment, concentration, volumes, and other applicable standards prescribed by the District or by applicable statutes, laws, rules, or regulations.

D. SOLID WASTE

No person may discharge solid waste into the Waste Disposal System unless it is properly shredded garbage. The District may review and approve the installation and operation of any garbage grinder equipped with a motor of three-fourth (3/4) horsepower (0.76 H.P. metric) or greater.

IV. MINIMUM PRELIMINARY TREATMENT CRITERIA FOR COMMERCIAL WASTE

It is not the intent of this Wastewater Control Order to cover all the possibilities for types of businesses that could potentially discharge wastes that can be adverse to the Waste Disposal System. However, the common commercial enterprises found in the vicinity of residential neighborhoods have been considered.

1. Gasoline Sales/Car Repair. All floor drains in shop areas shall include a combination mud and grease trap similar to City of Houston Dwg. 359-S-1. All flows into these drains should subsequently be treated in a specially designed oil separator with positive means for oil and grease removal. A 48-hour detention grease trap (minimum 1,500 gallons) or a corrugated plate pack separator will provide such treatment. No drainage shall be pumped with a centrifugal pump prior to oil and grease separation. The traps shall be cleaned at least once a month. Safeguards shall be taken against contamination of groundwater due to leakage from fuel tanks. All piping and tankage for both oil and grease pretreatment facilities and product storage shall be of double wall construction and shall include integral leak detection monitors to preclude contamination of groundwater.

2. Car Wash Facilities. All car wash facilities shall recycle the maximum amount of wash water through the best commercially available systems and install a mud/grease trap for each drain followed by 96-hour detention gravity grease separation (minimum 1,500 gallons) or a corrugated plate pack separator. Mud, sludge, and grease removal shall be required at least once a month. If the car wash facility has gasoline pump(s), then the car wash facility must also have floor drains to include a mud and grease trap similar to City of Houston Dwg. 359-S-1. All flows into these drains should subsequently be treated in a specifically designed oil separator with positive means for oil and grease removal. Traps shall be cleaned at least once a month. Safeguards shall be taken against contamination of groundwater due to leakage from fuel tanks. All piping and tankage for both oil and grease pretreatment facilities and product storage shall be double wall construction and shall include integral leak detection monitors to

preclude contamination of groundwater. A ground water monitoring well must also be installed.

3. Food Service/Grocery Stores. Restaurants, meat markets, grocery stores, and other establishments dealing with the sale of unprocessed or cooked foods shall be prohibited from using garbage grinders, shall require grease traps (minimum 1,500 gallons), shall install an inspection manhole for sampling, and shall insure that scrap food and grease are collected in sealed containers and hauled away for reprocessing. Grease traps shall be cleaned a minimum of once a month.

4. Printing and Photo -processing. Printing and photo-processing facilities shall install a ground water monitoring well and shall discharge only domestic waste from sinks and restrooms. All printing and Photo -processing chemicals shall be collected in sealed containers and hauled away for reprocessing.

5. Laundry/Dry Cleaning. Laundry and dry cleaning facilities shall install a ground water monitoring well and shall incorporate a lint trap system equivalent to two City of Houston Dwg. 533-S units in series, providing a minimum of 3,000 gallons of capacity. Cleaning of the lint trap is required at least once a month.

6. Landscaping/Nurseries. Landscaping and nurseries that use herbicides and pesticides shall install a ground water monitoring device and shall only discharge domestic waste from sinks and restrooms.

7. Discharge of Waters or Wastes Containing Toxic or Poisonous Substances; Submission of Written Statement. Where the operation of a person, firm, or corporation entails the discharge of water or wastes containing toxic or poisonous substances, a written statement setting forth the nature of the operation contemplated or presently carried on shall be filed with the District. The statement shall specify the amount of water that will be used and its source, the proposed point of discharge of wastes into the Waste Disposal System of the District, and the estimated amount to be discharged; the statement shall include a laboratory statement setting forth the expected bacterial, physical, chemical, and other known characteristics of said wastes. Within thirty (30) days from receipt of such statement, the District shall issue an order stating minimum restrictions necessary in the judgment of the District's Engineer to protect the District's systems.

Where pretreatment or control is required by the District, it shall review and approve the design and installation of the equipment and processes in conformity with all applicable laws and regulatory requirements. Any person responsible for discharges requiring such pretreatment or control facilities shall provide and maintain such facilities in effective operating conditions.

V.
TRAPS; INTERCEPTORS

Grease, oil, and sand interceptors shall be provided for the proper handling of liquid wastes containing grease in amounts that will impair the proper functioning of any sanitary sewer line and for preventing any flammable wastes, sand, and other harmful ingredients from entering into the sanitary sewers. Interceptors shall not be required for premises used exclusively as private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the District and shall be located as to be readily and easily accessible for cleaning and inspection.

Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and equipped with easily removable covers which when bolted in place shall be gas-tight and watertight. Where installed, all grease, oil, and sand interceptors shall be maintained by the owner, at his expense, in continuously efficient operation at all times. Any facility with a mud and grease trap or grease trap or pretreatment system shall be required to remove grease, grit, sludge, or other residue at least once a month and shall maintain records at the site of the date, time, name of hauler, volume removed, destination, waste hauling permit number, and a copy of a hauler's manifest. Records shall be available for inspection by District's representatives during normal working hours. A facility not complying shall be subject to having water service terminated until the facility is brought into compliance.

VI.
SAMPLING; TESTING; INSPECTION; RIGHT OF ENTRY

A. Control Manholes: Installation, Location, and Maintenance. The owner of any property served by a sewer carrying Commercial Waste shall install a suitable control manhole in the sewer to facilitate observation, sampling, and measurement of the wastes. Such manhole shall be accessible and safely located and shall be constructed in accordance with plans approved by the District Engineer. The manhole shall be installed by the owner at his expense and shall be maintained by him so as to be safe and accessible at all times.

Owners of property served by a sewer carrying Commercial Waste and required to install a suitable manhole pursuant to this Article VI hereof and receiving water and sanitary sewer service from the District on the initial effective date of this Wastewater Control Order shall have 180 days from the initial effective date to install a suitable control manhole. Failure to install the manhole within 180 days as described herein shall result in the termination of water and sewer service to the property. All new connections served by a sewer carrying Commercial Waste shall have a suitable control manhole installed prior to receiving water and sewer service from the District.

B. Sampling/Testing. The District or its duly authorized agent or representative may enter at all reasonable times any lands or premises served or proposed to be served by the Waste Disposal System for the purposes of carrying out and determining compliance with the provisions hereof.

After the effective date hereof and upon completion of the installation of a suitable control manhole pursuant to Section VI(A) hereof, the Operator for the District shall conduct an initial test which shall consist of a minimum of one (1) grab sample and a maximum of three (3) grab samples, as determined by the District's Operator, from the control manhole of all sewers carrying Commercial Waste. If the results of the grab samples indicate that the waste being discharged into the Waste Disposal System is in accordance with this Wastewater Control Order, testing shall then be conducted on a periodic basis.

In the event the grab samples indicate that the waste being discharged into the Waste Disposal System is in violation of this Wastewater Control Order, then the owner of the property shall be notified and shall be required to submit a plan for the satisfactory correction of the violation in accordance with Subsection C of this Section, unless the violation presents an imminent danger to the health or welfare of the public, then service shall be terminated in accordance with Article IX hereof. The cost for all additional testing conducted as a result of the violation shall be billed to the commercial Customer, and failure to pay such cost will result in the termination of water and sewer service.

Sampling and testing shall be conducted on connections carrying Commercial Waste in accordance with customarily accepted methods, reflecting the effects of constituent wastes upon the Waste Disposal System and the existence of hazards to health, life, limb, or property. Examination and analysis of the characteristics of water and waste shall be conducted in accordance with Standard Methods or such other manual of operation as the District may adopt from time to time in accordance with the latest rules of the Texas Natural Resource Conservation Commission and shall be determined from suitable samples taken at control points selected by the District. The cost to take and analyze such samples shall be added to the Customer's water and sewer service bill, and failure to pay for such sample will result in the termination of the Customer's water and sewer service.

C. Notification of Violation/Submission of Plan. Whenever the District finds that any Customer has violated or is violating this Wastewater Control Order, except when such violation presents an imminent danger to the health or welfare of persons, as provided in Article IX, the District shall serve upon such person a written notice stating the nature of the violation. Within a period of not more than thirty (30) days from the date of the notice, as specified therein, a plan for satisfactory correction thereof shall be submitted in writing to the District. If such a plan is not timely submitted, or if such violation is not corrected, the District shall proceed with enforcement under Article XII.

No prior notice shall be required for the imposition of the fine described in Article XI if such fine is assessed for a violation of this Wastewater Control Order.

VII. SUPERVISION

If the District or its designated representative determines that a discharge or a proposed discharge into the Waste Disposal System may deleteriously affect the Waste Disposal System or receiving waters, or create a hazard to life or health, or create a public nuisance, it may require:

- A. Discontinuation of the discharge into the District's sewer system in its entirety.
- B. Pretreatment to an acceptable condition for discharge into the Waste Disposal System.
- C. Control over the quantities and rates of discharge.
- D. Waste surcharge payments sufficient to compensate the District for the cost of handling and treating the waste.

VIII. COMMERCIAL WASTE CHARGES

In addition to the wastewater service charges made by the District, the District may charge customers discharging commercial waste into the Waste Disposal System the Commercial Waste Charges provided for herein where the waste discharge exceeds the parameters of normal domestic wastewater.

1. The Commercial Waste Charge shall be calculated by the following formula:

$$UC = Q[X + Y(BOD - 200) + Z(SS - 200) + n(N-35)]$$

Formula values are:

UC	=	Commercial Waste Charge (in dollars)
Q	=	Billable quantity (based on water billed or actual measurement of Wastewater discharged) of wastewater in thousands of gallons.
X	=	\$0.50
Y	=	\$0.0018
Z	=	\$0.0022

n = \$0.0125

BOD = Five-day, twenty (20) degrees celsius, biochemical oxygen demand content of the waste delivered, in mg/l based on monthly average concentration.

SS = Suspended solids content of the waste delivered, in mg/l based on monthly average concentration.

N = Ammonia content of the Waste delivered, in mg/l based on monthly average concentration.

The District shall review and, if appropriate, adjust the Commercial Waste Charges to reflect changes in the characteristics of the commercial waste of each user based upon the results of sampling and testing. The District also shall review the basis for determining Commercial Waste Charges and shall adjust the unit treatment costs in the above formula to reflect increases or decreases in the wastewater treatment costs based upon the prior experience. Increases in Commercial Waste Charges shall continue for six (6) billing periods unless subsequent tests determine that the charges should be further increased. If another method of billing is determined by the District's Board to be a more effective method of allocating such costs to the Customer, based upon the particular facts of each case, the District may use such method in lieu of the above. The Commercial Waste Charges will be billed as a separate item from wastewater service charges. Failure to pay the Commercial Waste Charge shall result in termination of water and sewer service pursuant to provisions of the District's Order Adopting Consolidated Rate Order and Rules and Regulations; Establishing Policy Regulating Water Use During Emergencies; Establishing a Wastewater Control Order; Establishing Certain Other Policies; and Providing Penalties for Violation Thereof.

IX.

EMERGENCY RELIEF

The District may immediately suspend the wastewater treatment service of a user when such suspension is necessary, in the opinion of the Board of the District, in order to stop or prevent an actual or threatened discharge that presents an imminent or substantial endangerment to the health or welfare of persons, to the environment, or to the Waste Disposal System of the District, or which would cause the effluent from the plant to exceed discharge parameters. The District may immediately suspend the wastewater treatment service of a user when such suspension is necessary, in the opinion of the Board of the District, to prevent contamination of sludge from the plant. The District shall reinstate the wastewater service upon proof of the elimination of the non-complying discharge. Such disconnection and reconnection shall be at the expense of the user. The District may permanently disconnect any user showing a history of flagrant or habitual violation of this Wastewater Control Order.

X.
REVIEW

Any user objecting to a decision or order of the District under authority of this Wastewater Control Order shall have the right to a hearing before the Board of the District, at which time the contentions of both the District and user shall be reviewed. The Board President, or in his absence the Vice President, shall be the presiding officer and may, at his discretion, request other professional opinions prior to rendering his decision on the matter of review.

XI.
PENALTY FOR VIOLATION OF ARTICLE

All violations of this Wastewater Control Order, including any failure to observe any discharge parameter set forth herein or permit issued pursuant to this Wastewater Control Order, shall be punishable with the Civil Penalties set forth in and under the Enforcement Provisions of the District's Rate Order and as set forth in Article XII of this Wastewater Control Order. Each day of a violation of any parameter or requirement constitutes a distinct and separate offense.

XII.
ENFORCEMENT

Any or all of the following remedies may be employed by the District to abate and prevent any violation of the provisions of this Wastewater Control Order:

1. Discontinuance of water service.
2. Disconnection and sealing of sanitary sewer connection.
3. The District's attorney may and is hereby authorized to:
 - (a) File suit in a court of competent jurisdiction to secure appropriate judicial relief, including, but not limited to, injunctive relief and the penalty provided in the District's Rate Order for the violation by such user of the provisions of this Wastewater Control Order.
 - (b) Seek a resolution of the Board authorizing the filing of a lawsuit under the provision of Texas Water Code §26.124.
4. A user found in violation of this Wastewater Control Order shall be liable to the District for all expenses borne by the District including laboratory fees, legal fees, engineering fees and other costs incurred by the District in establishing the violation and resolving the cause of the violation.
5. A user found in violation of this Wastewater Control Order that causes or contributes to a violation by the District's Waste Disposal System of effluent parameters shall be liable to the District for all expenses borne by the District, including legal and engineering fees related to any lawsuit filed by federal, state, or local authorities regarding violations by the District of effluent parameters applicable to the District's sanitary sewer system.

6. Where a user discharges wastewater to the District's Waste Disposal System in violation of this Wastewater Control Order and such discharge causes or contributes to contamination of sludge from the wastewater treatment plant, the user shall be liable for all costs borne by the District in disposing of the contaminated sludge over and above costs regularly incurred in sludge disposal.

XIII. SEVERABILITY

All orders or parts of orders in conflict herewith are hereby repealed to the extent of such conflict. The invalidity of any section, clause, sentence, or provision of this Wastewater Control Order shall not affect the validity of any other part or parts of this Wastewater Control Order, which other part or parts shall be given effect as though such invalid section, clause, sentence, or provision were omitted.

XIV. SUPERSEDING REGULATION OR STATUTE

Whenever any applicable statute, regulation, or permit of any state, federal, or other agency having jurisdiction over the subject matter of this Wastewater Control Order is in conflict with this Wastewater Control Order, the stricter requirement shall apply, unless mandated otherwise.

XV. REIMBURSEMENT TO DISTRICT

In the event that any person, as defined in Section II herein, discharges industrial wastes as defined in this Wastewater Control Order, either with or without authorization by the District, such person shall be responsible for any extraordinary costs of operation of the wastewater treatment plant that might result from unauthorized wastes or improper handling of authorized wastes and shall also be responsible for any administrative fines, penalties or fees that may be assessed to the District for such discharge. Such charges may include, but not be limited to, the costs of determining the nature of the contaminant into the plant (a Toxicity Identification Evaluation), the costs of locating the source of the contaminant, and the costs of preventing the contaminant from entering the plant or eliminating the contaminant from the treatment units. Failure to pay such costs when billed may subject the entity to disconnection of services as set forth in Section XII above and to any other remedies available to the District.

XVI.
EFFECT OF REGULATION; AMENDMENT

The provisions hereof are to be deemed and construed as regulatory requirements supplementary and in addition to all laws, rules, regulations, ordinances, or licenses now in effect or hereafter passed, adopted, or promulgated by any regulatory agency, federal, state, or local, having jurisdiction over the District's Waste Disposal System. The provisions hereof are subject to amendment, repeal, or alteration from time to time by the Board of Directors of the District.