



December 19, 2022



**8.9 ACRE NEHOC LANE TRACT  
City of Houston ETJ; Harris County  
Feasibility Study prepared for  
Harris County Municipal Utility District No. 153**

**Introduction**

The following is a feasibility study created by the District Engineer, on behalf of Harris County Municipal Utility District (“HCMUD”) No. 153 (“the District”). This study will determine if the District will have sufficient water and sanitary sewer capacity to serve the Tract located at 19410 Nehoc Lane. The landowner of said tract, which is currently located within the corporate limits of the City of Houston, wishes to be annexed into the District.

**Tract Details**

The 8.9 - Acre Tract, located at 19410 Nehoc Lane, Houston, 77346, contains one single family dwelling. **Exhibit A** shows the Tract’s boundary and the District’s boundary as well as the Tract’s proposed utility improvements.

The Nehoc Lane tract is located within the corporate limits of the City of Houston. In order for the tract to be served by the District, a strategic partnership agreement or dis-annexation of the Tract from the city will be required.

Per the Harris County Appraisal District website, dated March 31, 2022, the Tract has an appraised value of \$1,244,119.00. Based on the District’s current tax rate (\$0.19 debt service and \$0.24 operations and maintenance per \$100 valuation), the tract is assessed the approximate tax revenues shown below:

• Debt Service	\$	2,364
• <u>Operations and Maintenance</u>	\$	<u>2,986</u>
Total Estimated Annual Tax Revenue	\$	5,350

**Water Distribution Facilities** – The Tract is located outside of the District’s boundaries. The District has two (2) active water wells and two existing water plants with a capacity of

approximately 6,667 equivalent single-family connections (“ESFCs”) (2,133,440 gpd) per Texas Commission on Environmental Quality (“TCEQ”) requirements.

The current average daily flow (“ADF”) in the District is approximately 1.22 MGD. Inclusive of existing connections and ultimate future projected connections, the District has committed approximately 3,819 ESFCs, which includes 107 lots within the City of Houston and served by the District pursuant to the utility service contract with the City of Houston.

Based on the Tract containing a single-family residence, the Tract’s estimated water capacity requirement is approximately 1 ESFC (320 gpd).

If the District commits to serve the subject tract, it will increase its committed capacity to 3,820 ESFCs or approximately 57% of the District’s total water capacity.

There is a potential for the Tract to be sold and developed into a multi-family development once it is annexed into the District. The estimated number of units for this multi-family development will be 300. Based on the City of Houston’s Public Works Impact Fee Service Unit Equivalent Table, dated August 26, 2019, the service unit equivalent for an apartment with washer and dryer is 0.4762 per unit. Based on the estimated number of units for this development, the total service units (“S.U.s”) for this development will be 143. 1 S.U. is equivalent to 1 ESFC. Based on 1.0 S.U. = 320 gpd, the total water and wastewater demand for this development will be 4,570 gpd. If the District commits to serve the subject tract, it will increase its committed capacity to 3,962 ESFCs or approximately 59% of the District’s total water capacity.

**Wastewater Treatment Plant** – The District’s existing wastewater facilities include 4 public lift stations and one (1) wastewater treatment plant. The Atascocita Joint Operations Board (“AJOB”) Wastewater Treatment Plant (TPDES Permit No. WQ0011533001) has a permitted capacity of 28,125 EFCs (9.0 MGD) with 5,029 ESFCs (1.61 MGD) allocated to the District. The current Average Daily Flow (“ADF”) for the District is 1.21 MGD or 75%.

Inclusive of existing connections, platted developments, and developments which are in design or under construction, the District has committed approximately 3,781 ESFCs (1.21 MGD) or 75% of the existing permitted capacity at full build out.

Using information from the District Engineer, the Tract’s estimated sanitary sewer capacity requirement is approximately 320 gpd (9,600 gallons per month). However, within the Atascocita Joint Operations agreement, the District’s ownership within the plant is determined based on connections with 1 single family home being 1 ESFC. For the purposes of treatment plant capacity, we will use 1 connection and for the purpose of sizing facilities, we will use the District Engineer’s estimated sanitary sewer capacity. Inclusive of existing connections, platted developments, developments currently underway, other developments in feasibility, and this development, the District will have committed approximately 3,782 EFCs (1.21 MGD) or 75% of the District’s total permitted capacity.

As stated earlier in this study, if this Tract were to be sold and developed into a multi-family development, this would yield a wastewater demand of 4,570 gpd. Inclusive of existing connections, platted developments, developments currently underway, other developments in feasibility, and this development, the District will have committed approximately 3,924 ESFCs (1.26 MGD) or 78% of the District's total permitted capacity.

**Water and Wastewater Sewer Lines and Recommended Points of Connection** – The District owns an 8-inch water line located on the west side of Nehoc Lane, west of the Tract. The water distribution line is adequately sized to accommodate the additional demands generated by the Tract. The Landowner will be required to extend the District's 8 – inch waterline to their tract. The Landowner will be responsible for all costs associated with the waterline and required easements. Please see **Exhibit A** for the location of said waterline extension.

The District Engineer is responsible for all design decisions and placement of waterlines for the existing development.

An Engineer, licensed in the state of Texas, will be responsible for providing engineered plans and specifications for the water distribution system for the Tract and the offsite waterlines to the District Engineer for review and approval prior to commencing construction. This licensed Engineer will also be responsible for obtaining all required approvals and permits. The Contractor will need to coordinate the installation of the waterline tap(s) into the system with the District and the Landowner will be responsible for all costs associated with said work.

The District owns an 18 - inch gravity sanitary sewer line that is approximately 15' deep on the west side of Nehoc Lane, west of the Tract. The sanitary sewer line is adequately sized to accommodate demands generated by the tract. The Landowner will be required to extend an 8 – inch sanitary sewer line from the District's 18 - inch sanitary sewer line to their tract. The Landowner will be responsible for all costs associated with the sanitary sewer line and required easements. Please see **Exhibit A** for the location of said sanitary sewer line extension.

An Engineer, licensed in the state of Texas, will be responsible for providing engineering plans and specifications for the sanitary sewer conveyance system for the Tract to the District Engineer for review and approval prior to commencing construction. The licensed Engineer will also be responsible for obtaining all developmental approvals and required permits. The Contractor will need to coordinate the installation of the sanitary tap(s) into the system with the District and the Landowner will be responsible for all costs associated with said work.

**Costs** – An Engineer, licensed in the state of Texas, will be responsible for engineering the on-site and off-site water and sanitary sewer facilities to serve the Tract. The Contractor will be responsible for the construction of said facilities.

The Landowner will be responsible for paying for the water and wastewater tap fees to the district. The tap fees will be collected prior to receiving water and sanitary sewer taps. Please see **Exhibit C** for a copy of the District's rate order.

See **Exhibit B** for preliminary Cost Estimate. The project cost is to be determined once more information is known. These estimates are based on the projected water and wastewater usage provided by the District Engineer. If the District cost exceeds this amount, the Landowner is responsible for the additional costs. The actual costs will depend on the final design, and actual construction costs.

The estimated total costs that will be associated with the Tract are:

• Bonds and Insurance	\$	25,000.00
• Site Preparation	\$	3,000.00
• Water Distribution System	\$	138,700.00
• Sanitary Collection System	\$	135,716.00
• Trench Safety Plan	\$	1,700.00
• Disposal of Excess Utility Excavation	\$	7,169.50
• Extra Pay Items	\$	6,450.00
• Contingency (5%)	\$	15,886.78
• Engineering (15%)	\$	50,043.34
• Total	\$	383,665.62

**Conclusion** – Based on estimated water and wastewater capacity, for both the existing single home dwelling and the potential for a multi-family development on the Tract, the District has sufficient total water and wastewater capacity to warrant annexation of said Tract.

# EXHIBIT A

Timber View Dr

Approximate Location of Property

Approximately 1,800 LF Proposed 8" Water Line

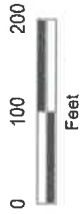
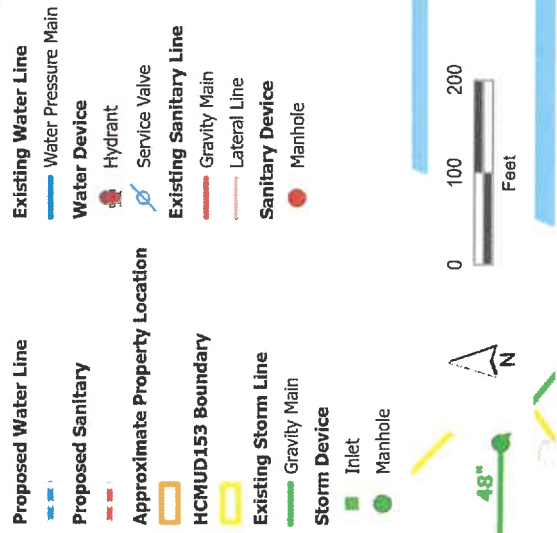
Proposed Tie in to Existing 8" Water Line

Approximately 1,820 LF Proposed 8" Sanitary Sewer

Proposed Tie in to Existing 18" Sanitary Sewer

Camp Lillie Rd

HCMUD 153 Boundary



# EXHIBIT B



Harris County Municipal Utility District No. 153

19410 Nehoc Lane Tract  
Water and Sanitary Sewer Facilities

Preliminary Cost Estimate - December 2022

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ITEM	QUANTITY & UNIT	UNIT COST	ITEM TOTAL
<b><u>UNIT A: BONDS AND INSURANCE</u></b>			
1. Bonds and Insurance (Performance, Payment, and Maintenance); Cannot Exceed 3% of the Bid	1 LS	\$ 10,000.00	\$ 10,000.00
2. Mobilization and Demobilization; 50% of Total on First Pay Request and 50% of Total on Last Pay Request.	1 LS	\$ 15,000.00	\$ 15,000.00
<b>TOTAL, UNIT A</b>			<b>\$ 25,000.00</b>
<b><u>UNIT B: SITE PREPARATION</u></b>			
1. Site Preparation: to remove trees, stumps, logs, vegetation, fences, rubbish, debris, organic matter and other objectionable material per the specifications (includes stripping existing topsoil; stockpiling topsoil; replacing topsoil over all disturbed areas unless otherwise instructed; and positive drainage for the entire site)	1.0 AC	\$ 3,000.00	\$ 3,000.00
<b>TOTAL, UNIT B</b>			<b>\$ 3,000.00</b>
<b><u>UNIT C: WATER DISTRIBUTION SYSTEM</u></b>			
1. C900-DR18 (class 235) P.V.C. Water Line (all depths) (including bends, wyes, crosses, plugs and clamps, reducers and tees):			
a. 8" Pipe	1660 LF	\$ 60.00	\$ 99,600.00
b. 8" Pipe Restrained Joint	140 LF	\$ 70.00	\$ 9,800.00
c. 8" Trenchless Construction (not including pipe)	100 LF	\$ 85.00	\$ 8,500.00
2. Gate Valve and Box:			
a. 6" Pipe	1 EA	\$ 1,400.00	\$ 1,400.00
b. 8" Pipe	2 EA	\$ 2,000.00	\$ 4,000.00
3. Fire Hydrants (including leads; all depths):	1 EA	\$ 5,000.00	\$ 5,000.00



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ITEM	QUANTITY & UNIT	UNIT COST	ITEM TOTAL
4. Water Service Lead (per construction plans)(including trench safety, tapping saddle, meter box, ball valve curb stop, compression fitting by meter coupling with padlock ring and pipe)(all depths and lengths)			
a. 1" Near Side Connection	1 EA	\$ 1,100.00	\$ 1,100.00
5. Miscellaneous Items:			
a. 8" x 8" TS&V	1 EA	\$ 7,500.00	\$ 7,500.00
b. Trench Safety System	1,800 LF	\$ 1.00	\$ 1,800.00
<b>TOTAL, UNIT C</b>			<b>\$ 138,700.00</b>
<b><u>UNIT D: SANITARY COLLECTION SYSTEM</u></b>			
1. Precast Concrete Manholes:			
a. Standard Manhole	4 EA	\$ 3,700.00	\$ 14,800.00
2. Extra Depth for Standard Manholes			
a. 8' to 12' Depth	30 VF	\$ 235.00	\$ 7,050.00
3. SDR 26 P.V.C. Sewer (depth class determined by average depth of pipe segments between manhole):			
a. 8" Pipe (0' - 8' depth)	1,170 LF	\$ 50.00	\$ 58,500.00
b. 8" Pipe (8' - 12' depth)	600 LF	\$ 55.00	\$ 33,000.00
4. C900 - DR 18 P.V.C. Sewer (depth class determined by average depth of pipe segments between manhole):			
a. 8" Pipe (8' - 12' depth)	50 LF	\$ 95.00	\$ 4,750.00
b. 8" Trenchless Construction (not including pipe)	50 LF	\$ 85.00	\$ 4,250.00
5. Sanitary Sewer Lead (SDR 26 P.V.C.) (Including trench safety, risers, wyes, plugs, adapters, drops, markers, and pipe, all depths and lengths):			
a. 6" Near Side Connection	1 EA	\$ 1,500.00	\$ 1,500.00
6. Sanitary Sewer Stacks			
a. Standard 6" Stack (0'-3' depth)	1 EA	\$ 500.00	\$ 500.00

**Harris County Municipal Utility District No. 153**

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Water and Sanitary Sewer Facilities**

**Preliminary Cost Estimate - December 2022**

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ITEM	QUANTITY & UNIT	UNIT COST	ITEM TOTAL
7. Miscellaneous Items:			
a. Connect Existing 18" Sanitary Sewer to Proposed Sanitary Sewer Manhole	1 EA	\$ 5,000.00	\$ 5,000.00
b. Trench Safety System	1,820 LF	\$ 1.30	\$ 2,366.00

The following are to be used only when directed by the Engineer using methods approved by the Engineer. Utilization of these items will depend on site conditions at the time of construction.

8. Trench Dewatering: (\$20.00 per LF minimum)	100 LF	\$ 20.00	\$ 2,000.00
9. Crushed Stone Bedding and all appurtenances for Wet Sand Construction, per plans: (\$10.00 per LF minimum)	100 LF	\$ 10.00	\$ 1,000.00
10. Manhole Base for Wet Sand Construction, per plans: (\$500.00 per EA minimum)	2 EA	\$ 500.00	\$ 1,000.00
<b>TOTAL, UNIT D</b>			<b>\$ 135,716.00</b>

**UNIT E: TRENCH SAFETY PLAN**

1. Design and submittal of Trench Safety plan for underground utilities; prepared and sealed by an engineer licensed by the State of Texas in accordance with the contract documents.	1 LS	\$ 1,700.00	\$ 1,700.00
<b>TOTAL, UNIT E</b>			<b>\$ 1,700.00</b>

**UNIT F: DISPOSAL OF EXCESS UTILITY EXCAVATION**

1. Onsite Disposal of Excess Utility and Swale Excavation per Grading Plan (includes site preparation of spoil areas; scarifying, compaction, and proof-rolling of spoil areas; hauling excavation; spreading fill; compacting fill to 95% of ASTM D698; and grading completed fill to assure positive drainage).	1,103 CY	\$ 6.50	\$ 7,169.50
<b>TOTAL, UNIT F</b>			<b>\$ 7,169.50</b>

**Harris County Municipal Utility District No. 153**

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ITEM	QUANTITY & UNIT	UNIT COST	ITEM TOTAL
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**UNIT G: EXTRA PAY ITEMS**

The following are to be used only when directed by the Engineer and approved by the Owner. Methods will be approved by the Engineer and will be paid for at the prescribed unit prices. Utilization of these items will depend on site conditions at the time of construction.

1. Miscellaneous Excavation (\$4.00 per CY minimum)	100 CY	\$ 4.00	\$ 400.00
2. Class "A" Reinforced Concrete (6-inch thick) (\$20.00 per SY minimum)	50 SY	\$ 20.00	\$ 1,000.00
3. Bank Sand Backfill (\$20.00 per CY minimum)	50 CY	\$ 20.00	\$ 1,000.00
4. Cement Stabilized Sand (\$25.00 per CY minimum)	50 CY	\$ 25.00	\$ 1,250.00
5. Offsite Disposal of Unsuitable Material	100 CY	\$ 18.00	\$ 1,800.00
6. Stabilized Construction Entrance/Exit	1 EA	\$ 1,000.00	\$ 1,000.00
<b>TOTAL, UNIT G</b>			<b>\$ 6,450.00</b>

**SUMMARY**

Unit A: Bonds and Insurance	\$ 25,000.00
Unit B: Site Preparation & Bonds	\$ 3,000.00
Unit C: Water Distribution System	\$ 138,700.00
Unit D: Sanitary Collection System	\$ 135,716.00
Unit E: Trench Safety Plan	\$ 1,700.00
Unit F: Disposal of Excess Utility Excavation	\$ 7,169.50
Unit G: Extra Pay Items	\$ 6,450.00
<b>SUBTOTAL</b>	<b>\$ 317,735.50</b>
<b>Contingency (5%)</b>	<b>\$ 15,886.78</b>
<b>Engineering (15%)</b>	<b>\$ 50,043.34</b>
<b>TOTAL</b>	<b>\$ 383,665.62</b>

# EXHIBIT C

CERTIFICATE FOR ORDER AMENDING AND RESTATING  
ORDER SETTING WATER AND SEWER SERVICE RATES,  
ESTABLISHING TAP FEES, ADOPTING RULES AND  
REGULATIONS CONCERNING DISTRICT'S WATERWORKS AND  
SANITARY SEWER SYSTEM, AND ESTABLISHING POLICY WITH  
RESPECT TO FIRE HYDRANTS, MANHOLES, METER BOXES,  
AND CLEAN-OUT VALVES

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153

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We, the undersigned officers of the Board of Directors (the "Board") of Harris County Municipal Utility District No. 153 (the "District") hereby certify as follows:

1. The Board convened in regular session, open to the public, on Wednesday, April 19, 2017, at Norton Rose Fulbright, 1301 McKinney, Houston, Texas 77010, and the roll was called of the members of the Board, to-wit:

Sam Claytor, Jr., President  
Rick Soliz, Vice President  
Ed Cocetti, Secretary  
Ed Wilcox, Assistant Secretary  
Alan Roe, Assistant Secretary

All members of the Board were present, except the Director(s) N/A, thus constituting a quorum. Whereupon among other business, the following was transacted at such Meeting: A written

ORDER AMENDING AND RESTATING ORDER SETTING WATER AND SEWER  
SERVICE RATES, ESTABLISHING TAP FEES, ADOPTING RULES AND  
REGULATIONS CONCERNING DISTRICT'S WATERWORKS AND  
SANITARY SEWER SYSTEM, AND ESTABLISHING POLICY WITH  
RESPECT TO FIRE HYDRANTS, MANHOLES, METER BOXES,  
AND CLEAN-OUT VALVES

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

AYES: 5      NOES: 0

2. A true, full, and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such

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

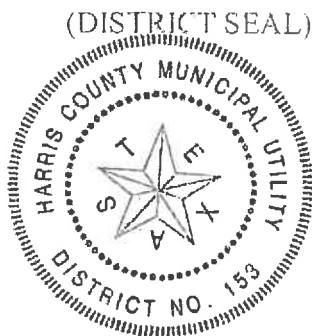
SIGNED AND SEALED this 19<sup>th</sup> day of April, 2017.

HARRIS COUNTY MUNICIPAL UTILITY  
DISTRICT NO. 153

  
\_\_\_\_\_  
President, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of the Directors



HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153

ORDER AMENDING AND RESTATING  
ORDER SETTING WATER AND SEWER SERVICE RATES,  
ESTABLISHING TAP FEES, ADOPTING RULES AND  
REGULATIONS CONCERNING DISTRICT'S WATERWORKS AND  
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TABLE OF CONTENTS

I. Connections to District’s Waterworks, Sanitary Sewer and Storm Sewer Systems..... 1

A. Connections Made and Inspected by District Operator ..... 1

B. Payment of Fees ..... 2

C. Fees ..... 2

II. Inspections ..... 2

A. Review of Pool Plans ..... 2

B. Inspection of Backflow Devices ..... 3

C. Pre and Post Construction Inspections..... 4

D. Customer Service Inspections..... 4

E. Periodic Inspection of Grease Traps for all Commercial Connections..... 5

III. Customer Rates, Deposits, and Service Agreements ..... 5

A. Water, Sewer and Fire Protection Rates ..... 5

Monthly Water Service Rates ..... 5

Monthly Sewer Service Rate ..... 6

Builder Rate (prior to occupants’ move-in) ..... 6

B. Deposits..... 7

C. Service Agreements with Customers ..... 8

IV. Delinquent Accounts..... 8

V. Delinquent Ad Valorem Tax Accounts..... 8

VI. Discontinuation of Service..... 9

A. Discontinuation ..... 9

B. Charges for Disconnection and Reconnection..... 9

C. Charges for Removal and Reinstallation of Water Meter..... 10

VII. Rules and Regulations Governing Waterworks and Sanitary Sewer System ..... 10

A. Rules and Regulations..... 10

B. Rules and Regulations Governing Commercial and Industrial Waste..... 10

C. Rules and Regulations Governing Grease and Lint Trap ..... 10

D. Penalties ..... 10

VIII. General Policies ..... 11

A. All Services Charged ..... 11

B. Other Utilities..... 11

C. Implementation of Order..... 11

IX. Reimbursement of Non-Scheduled Costs ..... 11

A. User Costs ..... 11

**TABLE OF CONTENTS**  
(continued)

<b>EXHIBIT A</b> .....	12
<u>Sample Backflow Prevention Assembly Test and Maintenance Report</u> .....	12
<b>EXHIBIT B</b> .....	13
<u>Sample Service Inspection Certification</u> .....	13
<b>EXHIBIT C</b> .....	15
<u>Sample Service Agreement</u> .....	15
<b>EXHIBIT D</b> .....	17
Rules and Regulations Governing Waterworks and Sanitary Sewer System .....	17
<b>EXHIBIT E</b> .....	24
Rules and Regulations Governing Grease and Lint Traps in Food Handling Establishments, Public Car Washes, Automotive Servicing and/or Repair Establishments, Public Washaterias, Hair Cutting Shops and Dry Cleaning Shops .....	24
<b>EXHIBIT F</b> .....	28
Rules and Regulations Governing Commercial and Industrial Wastes and Prohibiting the Deposit of Refuse into District’s System .....	28

ORDER AMENDING AND RESTATING  
ORDER SETTING WATER AND SEWER SERVICE RATES,  
ESTABLISHING TAP FEES, ADOPTING RULES AND  
REGULATIONS CONCERNING DISTRICT'S WATERWORKS AND  
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AND CLEAN-OUT VALVES

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153

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WHEREAS, the Board of Directors (the "Board") of Harris County Municipal Utility District No. 153 (the "District") established water and sewer service rates, tap fees, rules and regulations concerning the District's waterworks and sanitary sewer system and Policy with respect to fire hydrants, manholes, meter boxes and clean-out valves by Order dated February 10, 1982 (the "Order");

WHEREAS, the Board of the District may amend the Order as it deems necessary;

WHEREAS, the Board deems it appropriate and necessary to amend the Order and to restate such order as so amended;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153 THAT:

I. Connections to District's Waterworks, Sanitary Sewer and Storm Sewer Systems.

A. Connections Made and Inspected by District Operator. All water taps and sanitary sewer taps and inspections shall be made by the District's operator. All storm sewer connections shall be inspected by the District's operator.

Notwithstanding anything herein to the contrary, the operator shall make no connection to the District's water or sanitary sewer collection system unless either

(1) the tract, parcel, or lot of land to be served by such connection is part of an area covered by a development plat duly approved pursuant to article 974a-3, Texas Revised Civil Statutes, as amended, or pursuant to an ordinance, rule, or regulation relating to such a development plat,

(2) the operator has been presented with or otherwise holds a certificate applicable to such tract, parcel, or lot of land issued by or on behalf of the Planning Commission or City Council of the City of Houston, Texas, under section 4A, article 974a, Texas Revised Civil Statutes, as amended, stating that either a plan, plat, or replat of such tract, parcel, or lot either is not required or has been reviewed and approved by such Commission or Council, or

(3) such tract, parcel, or lot was first connected to such system prior to September 1, 1987.

B. Payment of Fees. Any Party desiring a connection to the District's waterworks, sanitary sewer and/or storm sewer systems must pay all applicable installation and inspection fees including the water tap fee, sanitary sewer tap and inspection fees, and storm sewer inspection fee prior to receiving such connection. No connection shall be made until such fees are paid.

C. Fees.

(1) The water tap fees billed until this rate order is amended shall be as follows:

3/4-inch residential tap including meter and box	\$1,000.00
1-inch residential tap including meter and box	\$1,200.00
Commercial: Non Profit	Three times the actual cost to the District for construction, installation or inspection of a tap or a connection to the District's water system.

(2) The sanitary sewer inspection fees or taps shall be as follows:

Residential	\$75.00
Commercial: Non Profit	Three times the actual cost to the District for construction, installation or inspection of a tap or a connection to the District's sanitary sewer system.
Installation	Cost plus 25% for residential connection

II. Inspections.

A. Review of Pool Plans. Any party desiring to build a pool in the District shall submit the building plans to the District's operator for review, at least 15 days prior to the date approval is requested. The plans shall show all District easements in relation to the proposed pool location. No approval will be given if a pool or related facility encroaches on a District easement. The plans shall also show the connection to the District's storm sewer system. Swimming pool connections shall not be made to the District's sanitary sewer system. The fee for review of pool plans is \$100.00. If there is

a direct connection to the District's water system, a backflow prevention device must be installed by the pool owner.

B. Inspection of Backflow Devices.

(1) All backflow prevention assemblies shall be tested by a recognized backflow prevention assembly tester upon installation and certified to be operating within specifications. This inspection shall be conducted prior to the time the operator makes a permanent water connection to the District's system and the District's operator shall be provided with a test report in the form of Exhibit A. At the option of the customer, the District's operator may perform the test, and the cost will be charged to the customer.

(2) 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. A high health hazard is defined as a cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply. A customer at an establishment which presents high health hazards must provide the District with a test report annually. In the event any establishment fails to provide such a report within thirty days after written notification by the District that such a report is required, the District's operator shall inspect the backflow prevention device and the cost will automatically be charged to the customer's account.

(3) Any backflow prevention device required by these rules must be located on each potable or irrigation service between the meter and the building foundation or prior to the first branch in the service line and designed and constructed to facilitate maintenance of the installation and inspection. Before beginning construction of a backflow preventer, a commercial user shall submit plans to the District for review and approval to insure compliance with this section. The District shall bill the cost of such review to the user.

(4) To be a recognized backflow prevention assembly tester, a person shall meet the standards promulgated by the Texas Commission on Environmental Quality ("TCEQ").

(5) 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). Testers shall include test gauge serial numbers on "Test and Maintenance" report forms.

(6) A test report must be completed by the recognized backflow prevention assembly tester for each assembly tested. The signed and dated original must be submitted to the District for record keeping purposes. Should the tester choose to

use a report format which differs from that attached hereto as Exhibit "A", it must minimally contain all information required by the report form.

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

(8) Grease and Lint Trap. For each grease and lint trap installed pursuant to the requirements contained in Exhibit "E" attached hereto, there shall be charged a monthly inspection fee specified in Article 3(A) hereto. Whenever the District is required to reinspect a grease and lint trap because the first inspection showed a violation of the District's rules and regulations, the District shall charge the customer the cost of such inspection, and the customer shall promptly remit the charge to the District, in addition to any other penalty or cost which may be assessed against the customer hereunder.

C. Pre and Post Construction Inspections. Pre and post construction inspections by the District operator to determine that a builder has not damaged District facilities during home or commercial building construction will be \$50 each (two or more) for pre and post inspection (or has corrected any damage caused by the builder).

D. Customer Service Inspections.

(1) A customer service inspection certification in the form attached hereto as Exhibit "B" must be completed by the District operator: (1) prior to the time the District's operator provides sanitary sewer service or permanent water service to a new connection or new customer in the District, (2) within 5 days after an existing customer receives notice from the District that it has reason to believe that cross-connections or other unacceptable plumbing practices exist at his establishment, or (3) within 30 days after any material improvement, correction or addition is made to the private plumbing facilities of any connection.

(2) It is the responsibility of the customer to obtain and to pay for the certification.

(3) The existence of private plumbing facilities in violation of the District's rules is an undesirable plumbing practice. Upon discovery of any such condition, the District may immediately terminate water service to the connection to protect the integrity of its public water system. Service will be restored only when the source of potential contamination no longer exists or when sufficient additional safeguards have been taken.

(4) The charge for a customer service inspection shall be \$150 and shall be paid by the customer prior to it receiving District services.

E. Periodic Inspection of Grease Traps for all Commercial Connections.

The charge for such inspection shall be \$50.00.

III. Customer Rates, Deposits, and Service Agreements.

A. Water, Sewer and Fire Protection Rates. The following rates and charges are for the sale of water and for the collection and disposal of sewage shall be in effect for all residential and commercial customers of the District who are located within the District's boundaries, from the effective date of this Order and include a one-half of one percent regulatory assessment to be paid to the Commission:

MONTHLY WATER SERVICE RATES

	<u>Gallons</u>	<u>Amount</u>
<u>Residential</u> (excluding multi-family and apartments), and Pines of Atascocita Section 4	Minimum 10,000	\$12.00
	10,001 to 20,000	\$1.00 per 1,000 gallons
	20,001 to 30,000	\$1.50 per 1,000 gallons
	30,001 to 40,000	\$2.00 per 1,000 gallons
	40,001 and over	\$3.00 per 1,000 gallons

	<u>Gallons</u>	<u>Amount</u>
Commercial	Minimum 10,000	\$15.00
	10,001 to 20,000	\$1.50 per 1,000 gallons
	20,001 to 30,000	\$2.00 per 1,000 gallons
	30,001 to 40,000	\$2.50 per 1,000 gallons
	40,001 and over	\$3.00 per 1,000 gallons

Minimum

Multi-family and Apartments \$2.00 for each unoccupied unit located within the multi-family building or apartment

\$12.00 minimum for the first 5,000 gallons of water for the occupied unit located within the multi-family building or apartment and an additional charge of \$1.00 per 1,000 gallons of usage above the minimum (5,000 gallons x number of occupied units = minimum)



Groundwater Reduction Fees

In addition to such amounts, the District will charge a Groundwater Reduction Plan ("GRP") surcharge for each 1,000 gallons or part thereof of water used by a customer equal to  $R \times P \times Q$ , where "R" is the City of Houston's GRP ordinance rate for contract treated surface water per 1,000 gallons, adjusted by 10% for accountability as in effect from time to time; "Q" is the quantity of groundwater used by the customer in thousands of gallons; and "P" is 30% (except as such percentage may be increased or reduced by the City of Houston).

Delinquent Fees

\$5.00 delinquent letter  
\$4.00 door hanger  
\$15.00 returned check  
\$10.00 transfer of account

MONTHLY SEWER SERVICE RATE

	<u>Gallons</u>	<u>Amount</u>
Each <u>(single-family)</u> <u>Residential</u> connection		\$34.05
Each <u>Pines of Atascocita</u> <u>Section 4</u> connection		\$14.00/unit
Each <u>Apartment</u> unit and each <u>multi-family</u> unit		\$12.00/unit
Each <u>Commercial</u> connection	First and minimum 10,000 gallons	\$20.00
	Each additional 1,000 gallons or portion thereof of water used	\$1.50

Each sprinkler system connection which is a second meter connection for a residential or commercial customer shall not be charged for sanitary sewer service.

BUILDER RATE (PRIOR TO OCCUPANT'S MOVE-IN)

	<u>Amount</u>
Water	\$10.00

The rates and charges for the sale of water and collection and disposal of sewage for all residential and commercial customers of the District who are located outside the District's boundaries shall be 150% of the above-described rates and charges for customers located within the District's boundaries. All customers of the District who are located outside the District's boundaries must purchase both water and sanitary sewer service from the District.

Customers within the boundaries of the City of Houston who are provided sewer service by the District pursuant to agreement by the City of Houston will be charged 150% of the in-District sewer rate.

B. Deposits.

(1) **Deposits for Residential Users:** Prior to any residential water connection or reconnection in the District after the date of this Order, the resident shall submit to the District a security deposit of \$100.00 on each owner-occupied residential connection in the District and a security deposit of \$200 on each rented residential connection in the District. At the time that a resident's water or sewer service has been discontinued, the District may transfer the deposit or any part thereof to its operating fund to pay any outstanding bill owed by the resident. The deposit or the balance of such deposit remaining after payment of delinquent bills shall be refunded to the resident when the resident moves from the District. The District shall refund accounts of \$5.00 or less upon customer request only. The District shall not be required to pay interest on any security deposit. Each time the account customer fails to pay his or her bill by the time the District's Operator closes the District's books for the month, the customer will be required to pay an additional security deposit of \$50.00, up to a maximum of \$400.00. If the District's Operator disconnects an account-user's service, then in addition to the reconnection fee, the account-user will be required to (i) replenish the initial deposit of \$100.00 for owner occupied and \$200.00 for rented, if and to the extent previously offset, and (ii) pay an additional \$100.00 security deposit, for a total security deposit of \$200.00 for owner-occupied and \$300.00 for rented.

(2) **Deposits for Commercial Users:** A security deposit shall be collected on all new commercial connections or reconnections in the District. The security deposit shall be in the amount of twice the estimated average monthly usage, based on an estimate by the District's operator and engineer. All deposits collected shall be deposited in the District's operating account, but for recordkeeping purposes shall be accounted for as separate fund. The deposit shall be refundable when the account moves out of the contingent upon his providing proof of payment of all bills owed the District and, in the absence of such payment in full, shall be applied to reduce the amounts otherwise due and owed to the District.

(3) Deposits for Homebuilders:

a. Each builder of homes within the District shall establish a deposit of \$500 with the District, which deposit shall be placed in a separate account, which account shall not bear interest, and shall be refunded without interest to each builder at the completion of the builder's homebuilding program within the District.

b. The cost of any repairs to waterworks or sanitary or storm sewer lines necessitated by builder negligence with respect to taps and inspections shall be billed by the District's operator to the builder responsible therefor. At any time that a builder is delinquent in paying such bills for 60 days or more or responsible for outstanding bills in the amount of \$500 or more, the District may transfer the \$500 deposit or any part thereof to its operating fund to pay such bills and require that such deposit be replenished by such amount transferred or require that an additional \$500 or greater deposit be made by the builder before allowing the installation of additional water taps for such builder.

c. Builders of homes within the District must contact the District's operator requesting the adjustment of manholes, fire hydrants, valve boxes, or clean out valves within thirty days following the closing of the purchase of the lot on which such manhole, fire hydrant, meter box, or clean out valve is located. Following such thirty-day period, the home builder will be responsible for the cost of such adjustment.

C. Service Agreements with Customers. Prior to receiving permanent water service (upon initial completion of an improvement in the District, upon reinstatement of water service after a turn-off, or upon transfer of water service to a new customer), the customer must execute and deliver to the District's operator a service agreement in the form attached hereto as Exhibit "C".

IV. Delinquent Accounts

The District shall bill each customer monthly, and all bills shall become delinquent if not paid by the last of the month following the month during which the services were rendered. A penalty of 10% will be added to all bills outstanding by the end of the billing month. If a bill is delinquent for 30 days, water service shall be discontinued in accordance with this paragraph. The customer shall be notified in the next billing after such 30-day period of the delinquency and the date on which water service shall be terminated if the account is not paid, which date shall be not less than five days from the date such notice is sent. Such notice shall state the place and time at which the account may be paid and that any errors in the bill may be corrected by contacting the billing company, whose telephone number shall also be given in such notice. A similar notice shall be left by the District's operator on the door at the address to which the service in question was provided.

V. Delinquent Ad Valorem Tax Accounts

The District shall, in accordance with law, bill or cause the billing of all property owners and home builders within the District for ad valorem taxes due, including penalty and delinquency charges. All bills shall become delinquent if not paid by January 31 of the year following the year for which the tax bills have been rendered. If a bill remains unpaid for six months after any annual delinquency date, water service may be discontinued in accordance with this paragraph and a home builder within the District may be refused a water tap. The taxpayer shall be notified in the next billing after such six-month period (or at any time thereafter that the Board of Directors of the District determines that discontinuance of service is an appropriate method for collecting delinquent taxes from any taxpayer), of the tax bill delinquency and that water service shall be terminated if the delinquent tax account is not paid by a date certain, which date shall be not less than 20 days from the date such notice is mailed. Such notice shall be mailed to the address appearing on the tax roll and shall state the place and time at which the account may be paid and that any errors in the tax statement may be corrected by contacting the tax assessor/collector, whose telephone number shall also be given in such notice. Such notice shall also be postmarked or sent at least 10 days before the next regular Board of Directors meeting, which shall be the meeting at which the question of the termination of service for the nonpayment of taxes for any such delinquent taxpayer is to be considered. Such notice shall specify the date, time and place of such Board of Directors meeting and shall indicate that the taxpayer shall have the opportunity to appear at such Board meeting to present evidence of why the taxpayer's water service should not be disconnected. Once the Board of Directors has authorized the District's operator to terminate water service for the nonpayment of taxes, a notice of intent to terminate shall be left by the District's operator on the door at the address to which the service proposed to be disconnected was provided, which notice shall also state the time and place at which the account may be paid or that any errors in the tax bill may be corrected. The District's operator may disconnect the water service on or after the date specified in the notice sent to the taxpayer, if the delinquent tax account is not resolved to the District's satisfaction by such date. After a notice of termination of water service has been sent to a taxpayer, payment of the amount of taxes due must be in the form of cash, cashier's check, or money order. If service to a taxpayer is terminated, the reconnection fee shall be paid in cash, or by cashier's check or money order before service is again commenced to such taxpayer.

VI. Discontinuation of Service.

A. Discontinuation. The District may discontinue service at the customer's request, due to a customer's delinquency in payment of water bills or taxes, or due to an abuse of the District's system including failure to properly maintain backflow prevention devices and grease traps. The District shall provide notice of the discontinuation which the Board determines to be appropriate to the circumstances.

B. Charges for Disconnection and Reconnection. In the event of discontinuation of service at a customer's request, the District shall charge the following:

- |                           |   |                        |
|---------------------------|---|------------------------|
| (1) Residential customers | - | \$25.00 to discontinue |
|                           | - | \$25.00 to restore     |

- (2) Commercial customers - \$30.00 to discontinue  
including Multi - \$30.00 to restore  
family and Apartments

In the event of discontinuation of service because of a customer's delinquency, the District shall charge the following:

- (1) Residential customers - \$25.00 to discontinue  
- \$25.00 to restore
- (2) Commercial customers - \$40.00 to discontinue  
including Multi- - \$40.00 to restore  
family and Apartments

C. Charges for Removal and Reinstallation of Water Meter. In the event the District is required to remove a water meter in order to enforce its rules and regulations regarding District facilities herein discussed, the District shall charge \$50.00 to remove such meter and \$50.00 to reinstall such meter.

VII. Rules and Regulations Governing Waterworks and Sanitary Sewer System.

A. Rules and Regulations. The Board hereby adopts the Rules and Regulations Governing Waterworks and Sanitary Sewer System which are described in Exhibit "D" attached hereto and incorporated herein for all purposes.

B. Rules and Regulations Governing Commercial and Industrial Waste. The Board hereby adopts the Rules and Regulations Governing Commercial and Industrial Wastes, which are described in Exhibit "F" attached hereto and incorporated herein for all purposes.

C. Rules and Regulations Governing Grease and Lint Trap. The District hereby adopts the Rules and Regulations Governing Grease and Lint Traps, Public Car Washes, Automobile Servicing and/or Repair Establishments, Public Washaterias, hair cutting shops and dry cleaning shops which are described in Exhibit "E" attached hereto and incorporated herein for all purposes.

D. Penalties. Commencing January 1, 1996, the maximum fine for violation of a District rule is \$5,000 per violation. The Board hereby sets the following civil penalties for breach of any rule of the District: Unless the Board determines that there are extenuating circumstances warranting a lesser penalty, the violator shall pay the District twice the costs that the District has sustained due to the violation, up to \$5,000, but in no event will the penalty be less than \$500 for each day of the violation. A penalty under this section is in addition to any other penalty provided by the law 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 reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The

amount of the attorney's fees shall be fixed by the court. For purposes hereof, each day's violation shall be considered a separate violation.

VIII. General Policies

A. All Services Charged. At no time shall the District render water and/or sewer services without charge to any person, firm, corporation or organization.

B. Other Utilities. Prior to installing underground cables in the area of District water supply and sanitary sewer collection lines, representatives of utility companies shall contact the District's operator to file such companies' construction plan and schedule and to review the engineering plans illustrating the location of District lines.

C. Implementation of Order. This Order is effective as of the date of its adoption by the Board with any amendments effective from their date but otherwise continuing the Order and previous amendments from their date of adoption. The President or Vice President or Secretary or Acting Secretary are authorized to do all things necessary and proper to evidence the Board's adoption of this Order and amendments thereto and to carry out the intent hereof.

IX. Reimbursement of Non-Scheduled Costs.

A. User Costs. Whenever the District incurs any non-scheduled out-of-pocket cost (including any such cost billed to the District by its operator, attorneys, or engineers) arising out of (1) the failure of a customer to comply with the District's rules and regulations, as stated in this rate order or as otherwise announced, or (2) the request of a customer for an inspection or other service call which is the result of the customer's improper maintenance, or (3) efforts to collect amounts due and owing to the District and not paid to the District on a timely basis, or (4) any other negligent or improper action on the part of the customer, the operator may bill the District for such cost, and the District may bill the customer and the customer shall promptly reimburse the District for such cost.