

**AMENDED ORDER ESTABLISHING RATES AND POLICIES FOR
WATER AND SEWER SERVICE; PROVIDING FEES FOR CONNECTION,
RECONNECTION AND INSPECTION; REQUIRING DEPOSITS
FOR SERVICE; PROVIDING A PENALTY FOR DELINQUENT PAYMENTS;
AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.**

December 24, 2020

WHEREAS, the Board of Directors of Harris County Municipal Utility District No. 191 (the "District") has previously adopted and from time to time amended an order establishing terms and conditions for service from the District's water and sewer system, and has determined that such order should be further amended; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191 OF HARRIS COUNTY, TEXAS, THAT:

Section 1:

A. Permits, Approvals, Etc. Permits, approvals, fees, deposits, etc. are required in cases involving new connections, changes to connections, changes to accounts, etc., as indicated below. Other provisions of this rate order or the District's Code of Operations govern the specific requirements, specify fees, etc.

	Permit under Exhibit "E" <i>See Note 1</i>	Plan & Spec Approval <i>See Note 1</i>	Application for service, service agreement, etc.	Tap fee	Deposit <i>See Note 2</i>	Customer service inspection
New connection to the District's water or sanitary sewer system	Yes	Yes, except SFR*	Yes	Yes	Yes	Yes
Altering the facilities (or their uses) served by an existing connection or changing load on the water or sanitary sewer system of the District (e.g., changing fixtures or space served, changing the use of fixtures or space, etc.)	Yes.	Yes, except SFR*	No	No	No	Yes
New account (no change in facilities; new customer)	No	No	Yes	No	Yes	Yes
Transfer of existing account (no change in facilities)	No	No	Yes	No	Yes	Yes
Reconnection after termination for non-payment or violation of District regulations (no change in facilities or customer)	No	No	No	No	Yes	No

Note 1: The engineer and operator may work out arrangements to allow permit applications to be submitted to, reviewed by and approved by the engineer, especially when plan and spec approval is required.

Note 2: When a deposit is indicated, above, the customer must pay a deposit (or increase an existing deposit) to reach the minimum deposit level in effect at that time, including any increase resulting from a termination.

* In this order, "SFR" means a single-family residential building and its related facilities, attached or unattached, where each dwelling unit is served by a separate water meter and a separate sewer connection.

B. Certain Fees. The fee for a permit under Exhibit "E" is specified in that Exhibit. The fee for plan and spec approval is the actual cost to the District of engineering and professional review, plus the District's actual costs incurred as a result of work starting (or facilities being covered-up) before plan and spec approval is granted. The applicant must pay an estimated amount at the time the plans and specs are submitted. The estimate is made by the District's engineer, but may not be less than \$750. Inspection fees are specified elsewhere in this rate order or the Code of Operations. Tap fees are as follows:

C. Tap Fees.¹ A tap fee is due for each new water or sewer connection, in the amounts shown below. In addition: (1) if an existing connection is to be enlarged or otherwise changed to increase its capacity, a tap fee is due in an amount equal to the District’s cost of making the enlargement or change plus 200%, but in no event to exceed three times the actual cost to the District for making the enlargement or change; and (2) if an abandoned connection is to be restored, a tap fee is due in an amount equal to the cost to the District for restoration plus 200%, but in no event to exceed three times the actual cost to the District for restoration. A water or sewer connection is “abandoned” if, for a period of 365 consecutive days or longer, water or sewer service through the connection is either not provided at all or is taken without the District’s permission (or not paid for).

Tap fees are charges for water and sewer service. If any tap fee is not paid in full before the corresponding connection is made, enlarged, changed or restored, the amount not paid is added to the next monthly bill for the connection in question.

The amounts of the tap fees for new connections are shown below:

NEW WATER TAPS¹

<u>SFR:</u>	3/4" x 5/8" tap (standard)	\$ 525.00*
	1" tap	\$2,000.00 ^{2*}
	1 ½ " tap ³	\$4,400.00*
		<i>* Plus 25% for premises outside District boundaries, but limited to three times the actual cost to the District.</i>
	Larger taps:	(same as Commercial; see below)

Additional fees apply, equal to the amounts, if any, the District is required to collect (or pay) as lot or acreage fees (including per-GPD fees) for facilities constructed or paid-for by others.⁴ . See Exhibit “F.”

Commercial:⁵ Commercial shall mean all connections, except connections which serve only: (i) recreational buildings and facilities owned by a civic or homeowner association and provided as amenities for single family buildings, for which tap fees shall be the same as SFR;⁶ (ii) SFR buildings and related facilities; or (iii) irrigation facilities.

If made to an entity other than those described below:

Cost to the District for the tap or connection plus 200%, but in no event to exceed three times the actual cost to the District⁷

If made to: (i) a non-taxable entity for wholesale or retail service, or (ii) any entity for wholesale or retail service on land outside the District that at the time of platting was not being provided with water, wastewater, drainage, or storm water detention or retention service by the District:

The greater of: (1) actual cost to the District for the tap or connection plus 200%, or (2) the actual costs to the District for: (a) the tap or connection, plus (b) all facilities necessary to provide district services (of any kind) to such entity and that are financed or are to be financed in whole or in part

¹ Tap fees and provisions amended March 25, 2020.
² Residential 3/4" x 5/8" tap fee increased and 1" tap fee established per order adopted October 27, 2004, amended August 26, 2015.
³ Residential 1 ½ “ and larger tap fees added per order adopted August 26, 2015.
⁴ Cross-references to lot or acreage fees added per order adopted March 27, 2019.
⁵ Commercial water tap section amended September 23, 2015.
⁶ Recreational buildings and facilities owned by a civic or homeowner association and intended to serve single family building excluded from commercial water tap fees by order dated February, 10 1993.
⁷ Commercial tap fees amended per order adopted October 27, 2004.

by tax-supported or revenue bonds of the District. The cost of each facility (including water, sewer, drainage or other facilities) shall be the asset value, after depreciation, apportioned by ratio of the capacity needed by the non-taxable entity divided by the total capacity needed by all other customers of the District using that facility (including capacity to serve undeveloped tracts estimated, for this purpose only, at the average capacity required to serve similarly-situated developed tracts).

Additional fees apply, equal to the amounts, if any, the District is required to collect (or pay) as lot or acreage fees (including per-GPD fees) for facilities constructed or paid-for by others. See Exhibit "F."

Irrigation: All taps: Cost to the District

Additional fees apply, equal to the amounts, if any, the District is required to collect (or pay) as lot or acreage fees (including per-GPD fees) for facilities constructed or paid-for by others. See Exhibit "F."

NEW SEWER TAPS⁸

If made to an entity other than those described below:

Inspection fee only (see below) if tap is: (i) made by a licensed plumber with written consent of the District's operator and (ii) made available for inspection before it is covered. Otherwise, the tap fee is the cost to the District for the tap or connection plus 200%, but in no event to exceed three times the actual cost to the District⁹.

Additional fees apply, equal to the amounts, if any, the District is required to collect (or pay) as lot or acreage fees (including per-GPD fees) for facilities constructed or paid-for by others. See Exhibit "F."

If made to: (i) a non-taxable entity for wholesale or retail service, or (ii) any entity for wholesale or retail service on land outside the District that at the time of platting was not being provided with water, wastewater, drainage, or storm water detention or retention service by the District:

The greater of: (1) actual costs to the District for the tap or connection plus 200%, or (2) the actual costs to the District for: (a) for the tap or connection, plus (b) all facilities necessary to provide district services (of any kind) to such entity and that are financed or are to be financed in whole or in part by tax-supported or revenue bonds of the District. The cost of each facility (including water, sewer, drainage or other facilities) shall be the asset value, after depreciation, apportioned by ratio of the capacity needed by the non-taxable entity divided by the total capacity needed by all other customers of the District using that facility (including capacity to serve undeveloped tracts estimated, for this purpose only, at the average capacity required to serve similarly-situated developed tracts).

Additional fees apply, equal to the amounts, if any, the District is required to collect (or pay) as lot or acreage fees (including per-GPD fees) for facilities constructed or paid-for by others. See Exhibit "F."

Section 2: A. Sewer Inspections. All connections to the District's sewer system shall be made in accordance with the District's rules and regulations. No sewer connection or house lead shall be covered in the ground before a representative of the District has inspected the connection. A fee of \$50.00 shall be charged by the District for the expense of making such residential inspection and \$100.00 for commercial inspection and each required reinspection, plus, in each case, the District's actual costs incurred as a result of work starting (or facilities being covered-up) before an inspection is scheduled (unless such actual costs are paid as part of the fees for plan and spec review).¹⁰ If the connection fails inspection then a reinspection shall be required. Base inspection fees (before addition of the actual costs mentioned above) are doubled if facilities are placed in service or covered up before inspection by the District, or if the need for the inspection (or any violation) is discovered by the District rather than being reported by the user.¹¹

⁸ Sewer tap section amended September 23, 2015 and March 25, 2020.

⁹ Commercial tap fees amended per order adopted October 27, 2004.

¹⁰ Amended December 17, 2018.

¹¹ Double fee added September 23, 2015.

B. Builder Inspections. Before the Operator issues any requested refunds of builder deposits and before service can be established in the name of the initial home or building occupant, the Operator shall inspect all District facilities affected by the builder's construction activities to determine if the builder or builder's agent has caused any damage to District property and that there is full compliance with the rules, regulations, policies and orders of the District. The District shall charge a fee of \$50.00 for each inspection and each required reinspection. If requested by the builder, the District's Operator shall inspect the District's facilities to be affected by the builder's construction activities prior to commencement of such activities to determine if there is any preexisting damage to the District's property for which the builder should not be held responsible. The District shall charge a fee of \$50.00 for each inspection, plus the District's actual costs incurred as a result of work starting (or facilities being covered-up) before an inspection is scheduled (unless such actual costs are paid as part of the fees for plan and spec review or sewer inspection). The builder deposit described elsewhere herein shall secure the District (1) in the repair of District facilities damaged on or beside the builder's site in question or by the builder and (2) compliance with the District's rules, regulations, policies and orders including its Code Of Operations. Failure to comply with same after reasonable notice and opportunity to cure such omission or non-compliance shall subject the entire deposit to forfeiture to the District.¹² Base inspection fees (before addition of actual costs mentioned above) are doubled if facilities are placed in service or covered up before inspection by the District, or if the need for the inspection (or any violation) is discovered by the District rather than being reported by the user.¹³

C. Customer Service Inspections. Effective January 1, 1996, no continuous water service shall be provided by the District to: (1) new construction; (2) any existing Customer when the District has reason to believe cross connections or other unacceptable plumbing practices exist; or (3) after any material improvement, correction or addition to the private plumbing facilities of any Customer, unless a service inspection has been performed by the District's utility operator and a service inspection certification containing at least the information contained in the sample Service Inspection Certification Form attached hereto as Exhibit "B" has been received by the District. A one-time fee of \$75.00¹⁴ shall be charged for the District's service inspection of residences and the District's actual costs incurred for service inspections of commercial facilities, plus, in each case, the District's actual costs incurred as a result of work starting (or facilities being covered-up) before an inspection is scheduled (unless such actual costs are paid as part of the fees for plan and spec review)..¹⁵ Base inspection fees (before addition of actual costs mentioned above) are doubled if facilities are placed in service or covered up before inspection by the District, or if the need for the inspection (or any violation) is discovered by the District rather than being reported by the user.¹⁶ "Continuous water service" shall be deemed to commence, but shall not be limited to, the date of transfer of service from a builder to the initial occupant of any new residence. The District shall recognize only those individuals specified in 30 Texas Administrative Code Section 290.46(j)(1) as capable of conducting the customer service inspection certifications required hereunder. The District shall maintain completed Service Inspection Certifications submitted to it pursuant to this Section for a minimum of ten (10) years.¹⁷

Section 3: Maintenance and Repair; Grease Traps; Backflow Prevention. It shall be the responsibility of each user to maintain the water and sewer lines from the point of connection to the District's water and sewer system to the building served. *Exceptions:* (1) Each user, as a condition of receiving water or sewer service, must provide access for the District to inspect any grease trap for compliance with the District's plumbing code and to determine if such trap is being properly maintained and cleaned. If

¹² Builder Inspection fees adopted February 10, 1993; increased January 24, 2007; amended December 17, 2018.

¹³ Double fee added September 23, 2015.

¹⁴ Inspection fee amended September 23, 2015.

¹⁵ Service inspection charges adopted per order dated May 8, 1996, amended September 23, 2015, amended December 17, 2018.

¹⁶ Double fee added September 23, 2015.

¹⁷ Customer Service Inspections adopted January 10, 1996.

District's operator determines that it is not being properly maintained and cleaned, or if the user does not provide written proof of proper maintenance and cleaning, or if the trap poses a threat to the efficient operation of the District's sanitary sewer system, the operator may have such trap cleaned and charge the cost, plus 20% for administration, to the user as an additional charge for water and sewer service, and the user must provide access for all such purpose. (2) Each user, as a condition of receiving water service or sewer service, must provide access and written consent for the District to inspect, adjust, calibrate, repair and replace backflow prevention devices at intervals required by TCEQ rules, but at least annually. The cost of such work, plus 20% for administration, shall be charged to the user as an additional charge for water and sewer service.¹⁸ If the District owns the backflow prevention device, access and written consent may be waived, and the cost to inspect, adjust, calibrate, repair and replace the device, plus 20% for administration, shall be charged to the user as an additional charge for water and sewer service.

Section 4: Water and Sewer Rates. (a) Charges for water and sewer service shall be billed monthly. All bills shall be due and payable on the 26th day after the date of the statement for such charge. Unless full payment is received on or before such 26th day, such account shall be considered delinquent and an additional charge of ten percent (10%) of the unpaid balance shall be assessed. The customer's bill shall show the actual delinquency date expressed as the month and numerical day of the month that the bill becomes delinquent and the amount that will be due after that date.¹⁹

(b) Customers with accounts not paid by the delinquency date shall be given written notice by the District that the customer's account is delinquent and the customer's water service is subject to termination by the District if the customer's entire delinquent account, including the current month's bill if it has become delinquent, and any additional charges prescribed by this order, is not paid in full by the date of the Board of Directors next regularly scheduled meeting at which the customer may appear to show cause why such customer's water service should not be terminated for failure to pay District bill(s). If the Board of Directors determines to terminate service for non-payment of charges after affording the user a hearing on the matter, then the utility operator shall give 48 hours notice of termination by use of a doorhanger to be attached to the door of the address where termination will take place. If service is terminated, the amount of deposit may increase, and other fees may apply, as provided herein.²⁰

(c) For those times when the District's service area is covered by an officially-declared disaster or emergency, the District's operator, with approval of the President or Vice-President, may provide temporary relief, including one or more of the following: (i) reduce, postpone or waive fees relating to delinquencies or late payment, including notice and "doorhanger" fees, re-connection fees, increased deposits, etc.; (ii) postpone service terminations; (iii) allow payment of amounts due in monthly installments, without interest, not to exceed 12 monthly installments; and (iv) notify affected customers accordingly. Such relief may be provided to all customers or to customers in limited categories or areas (and it may be limited to customers who apply for relief or submit proof of need, or both), as may be approved by the President or Vice-President.²¹

(d) The rates for water and sewer service shall depend upon the type of user. In addition, a State imposed regulatory assessment equal to one half of one percent (0.005) of the charge for water and sewer service shall be billed to and collected from each of the District's retail customers on a monthly basis effective September 1, 1991. Such assessment shall be in addition to other charges, including but not limited to penalties, interest, tap fees, deposits, charges for returned checks, transfer fees, standby charges and other charges imposed by this order.²² A charge of \$30.00 shall be made to the account of a customer whose payment (whether check, electronic, debit, credit card or other payment) is returned to the District for insufficient funds or other reason.²³ An additional charge is made for customers who use electronic

¹⁸ Grease trap and backflow inspections, etc. and charges amended September 23, 2015

¹⁹ Revisions per orders adopted November 11, 1993, and September 13, 2010.

²⁰ Deposit increase and other fees adopted per order dated September 13, 2010.

²¹ Provisions for emergency or disaster relief added—and provision for \$4 add'l delinquent fee deleted--April 13, 2020.

²² Regulatory assessment adopted September 11, 1991.

²³ The returned check charge was adopted per order dated June 8, 1994, and amended per orders adopted November 23, 2009 and September 13, 2010.

debits, credit card payments or similar enhanced payment options; the amount is equal to the actual cost to the District, subject to any applicable state law, except that there is no additional charge for payments made by directly debiting a bank account.²⁴

(e) Monthly rates for water and sanitary sewer service are hereby established as follows:

WATER

INSIDE - DISTRICT CUSTOMERS:

Single Family Homes (including homes served “in common” through a master meter, if there is an agreement or other provision for individual payment, disconnection, etc.):

For the first 2,000 gallons of usage (or any part thereof): \$ 13.24 per billing period (minimum bill)
For all usage over 2,000 gallons in the billing period: \$ 6.62 per 1,000 gallons²⁵

Civic Associations: Service to a civic association building and recreational complex including a pool shall be metered and a rate charged as if it were a single family home; provided the civic association encompasses and serves only single-family homes in the District.²⁶

Commercial: Commercial customers shall be billed as follows:

For the first 2,000 gallons (or any part thereof): \$ 13.24 per billing period (minimum bill)
For all usage over 2,000 gallons in the billing period: \$ 6.62 per 1,000 gallons.²⁷

A school, club or church and any other non-residential structure shall be considered commercial. Any connection or account not clearly within another rate classification shall be considered commercial.²⁸

Standby Fire Protection Lines. Each unmetered line connecting to the District's system and serving any commercial property for the sole and exclusive purpose of providing fire protection shall be charged a monthly rate for such connection equal to the current City of Houston rate charged for a similar standby fire protection line. If there is any usage through such an unmetered fire line, it shall be billed at the rate of \$6.62 per 1,000 gallons (in addition to the monthly rate), and for this purpose the District's utility operator shall estimate the usage based on the best available data.²⁹

Multi-Family Buildings: Each multi-family building or complex (with one or more meters) shall be billed for water as follows:

For the minimum quantity (or any part thereof): \$ 13.24 per unit per billing period (minimum bill)
For all usage over minimum quantity in the billing period: \$ 6.62 per 1,000 gallons.³⁰

Billing shall commence with the first full month after the first water tap and/or meter to the District's system is made, provided however, until the substantial completion of the apartments or the date of first occupancy as determined by the District's operator the billing shall be as for one single-family home. Beginning in the month of initial occupancy or substantial completion, the

²⁴ Enhanced payment option charges adopted per order dated November 30, 2005, and amended per order adopted October 22, 2008.

²⁵ Water rates amended per order adopted October 27, 2010; further amended by orders dated February 26, 2014, February 24, 2016, March 22, 2017, April 2, 2018, March 27, 2019 March 25, 2020, April 22, 2020 and June 24, 2020.

²⁶ Civic Association building and recreation complex water fees adopted February 10, 1993.

²⁷ Multi-Family Buildings water rates amended per order adopted October 27, 2010; further amended by order dated February 26, 2014 and order dated February 24, 2016 and order dated March 22, 2017 and order dated April 2, 2018.

²⁸ Commercial Water rates wording amended per order adopted October 27, 2010 and order dated February 24, 2016.

²⁹ Standby Fire Protection Lines water rates amended per order adopted October 27, 2010; further amended by order dated February 26, 2014 and order dated March 22, 2017.

³⁰ Multi-Family Buildings water rates amended per order adopted October 27, 2010; further amended by order dated February 26, 2014 and order dated February 24, 2016 and order dated March 22, 2017 and order dated April 2, 2018.

billing shall be calculated using one-sixth of the total number of units served and thereafter an additional one-sixth each month until by the sixth month when the bill will be based on the total number of apartment units.³¹ All units are counted, regardless of occupancy. The minimum quantity is 2,000 gallons multiplied by the number of units used to calculate the bill, as provided in this paragraph.

Irrigation. Any account for a separately-metered connection dedicated exclusively to the irrigation of landscape shall be billed as follows:

For the first 2,000 gallons of usage (or any part thereof): \$ 13.24 per billing period (minimum bill)
For all usage over 2,000 gallons in the billing period: \$ 6.62 per 1,000 gallons.³²

OUTSIDE - DISTRICT CUSTOMERS:

Single Family Homes (including homes served “in common” through a master meter, if there is an agreement providing for individual payment, disconnection, etc.)

First 7,000 gals. \$12.85 (minimum)
All over 7,000 gals. \$2.15 per 1,000 gals.
Plus Surface Water (NHCRWA) Charge; see below.

Civic Associations. Service to a civic association building and recreational complex including a pool shall be metered and a rate charged as if it were a single family home; provided the civic association encompasses and serves only single-family homes in the District.³³

Commercial. Commercial customers shall be billed as follows:

For the first 7,000 gallons (or any part thereof): \$15.00 per billing period (minimum bill)
For all usage over 7,000 gallons in the billing period: \$2.15 per 1,000 gals.
Plus Surface Water (NHCRWA) Charge; see below.

A school, club or church and any other non-residential structure shall be considered commercial. Any connection or account not clearly within another rate classification shall be considered commercial.³⁴

Standby Fire Protection Lines. Each unmetered line connecting to the District's system and serving any commercial property for the sole and exclusive purpose of providing fire protection shall be charged a monthly flat rate for such connection equal to the current City of Houston rate charged for a similar standby fire protection line.³⁵

Multi-Family Buildings:

A. Single Meter. Each multi-family building which is served by a single meter shall be billed for water at the same rate as a single family home except that a minimum of \$12.85 per unit per month shall apply. Billing shall commence with the first full month after the water tap and/or meter to the District's system is made by its utility operator, provided however, until the substantial completion of the apartments or the date of first occupancy as determined by the District's operator the rate shall be as for one single family home. Beginning in the month of initial occupancy or substantial completion, the billing shall be

³¹ Provision to phase in multi-family building water rates adopted May 12, 1993, and wording amended per order adopted October 27, 2010.

³² Irrigation water rates amended per order adopted October 27, 2010; amended February 26, 2014 and order dated February 24, 2016 and order dated March 22, 2017 and order dated April 2, 2018.

³³ Civic Association building and recreation complex water fees adopted February 10, 1993.

³⁴ Wording amended October 27, 2010.

³⁵ Standby Fire Protection Line rate amended per order adopted October 27, 2004.

based upon one-sixth of the total number of units in the apartment building(s) served and thereafter an additional one-sixth each month until by the sixth month when the bill will be based on the total number of apartment units. All units are counted, regardless of occupancy. The minimum quantity (included in the minimum charge) is 7,000 gallons multiplied by the number of units used to calculate the minimum.

B. Multiple Meters. If a multi-family building is served by more than one meter, then water delivered through each meter shall be billed at the same rate as a single family home with a minimum of \$12.85 per unit served through such meter. Billing shall commence with the first full month after the water tap and/or meter to the District's system is made by its utility operator. All units are counted, regardless of occupancy. The minimum quantity (included in the monthly minimum charge) is 7,000 gallons multiplied by the number of units used to calculate the minimum.³⁶

Irrigation. Any water connection dedicated exclusively to the irrigation of landscape shall be charged minimum rate of \$12.85 for the first 1,000 gallons per month and \$2.15 per 1,000 gallons per month of water consumption thereafter, plus Surface Water (NHCRWA) Charge; see below.

Surface Water (NHCRWA) Charge. All users outside District boundaries shall be billed \$5.24 per thousand gallons of actual water consumption (whether included below the "minimum" level or not) per month in addition to the normal monthly billing for water consumption. Such additional charge is intended to offset charges imposed upon the District by the North Harris County Regional Water Authority and related costs of surface water.³⁷

SEWER

INSIDE-DISTRICT CUSTOMERS:

Single Family Homes (including homes served "in common" through a master meter, if there is an agreement providing for individual payment, disconnection, etc.): \$10.00 per month (flat rate)

Commercial: Commercial customers shall be billed for sewer use as follows:

For the first 1,000 gallons water usage (or any part thereof): \$15.00 per billing period (minimum bill)
For all water usage over 1,000 gallons in the billing period: \$1.50 per 1,000 gals.

A school, club or church and any other non-residential structure shall be considered commercial. Any connection or account not clearly within another rate classification shall be considered commercial.³⁸

Multi-Family Buildings: Each multi-family building or complex (with one or more meters) shall be billed for sewer service at the rate of \$7.50 per unit per billing period. Billing shall commence with the first full month after the first sewer connection to the District's system is made, provided however, until the substantial completion of the apartments or the date of first occupancy as determined by the District's operator the billing shall be as for one single-family home. Beginning in the month of initial occupancy or substantial completion, the billing shall be calculated using one-sixth of the total number of units served and thereafter an additional one-

³⁶ Provision for multi-family water rates adopted May 12, 1993. Wording changed October 27, 2010.

³⁷ All Metered District Customers (Outside District) water rates amended per orders adopted September 13, 2010, February 26, 2014, February 24, 2016, April 2, 2018, March 27, 2019, March 25, 2020, April 22, 2020 and June 24, 2020.

³⁸ Wording amended October 27, 2010.

sixth each month until by the sixth month when the bill will be based on the total number of apartment units. All units are counted, regardless of occupancy.³⁹

OUTSIDE - DISTRICT CUSTOMERS:

Single Family Homes (including homes served “in common” through a master meter, if there is an agreement providing for individual payment, disconnection, etc.) shall be billed for sewer use at the rate of \$3.77 per 1,000 gallons of water used.

Commercial: Commercial customers shall be billed for sewer use as follows:

For the first 1,000 gallons water usage (or any part thereof): \$15.00 per billing period (minimum bill)
For all water usage over 1,000 gallons in the billing period: \$3.77 per 1,000 gals.

A school, club or church and any other non-residential structure shall be considered commercial. Any connection or account not clearly within another rate classification shall be considered commercial.⁴⁰

Multi-Family Buildings. Each multi-family customer shall be billed for sewer use at the rate of \$3.77 per 1,000 gallons of water used.

SPLIT AREAS

Any area served that is partially within the District and partially outside the District shall have its bill calculated both ways (as if it were inside the District and as if it were outside the District), and the actual billing shall be a weighted average of the two. The weight factors shall be usage inside the District and usage outside the District. Unless submeters or other measured data are available, the usage shall be apportioned according to the square footage of occupiable building space inside the District versus outside the District.

GREASE TRAPS

A restaurant or other business unit which has a grease trap or is required to have a grease trap under the District’s rules and regulations, is subject to a surcharge for sanitary sewer service when during the billing period, a monthly grab sample of sewage from the customer’s sampling well taken by the District is found to exceed 100 milligrams of grease per liter. In such an event the charge for monthly service shall be that calculated as provided above multiplied by the product of a grab sample number times one-one hundredths (.01). For each grease trap installed there shall be charged a monthly flat rate of \$60.00 for the inspection of the trap and an additional charge of the same amount for each reinspection required in that month until the trap passes, plus lab analysis cost + 15% for any costs related to additional inspections/sampling.⁴¹

Section 5: Disconnection, Termination, Withholding. Failure to pay all charges when due, or failure to comply with laws, rules or regulations for water or sewer service, may be deemed by the District as a breach of the contract for water and sewer service and the District may, in its discretion, terminate or withhold service in accordance with the procedures specified in this rate order. There shall be a fee of \$25.00 for posting or hanging notices at any premises where service is proposed to be, ordered to be, or is, terminated or withheld. If service to a user is terminated (or ordered to be withheld) for any cause, there shall be charged a fee of \$50.00 for single family connections and \$200.00 for commercial and

³⁹ Provision for phase in adopted May 12, 1993. Wording amended October 27, 2010.

⁴⁰ Wording amended October 27, 2010.

⁴¹ Grease trap inspection fees increased per order adopted October 27, 2004.

multi-family connections before service is commenced or re-commenced to such user (such fee must be paid *in addition to* all other fees and charges and in addition to any deposit or increased deposit).⁴²

Section 6: Deposit, Application and Service Agreement.

- A. The minimum deposits⁴³ for SFR service are as follows: (i) \$150 for any user who owns and occupies the premises served and claims it as a residence homestead, and (ii) \$450 for any other user. Builders will be charged \$1,500 for a lump sum deposit. All other users will be charged a minimum deposit equal to three times the maximum monthly billing as estimated by the District's utility operator.
- In addition, if service is terminated for non-payment, the amount of the deposit is increased by the amount necessary to increase the deposit to the applicable minimum (as stated above), and, if the deposit is already at or above such minimum, the deposit is increased by \$100 each time. Any such increase must be paid before resumption of service to that user (in addition all other amounts payable).⁴⁴ However, the District's operator, for good cause shown, is authorized to approve payment of the increased amount in monthly installments, not to exceed ten installments.
- Any user may apply to the Board for a change in the amount of any initial deposit, or any increase in a deposit, based on the specific facts applicable to that user and taking into account the need for the District to avoid losses and unpaid bills.⁴⁵
- Deposits are considered charges for water or sewer service, unless and until the conditions for returning them are fulfilled (see below). If any deposit is not paid in full when due or requested, the amount not paid shall be added to the next monthly bill for service to the premises in question as an additional charge for service.
- B. In addition,⁴⁶ any person desiring water/sewer service from the District must: (i) obtain an application (in a form to be determined by the District's utility operator); (ii) complete such form with the necessary information for the establishment of a service account, including proof of possession and control of the premises to be served (typically by ownership or written lease); and (iii) file the application with the requisite deposit with the District's utility operator by mail or by appearing in person in the office of the utility operator (or by electronic transmission, if approved by the utility operator). Unless a variance is granted by the President or Vice-President, service accounts may only be set up in the name(s) of the person or persons having possession and control of the premises. If more than one person has possession or control, the utility account must be set up jointly in the names of all person(s) having joint possession or control. *Example:* An account for service to premises owned or leased by two spouses must be set up in the names of both spouses, jointly. The foregoing rules apply both to new accounts and accounts for which service is resumed after termination or discontinuation of service (for any reason). Responsibilities and liabilities for water and sewer service to premises shall be joint and several among all persons having possession or control of the premises, regardless of how the account may be set up.
- C. Except as otherwise provided herein above for builder deposits, deposits will be returned⁴⁷ only by mail to the depositor and only if: (i) the depositor has provided notice to the District's utility operator, and the service account is properly closed or transferred

⁴² Disconnection fees and charges amended per orders adopted September 13, 2010 and December 17, 2018.

⁴³ Section 6.A. amended per orders adopted January 24, 2007 and later, including order adopted March 25, 2020.

⁴⁴ Deposits for service termination adopted and amended by orders dated September 13, 2010 and December 17, 2018.

⁴⁵ Amended by order adopted December 17, 2018; \$300 minimum deposit set by order adopted March 27, 2019.

⁴⁶ Section 6.B. amended by order adopted March 25, 2020.

⁴⁷ Section 6.C. amended by order adopted March 25, 2020.

to another approved user; (ii) all amounts owed to the District (including restitution for any loss or damage caused by the user and costs of collection) have been paid in full; and (ii) the depositor has provided the correct mailing address to the District's utility operator. If such conditions are not satisfied within 90 days from the date an account is closed, the deposit is not owed and shall be retained by the District as a system revenue.

- D. Effective January 15, 1996 a Customer requesting the establishment or reestablishment of water or sanitary sewer service from the District must execute a Service Agreement with the District in the form of that attached hereto as Exhibit "C". There shall be a \$10.00 charge for the administration and maintenance associated with each such Customer Service Agreement.⁴⁸ The failure of a Customer to execute such Agreement under the foregoing circumstances shall entitle the District to deny or terminate such services to the Customer.⁴⁹

Section 7: Transfer Fee. A fee of \$30.00 shall be charged by the District to cover the expense to the District in the transfer of water and sewer service from the builder of any housing unit to its initial occupant and to each subsequent occupant.⁵⁰ This fee shall cover the establishment of an account to provide service to the new occupant. This transfer fee shall be billed to each new occupant as an item on that customer's first monthly water and sewer invoice.

Section 8: Unauthorized and Extraordinary Waste. The sewer rates established in this Order are applicable for ordinary Domestic Waste normally considered to have a biological oxygen demand (five day) and total suspended solids of 200 milligrams per liter. Customers proposing to generate Commercial Waste will be assessed additional charges as established by District based on the volume and concentration of the proposed waste. Customers proposing to discharge certain Commercial Waste, including Commercial Waste from food processing or other food handling establishments, will be required to install garbage grinders and may be required to install grease traps or pretreatment units when so ordered by the District in evaluating the effects of high concentrations of organics on the System. Customers who are required to install garbage grinders, grease traps or other types of pretreatment units shall maintain same in good working condition, which shall include, but not be limited to, regular cleaning. The District shall have the right to inspect such pretreatment units, and, in order to protect the District's facilities, reserves the right, if Customer has failed to do so, to perform the required maintenance and to charge customer all costs incurred by the District in so doing and/or to discontinue service to Customer. The District's current waste discharge permit prohibits the introduction of Industrial Waste into the System. If any customer of the District's sanitary sewer System proposes to discharge Industrial Waste into the System, the Board of Directors of the District shall request a comprehensive study and the recommendation of the District's engineer and shall establish rates and charges to provide for an equitable assessment of costs whereby such rates and charges for discharges of Industrial Waste correspond to the cost of waste treatment, taking into account the volume and strength of the Industrial Waste treated and techniques of treatment required. Such rates and charges shall be based on an equitable system of cost recovery which is efficient to produce revenues (in proportion to the percentage of Industrial Waste relative to the total waste load to be treated by the District for the operation and maintenance of the treatment works) for the amortization of the District's indebtedness for the cost of such treatment works and for such additional costs as may be necessary to assure adequate waste treatment on a continuing basis. The cost of all engineering studies and evaluations shall be borne by the customer. The District's representative shall have rights of ingress and egress to Customer's property in order to carry out the provisions of this Section.⁵¹

⁴⁸ Customer Service Agreement charge adopted per order dated May 8, 1996.

⁴⁹ Customer Service Agreement adopted January 10, 1996.

⁵⁰ Account Transfer Fee amended per order dated November 23, 2009.

⁵¹ The Section "Unauthorized and Extraordinary Waste" was adopted per order dated June 8, 1994. *See, also*, specific surcharges established for high-strength wastes and related testing and billing procedures.

Section 9: Penalties. Any person who violates any provision of this section of the rate order that follows shall be subject to a civil penalty in the maximum amount of \$200 for each act of violation and for each day of violation.

- A. No person shall make or cause to be made a connection to the District's waterworks, sanitary sewer and/or drainage system which is not authorized under the terms of the District's rate order, its plumbing code, or a duly authorized representative of the District properly empowered to authorize a connection to the District's system.
- B. No person other than a duly authorized representative, agent or contractor of the District may tamper with, remove, or alter any water meter box or meter connected to or appertaining to the District's utility system. Nor shall any such unauthorized person act in any manner which might adversely impact or impair the District's ability to read a meter and/or meter water usage within the District.
- C. No person shall appropriate or use or cause to be used water from the District's system unless such water usage is metered for the District or unless otherwise authorized by the District.
- D. No person shall enter upon District property where sanitary sewer lift station facilities or water plant facilities are located unless authorized or invited to do so by the District.

Section 10: Easements. Before service is begun to any user, or once begun but before reconnection is made, the person requesting such service shall grant an easement of ingress and egress to and from the meter for such maintenance and repair as the District, in its judgment, may deem necessary.

Section 11: No Free Service. No free service shall be granted to any user for services furnished by the District's water and sewer system whether such user be a charitable or eleemosynary institution, a political subdivision or municipal corporation, and all charges for water and sewer service may be made as required herein.

Section 12: Required Service. No service shall be given from the District's water and sewer system, except with respect to other political subdivisions with which the District may contract from time to time, unless such users agree to take both water and sewer service.

Section 13: Code of Operations. Any structure to which water or sanitary sewer service is provided or to be provided by the District shall be in compliance with the District's Code of Operations, including but not limited to Section 3.12 - 3.15 prohibiting certain cross-connections or connections which could contaminate the District's drinking water supply and prohibit the use of pipes, pipe fittings, solder or flux which contain lead in excess of maximum percentages.⁵² An annual administrative fee of \$25.00 shall be charged for the administration and maintenance of Backflow Prevention Test and Maintenance Reports submitted or required to be submitted pursuant to this Section.⁵³ RPZ required only for high health hazards as defined in Chapter 290.47(i) Appendix I, DCV is required on all irrigation systems, but no annual inspection.

Section 14. Certain Contracts and Agreements.

(a) *Contract Definition.* As used in this section, the term "contract" includes written agreements and related written documents resembling agreements such as, for example, construction contracts, leases, permits, bills of sale, releases, easements, deeds, and purchase orders.

⁵² Adopted per order dated September 14, 1994.

⁵³ Annual administrative fee adopted per order dated May 8, 1996.

(b) *Advertising for Bids.* The District's engineer or operator may advertise for and receive bids or quotes, without prior Board authority, for the following:

- (1) Emergency contracts which are necessary to preserve life or property, under circumstances when it is necessary to take immediate action and it is impractical to await a Board meeting,
- (2) Contracts calling for a total expenditure of \$5,000 or less.
- (3) Other contracts specifically identified and authorized in the current budget.

All bid procedures must comply with state law.

(c) *Completion, Signing, if Board approves.* If the Board approves or authorizes a contract by motion, resolution or order, whether in general or specific terms: (i) the President (with the assistance of the engineer, attorney, bookkeeper and operator, as appropriate) is authorized to assemble, negotiate and do all other things necessary to complete the contract and consummate the transactions approved or authorized by the Board, and (ii) the President and Secretary may execute and attest the contract for and on behalf of the District. In addition, the President may execute any of the following to the extent they relate directly to such a contract:

- (1) Surety bonds required by the contract documents.
- (2) Change orders and amendments to the contract needing immediate action at a time when it is impractical to await a Board meeting, but limited as follows: (i) the bookkeeper must certify that sufficient funds are on hand and budgeted for the purpose, (ii) the change order or amendment may not authorize an expenditure in excess of \$25,000 or 10 per cent of the estimated expenditure under the original contract, whichever is less.
- (3) Other notices to the contractor which do not increase the expenditure under the contract.

(d) *Contracts Not Requiring Board Approval.* The President and Secretary are authorized to execute and attest the following contracts for and on behalf of the District, without prior submission to the Board:

- (1) Emergency contracts which are necessary to preserve life or property, under circumstances when it is necessary to take immediate action and it is impractical to await a Board meeting, but limited to funds certified by the bookkeeper to be on hand and budgeted for the purpose.
- (2) Contracts for routine District business, provided: (i) the total expenditure under the contract does not exceed \$5,000; (ii) the contract can be canceled or terminated by the Board without penalty; and (iii) the bookkeeper has certified that funds for the contract are budgeted for the purpose and are on hand.

The President or Secretary shall report any such contracts at the next meeting of the Board.⁵⁴

Section 15: Costs of Facilities; Reimbursements; Etc. The District's policies relating to costs of facilities, reimbursements, etc. are set out in Exhibit "D," attached.

Section 16: Supersession, Effective Dates, Etc. This order supersedes prior orders, resolutions and other actions of the Board concerning the same, specific items, but not the Code of Operations or other policies, rules and regulations. Unless stated otherwise herein, this amendment shall be effective as of the date it is passed and approved. Changes in periodic and quantity-based rates (including minimum quantity rates) shall apply to each user for the current billing period and each subsequent billing period. (For that user's prior billing periods, the prior rates remain in effect).⁵⁵

⁵⁴ Section 13.A. Adopted per order dated May 28, 2003.

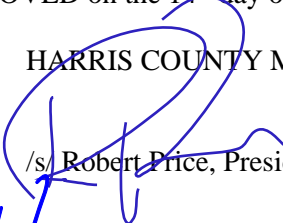
⁵⁵ Effective Date revisions made per order adopted October 27, 2010 and later.

Section 17. Attachments. The following are attached to and made a part of this order:

- Exhibit "A" Backflow Assembly Test And Maintenance Report (form)
- Exhibit "B" Service Inspection Certification (form)
- Exhibit "C" Service Agreement (form)
- Exhibit "D" Costs of Facilities; Reimbursement
- Exhibit "E" New or Altered Connections, Permits, Etc.
- Exhibit "F" Lot or Acreage Fees
- Exhibit "G" Records Management Policy

PASSED AND APPROVED on the 14th day of December, 2020.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191


/s/ Robert Price, President, Board of Directors

ATTEST:

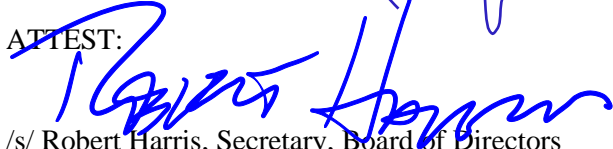

/s/ Robert Harris, Secretary, Board of Directors
(SEAL)

Exhibit "A"
BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

Texas Commission on Environmental Quality
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 public water supplier for recordkeeping *purposes:

NAME OF PWS:	
PWS ID#:	
PWS MAILING ADDRESS:	
PWS CONTACT PERSON:	
ADDRESS 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 BACKFLOW PREVENTION ASSEMBLY (BPA):					
<input type="checkbox"/>	Reduced Pressure Principle (RPBA)	<input type="checkbox"/>	Reduced Pressure Principle-Detector (RPBA-D)	Type II	<input type="checkbox"/>
<input type="checkbox"/>	Double Check Valve (DCVA)	<input type="checkbox"/>	Double Check-Detector (DCVA-D)	Type II	<input type="checkbox"/>
<input type="checkbox"/>	Pressure Vacuum Breaker (PVB)	<input type="checkbox"/>	Spill-Resistant Pressure Vacuum Breaker (SVB)		
Manufacturer:	Main:	Bypass:	Size:	Main:	Bypass:
Model Number:	Main:	Bypass:	BPA Location:		
Serial Number:	Main:	Bypass:	BPA Serves:		

Reason for test:	New <input type="checkbox"/>	Existing <input type="checkbox"/>	Replacement <input type="checkbox"/>	Old Model/Serial #	
Is the assembly installed in accordance with manufacturer recommendations and/or local codes?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Is the assembly installed on a non-potable water supply (auxiliary)?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	

TEST RESULT PASS <input type="checkbox"/> FAIL <input type="checkbox"/>	Reduced Pressure Principle Assembly (RPBA)			Type II Assembly	PVB & SVB	
	DCVA		Relief Valve	Bypass Check	Air Inlet	Check Valve
	1 st Check	2 nd Check***				
Initial Test Date: Time:	Held at psid Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Held at psid Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at psid Did not open <input type="checkbox"/> open <input type="checkbox"/>	Held at psid Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at psid Did not open <input type="checkbox"/> Did it fully open (Yes <input type="checkbox"/> /No <input type="checkbox"/>)	Held at psid Leaked <input type="checkbox"/>
Repairs and Materials Used**	Main: Bypass:					
Test After Repair Date: Time:	Held at psid Closed Tight <input type="checkbox"/>	Held at psid Closed Tight <input type="checkbox"/>	Opened at psid	Held at psid Closed Tight <input type="checkbox"/>	Opened at psid	Held at psid

*** 2nd check: numeric reading required for DCVA only

Differential pressure gauge used:	Potable: <input type="checkbox"/>	Non-Potable: <input type="checkbox"/>
Make/Model:	SN:	Date tested for accuracy :

Remarks:	

Company Name:		Licensed Tester Name (Print/Type):	
Company Address:		Licensed Tester Name (Signature):	
Company Phone #:		BPAT License #	
		License Expiration Date:	

The above is certified to be true at the time of testing.

* TEST RECORDS MUST BE KEPT FOR AT LEAST THREE YEARS [30 TAC §290.46(B)]

** USE ONLY MANUFACTURER'S REPLACEMENT PARTS

Exhibit "B"
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
SERVICE INSPECTION CERTIFICATION

Name of PWS _____

PWS I.D.# _____

Location of Service _____

I _____, upon inspection of the private plumbing facilities connected to the aforementioned public water supply do hereby certify that, to the best of my knowledge:

- | | Compliance | Non Compliance |
|--|--------------------------|--------------------------|
| 1 No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water 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. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly 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"/> |
| 3 No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 No pipe or pipe fitting which contains more than 0.25% lead exists in private plumbing facilities installed on or after July 1, 1988. | <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"/> |
| 6 No plumbing fixture is installed which is not in compliance with a state approved plumbing code. | <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:

<input type="checkbox"/>	Service lines	Lead	Copper	PVC	Other
<input type="checkbox"/>	Solder	Lead	Lead Free	Solvent Weld	Other

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

_____ Signature of Inspector	_____ Registration Number
_____ Title	_____ Type of Registration
_____ Date	

Exhibit "C"
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
SERVICE AGREEMENT

- I. **PURPOSE.** The Harris County Municipal Utility District No. 191 of Harris County, Texas (the "District") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper 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 utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this agreement.
- II. **PLUMBING RESTRICTIONS.** The following unacceptable plumbing practices are prohibited by State regulations.
- A. No direct connection between the public drinking water supply 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 public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply 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 public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 0.25% 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 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the District and _____ (the Customer).
- A. The District will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the District.
 - B. The Customer shall allow his 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. The 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 practice which has been identified during the initial inspection or the periodic reinspection.
 - D. The Customer shall immediately correct any unacceptable plumbing practice on his 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.
- IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the 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 agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____ DATE: _____

Exhibit “D”
COSTS OF FACILITIES; REIMBURSEMENT

Section D1. Generally

(a) *Full Cost Must Be Paid.* Each person or entity requesting new or enlarged facilities to serve new or changed improvements (“requestor”) must bear the full cost of those facilities, including engineering, design, construction and related costs. *Exceptions:* (1) The District may require “oversizing” and agree to pay the increment in cost. (2) If the facilities will serve other users, in addition to the requestor, the District may enter into a formal written agreement to collect a pro-rata portion of the costs from the other users and remit it to requestor.

(b) *Time of Payment; Reconciliation.* Unless otherwise provided in a formal written agreement, the requestor must pay the costs in advance. The amount of each advance shall be estimated by the District. If the actual cost is less, the difference shall be refunded. If the actual cost is more, the requestor must pay the difference. If the requestor owes any difference, work may be suspended (and service from the facilities may be restricted or denied) until payment is made.

(c) *Variations.* A requestor may apply for a variance from subsection (a), in accordance with this Exhibit.

Section D2. Application for variance

(a) *Contents of Application.* A requestor seeking a variance must apply in writing to the Board. The application must include: (i) full descriptions of the new or enlarged facilities and the new or changed improvements, (ii) the tax and user fee revenues projected to be received by the District during the ten-year period starting upon completion, (iii) a timetable for construction and completion, (iv) maps and drawings showing clearly the affected property, existing facilities to be connected or affected, new or altered facilities proposed and points of connection, (v) an itemized cost estimate of the facilities, including engineering, construction, contingencies, etc., (vi) an analysis of the effect of the project upon the market values of nearby properties, and (vii) other information bearing upon the financial feasibility of the project and the impact upon the District.

(b) *Application Fee.* Each application must be accompanied by a fee equal to the District’s estimated costs of obtaining professional review of the application and recommendations relating to the requested variance. If the actual cost of review and recommendation is less, the difference shall be refunded. If the actual cost is more, the requestor must pay the difference. If the requestor owes any difference, work may be suspended, and recommendations may be withheld.

(c) *Referral & Review.* Upon request by the Board and referral, the District engineer shall review each report submitted, obtain the assistance of other professionals, if necessary (e.g., operator, surveyor, attorney) and report to the Board.

Section D3. Determinations, conditions, etc.

(a) *Criteria.* The Board shall examine each engineer’s report and determine whether the proposed facilities and improvements meet the following criteria: (i) the new or enlarged facilities will be useful, appropriate and beneficial for the District’s existing systems and services; (ii) the new or changed improvements will generate revenues for the District that, with reasonable certainty, will exceed the District’s incremental costs and contribute significantly to the District’s fixed and “overhead” costs; (iii) the new or changed improvements will otherwise be beneficial to the District and its taxpayers and ratepayers; (iv) the new or changed improvements will not have a significant adverse effect on the taxable values of other properties in the District; (v) the District has lawful authority to provide the facilities and services requested; (vi) all applicable rules, regulations and requirements of the District, Harris County, HCFCD, NHCRWA, TxDOT, TCEQ and other regulatory agencies will be met, and (vii) the new or changed improvements will not be constructed unless the District agrees to reimburse costs of the facilities as requested in the application (and allowed by this Exhibit).

(b) *Additional Information, Etc.* The Board may request data and other information to assist in making its determinations. The Board may require written information or approvals from other agencies to show compliance with their requirements.

(c) *Tentative Approval.* If the Board determines that the application meets all the criteria in this Exhibit, it shall adopt a motion to that effect and request the attorney to prepare a reimbursement agreement, provided that the applicant advances the District's estimated costs for such preparation in advance. No reimbursement is allowed except as required by reimbursement agreement approved and signed by the District, the applicant and the owner of the property (if different). The District is not obligated to approve or enter into any such agreement.

Section D4. Key terms and conditions

(a) *Limits on Reimbursement.* Unless otherwise expressly provided in a formal written agreement, reimbursements are limited to the least of: (i) the amount approved by the Board in its variance determination, (ii) 50% of the allowable costs of facilities constructed or conveyed to the District, or (iii) the agreed-upon maximum amount. Costs of on-site detention and other privately-owned facilities are not reimbursable. "Allowable costs" means costs which TCEQ and applicable regulations allow to be paid or reimbursed by the District to a developer.

(b) *Accrual and Payment.* Unless otherwise expressly provided in a formal written agreement, reimbursement accrues and shall be paid in annual payments accruing on each March 1 during the term of the agreement and shall be subject to the other terms and conditions of the agreement. The term of the agreement may not exceed five years. The amount of each annual payment is determined by the following formula:

[AV minus BV] divided by [\$100] multiplied by [Reimbursement Rate] plus [Sales Tax Increment]

In this formula:

"AV" is the taxable value, as shown on the most recent District certified appraisal roll from the Harris County Appraisal District, of all taxable property at the project site, including any taxable improvements and personal property having situs at that property, for the tax year immediately preceding the year in which the installment comes due.

"BV" is the full market value, as shown on the most recent District certified appraisal roll from the Harris County Appraisal District, of all taxable property at the project site, including any taxable improvements and personal property having situs at that property, for the tax year immediately preceding the year in which the agreement is signed. Any special appraisal values and exemptions, including agricultural use, are disregarded.

"Reimbursement Rate" is 50% the District's ad valorem tax rate for debt service, if any (excluding maintenance and operations) for the tax year immediately preceding the year in which the installment comes due.

"Sales Tax Share" is 50% of the increment in sales and use taxes received by the District, as a direct result of the new or changed improvements, during the calendar year immediately preceding the year in which the installment comes due.

(c) *Funding; Other Terms & Conditions.* Notwithstanding anything in this Exhibit to the contrary: (i) the District cannot be obligated to make reimbursement payments during the term of an agreement unless and until the corresponding taxes from the project are actually received, and the District may suspend or reduce payments under an agreement to carry out this provision; and (ii) reimbursement agreements shall contain other terms and conditions as the District may require.

Section D5. Effective Date. This Exhibit applies to contracts and other arrangements for new or enlarged facilities made on or after March 26, 2014. It does not apply to reimbursement agreements made before that date.

Exhibit “E”
NEW OR ALTERED CONNECTIONS, PERMITS, ETC.

As added 2-26-2020

Table of Contents

Section 1.51.	Permits Generally
Section 1.52.	Applications; Issuance
Section 1.53.	Loading Regulations
Section 1.54.	Certain Reimbursement Agreements
Section 1.55.	Load Calculations
Section 1.56.	Monitoring; Suspension; Available Capacity
Section 1.57.	Definitions

Section 1.51. Permits, Generally. (a) A permit issued under this Division is required for:

- (1) making a new connection to the District’s water or sanitary sewer system; or
- (2) altering the facilities (or their uses) served by an existing connection or making another change affecting the load on the water or sanitary sewer system of the District (e.g., changing fixtures or space served, changing the use of fixtures or space, etc.),

except to the extent that such a new connection or alteration is authorized by a permit issued under the emergency regulations adopted by the Board originally on January 26, 2005.

(b) The following are the criteria for issuance of a permit under this Division:

- (1) The application and issuance procedures, specified below, must be complied with fully, completely and correctly.
- (2) The permit must comply with the loading regulations specified below.
- (3) All applicable permit fees must be paid.
- (4) The permit, the site and the structures must otherwise appear to be in compliance with Applicable Regulations.
- (5) The permit must be reduced to writing and signed by the STP Operator; in addition, if the permit is a Major Permit, there must be a separate motion, resolution or order adopted by the Board of Directors to approve it.

(c) Each permit is specific to the site and structures for which it is issued, and it may not be transferred or assigned to any other site or structure. A permit may be transferred in whole or in part to a subsequent purchaser or end-user of the site for which it was issued, if: (i) the permittees and transferee both apply in writing, (ii) the transferee assumes all obligations of the permittees that are transferred, and (iii) a transfer fee of \$50 is paid.

(d) A permit does not authorize a new connection (or alteration of existing facilities, or other change) unless, during the term of the permit: (i) any construction or alteration of all the structures to be served is completed, such that the structures are ready for occupancy, or the other change actually occurs, and (ii) the end-user (or builder) makes all of the regular arrangements for utility service and the utility account, including payment of tap fees, obtaining plumbing permits, making a deposit, opening the account, signing the service agreement, etc.

(e) A permit does not authorize a new connection (or alteration of existing facilities) unless all the affected premises and facilities strictly comply with the permit itself and other Applicable Regulations. An inspection of the new connection (or altered facilities) is required—and they must be found to be in compliance with Applicable Regulations-- before physical connection is made or service is allowed to begin. If less than all of the site is finally developed with permanent structures, the owner must record a notice in the real property records disclosing the remaining Sustainable Load Level, if any, for that site. The form of the notice must be prescribed by the District.

(f) All permits remain subject to the regulatory authority of the District. Permits are subject to all Applicable Regulations. Permits do not confer property rights or vested rights of any kind. Permits are subject to suspension or revocation.

(g) Any person or entity may request a variance from the requirements of this Division by applying in writing to the STP Operator (with an application fee of \$250). The STP Operator shall review the application and present it to the Board. The Board may grant it if the applicant demonstrates: (i) an unusual, unavoidable hardship, (ii) good cause for the issuance of a variance, and (iii) no

significant adverse impact upon the other users, the District or its utility systems. The Board may impose conditions upon any variance.

Section 1.52. Applications; Issuance. (a) Any person or entity desiring a permit must apply in writing to the District’s STP operator. Both the owner of the site and the end-user of the utility service (or a subdivider or builder, if the end-user is not known) must sign the application, as co-applicants. The application must include: (i) a specific description of the Original Parcel, the site and the structures to be served, including plat information sufficient to disclose if the site has been properly platted; (ii) plans of all structures to be served, except in the case of permits with extended terms; (iii) name, address, etc. of each co-applicant; and (iv) the permit term requested (regular or extended term). Each application must be accompanied by a permit application fee determined as follows:

<i>Type of Permit</i>	<i>Regular term*</i>	<i>Extended term*</i>
Minor permit	\$75	\$125
Major permit	Preparation cost plus \$0.04 per water GPD and \$0.06 per sewer GPD (max. authorized by permit)	Preparation cost plus, for each month during the term of the permit, excluding the first three months: \$0.04 per water GPD and \$0.06 per sewer GPD (max. authorized by permit)

* Add 25% if premises are located outside District boundaries.

(b) The STP operator shall review each application, calculate the Cumulative Additional Load and attempt to determine if the application meets the criteria of this Division. The STP Operator may obtain the assistance of the STP engineer and others, as necessary. The operator shall then either: (i) issue the permit, if it meets all the criteria for issuance, above, or (ii) report to the Board. If the report indicates that the permit may possibly meet the criteria, the report may include a draft permit. If, after receiving the report, the Board authorizes the permit, the operator shall issue it. Any permit may include conditions necessary to achieve compliance with Applicable Regulations.

(c) The regular term of a permit is three months. The extended term of a permit shall be as requested by the applicant and approved by the Board, but may not exceed 40 months

(d) If the conditions for commencing or continuing service are not met when a permit expires, and if tap fees and a deposit have already been paid, the District will refund that portion of the tap fees and deposit, if any, that exceeds the sum of: (i) the billings for utility service and termination fees, plus (ii) 150% of out-of-pocket costs such as tapping, engineering plan review, inspections, etc.

(e) Before or after a permit expires, the permittees may apply for a new permit for the same site and same structures. If the new application requires less time and expense to review and consider than the previous application, the Board may authorize a partial refund of the new application fee. The Board may also authorize a reduction in the tap fees and deposit, to the extent that the new charges would overlap the old ones already paid and no new costs will be incurred.

Section 1.53. Loading Regulations. (a) Except as provided below, a permit may not authorize either: (i) an increased load for the specific parcel to be served that exceeds the Sustainable Load Level, or (ii) a Cumulative Additional Load that would exceed the Sustainable Load Level for the Original Parcel, in each case for either the water system or the sanitary sewer system, calculated as of the time the permit takes effect.

(b) A permit may authorize an increased Cumulative Additional Load, if the increase is covered by a reimbursement agreement or similar utility commitment which is: (i) approved by the Board of the District, (ii) formally signed as required, (iii) in effect and (iv) not breached or terminated. A permit under this subsection may not extend or enlarge the agreement or commitment upon which it is based, and such a permit may not be issued unless the Board makes a specific determination that the Available Capacity is sufficient. If work necessary to increase the Available Capacity is underway, any permits issued under this subsection shall not take effect until the work is actually completed and the Available Capacity is actually available, unless otherwise prescribed by the Board.

(c) An applicant may propose to enter a reimbursement agreement to provide for an increase in Available Capacity of one or more District facilities, at the expense of the applicant, in whole or in part. See “Certain Reimbursement Agreements,” below.

Section 1.54. Certain Reimbursement Agreements. (a) A proposal for a reimbursement agreement providing for an increase in Available Capacity of one or more District facilities must include the same information required for a permit application plus the following supplemental items: (i) how much increase in Available Capacity the applicant proposes, for each facility, in GPD; (ii) what portion of the cost the applicant would be willing to bear, subject to the terms of the reimbursement agreement, and (iii) when the increase in Available Capacity would be needed. The proposal must be accompanied by a review fee \$100 and a notice-hearing fee of \$200. *Exception:* The Board may waive or reduce the notice-hearing fee, if the Board calls the hearing on its own motion, or if there are multiple applications for reimbursement agreements.

(b) Each such proposal shall be referred to the STP engineer for initial feasibility review. If, based on that review, the Board determines that the proposed increase in Available Capacity would not be feasible, the notice-hearing fee shall be refunded to the applicant. Otherwise, the Board shall call a public hearing on the questions of: (i) whether to enter into one or more reimbursement agreements and implement the proposed increase in Available Capacity, and (ii) related questions, *e.g.*, whether a larger or smaller project should be undertaken, how the necessary funds might be raised, etc.

(c) Notice of the hearing shall be sent to: (i) the owners of all Developable Parcels at their respective addresses as shown in the records of the Harris County Appraisal District, and (ii) other persons or entities, if any, designated by the Board. After the hearing, the Board shall decide whether to proceed with the necessary agreements and contracts. The Board may set a minimum level of financial participation necessary to proceed further. If more than one person or entity enters into a reimbursement agreement with the District to provide funds for the same project, the District may require each one to make a cash deposit in advance equal to its estimated share of the costs, plus 20% contingency, and the District would not proceed with the project until all such deposits are made.

Section 1.55. Load Calculations. (a) Cumulative Additional Load and other loadings shall be calculated in accordance with this section.

(b) Generally, calculations for sanitary sewer load shall be based upon actual flow data, if available, and applicable utility loading criteria used by the City of Houston. *Exceptions:* (1) If Applicable Regulations require the use of different loading criteria, they shall be used. (2) Based upon a recommendation from the STP engineer, the Board may approve a different calculation for a particular connection or structure. (3) If peaking, organic concentration or another critical load characteristic from a given connection is actually—or is predicted to be—significantly higher than the system average, the GPD's from that connection shall be weighted proportionately to reflect the difference, and the weighted GPD's shall be used as the load from that connection (existing or proposed).

Example: If the system average concentration of TSS in sanitary sewage flow is 250 mg/l, and if the flow from a given connection is 400 mg/l, the GPD's of sanitary sewer load for that connection would be weighted by a factor of 1.6 (400 divided by 250), assuming all other load characteristics do not exceed system averages.

Section 1.56. Monitoring; Suspension; Available Capacity. (a) Each month, the STP operator shall calculate the loading of the water and sanitary sewer systems and shall add to it an estimate of the total load that is expected to result from permits and utility commitments in effect and then outstanding (for new or altered connections not yet occupied), using statistical methods and types of data approved by the STP engineer. If the total equals or exceeds the Safe Loading Level of any facility, the operator shall immediately notify all members of the Board and the STP engineer. Issuance of further permits shall be suspended until the Board determines that it is safe, reasonable and prudent to resume issuance. The Board may impose additional restrictions at that time.

(b) The Board will periodically determine the Available Capacity. Unless the underlying capacity factors change adversely, the STP operator may use each such determination as a basis for the issuance of Minor Permits, until the next determination is made. Over time, the Available Capacity can go up or down. When: (i) a project to increase Available Capacity is underway, (ii) all necessary contracts have been entered, (iii) all necessary permits and approvals have been granted, and (iv) the Board can foresee—with reasonable confidence—when the project will be completed, the Board may make a determination to increase the Available Capacity in anticipation of the completion of the project.

Section 1.57. Definitions. Unless the context clearly requires a different meaning, the following meanings shall apply:

Applicable Regulations include all applicable laws, rules and regulations (federal, state and local)

and applicable orders, resolutions, regulations and practices of the District, including the terms and conditions of permits and approvals.

Available Capacity. The Available Capacity of the STP or water production facilities (which will vary over time) is calculated as follows: (*Safe Loading Level*) less (*A + B + C*). In this formula:

A = capacity required to serve existing connections, in GPD

B = capacity required for reimbursement agreements and other utility commitments then in effect, in GPD

C = GPD's covered by outstanding permits for new or altered connections, not yet occupied.

Cumulative Additional Load means the cumulative increase in utility load imposed, or to be imposed, on the District's water or sanitary sewer system from an Original Parcel, expressed in GPD. See "Load Calculations." The cumulative increase is measured from the actual load from that Original Parcel on January 26, 2005, and, if there are two or more connections, the cumulative increase includes loads from all connections serving that Original Parcel.

Developable Parcels includes all Original Parcels within the District or its established service area except: (i) areas covered by permits or other utility commitments then in effect, and (ii) areas occupied by existing development such that they are "built out," and (iii) areas that, because of encumbrances, size, shape or similar factors, cannot be developed with structures that will ever need utility service from the District.

GPD means gallons per day, calculated on the same basis used by the TCEQ for wastewater discharge permits.

Major Permit. The following are major permits:

- (1) any permit authorizing 500 GPD (total) or more of water supply;
- (2) any permit authorizing 350 GPD (total) or more of discharge into the sanitary sewer system; and
- (3) any permit authorizing more than a Sustainable Load Level.

Minor Permit. A permit that is not a Major Permit.

Original Parcel. An "Original Parcel" is a contiguous parcel of land under common ownership as of January 26, 2005. Subsequent divisions or transfers do not affect the definition of that Original Parcel, for purposes of this Division.

Preparation cost includes all out-of-pocket costs of engineering review, legal services, etc. related to review, analysis, preparation, etc. of a permit. The amount must be estimated by the operator and paid, as a deposit, at the time of application and "trued-up" to actual before a permit is issued.

Safe Loading Level. Until revised by the Board, the Safe Loading Levels are determined to be:

<i>Facility</i>	<i>Calculation</i>
STP	85% of the TCEQ-permitted maximum daily flow
Water production facilities	85% of the estimated safe maximum daily pumping level

STP means the District's sewage treatment plant and any other facilities that provide the same function.

Sustainable Load Level means, as of any given time, the Available Capacity in GPD (for water or sanitary sewer central facilities) divided by the number of acres in all Developable Parcels.

Sustainable Load Levels for water and sanitary sewer will usually be different, and the lower of the two will govern the maximum GPD; *see, also*, Section 1.53.

Exhibit “F”
LOT OR ACREAGE FEES

In addition to tap fees, additional fees apply to areas where water or sewer lines have been constructed or paid for by an owner (or developer), under circumstances where the line(s) can be used to serve others. The additional fees are equal to the amounts, if any, the District is required to collect (or pay) as lot or acreage fees (including per-GPD fees) when facilities constructed or paid-for by the first owner (or developer) are used to serve the others. The additional fees must be paid with tap fees. For example, such fees apply to the following areas:

“New Served Properties” on Cockrum Blvd. or Cutten Road, as shown in Article II and Exhibit C of the “Water-Sewer Utility Agreement” between the District and Harris County Emergency Services District No. 29, dated as of March 16, 2016. (Fee applies during term of Agreement.)

Exhibit “G”
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191 (“DISTRICT”)
RECORDS MANAGEMENT POLICY

The Texas Local Government Records Act (Title 6, Subtitle C, Local Government Code), provides that each local government must establish an active and continuing records management program; and the DISTRICT desires to adopt a plan to prescribe policies and procedures consistent with the Local Government Records Act and in the interests of cost-effective and efficient recordkeeping; now therefore:

SECTION 1. DEFINITION OF RECORDS OF THE DISTRICT. All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information-recording media, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by the DISTRICT or any of its officers or employees pursuant to law or in the transaction of public business, are declared to be the records of the DISTRICT and shall be created, maintained, and disposed of in accordance with the provisions of this ordinance or procedures authorized by it and in no other manner. This Sec. 1 and this policy shall apply only to “local government records” of the DISTRICT as defined by law, with exceptions and exclusions provided by law from time to time; see, e.g., Section 201.003, Local Government Code.

SECTION 2. RECORDS DECLARED PUBLIC PROPERTY. All records as defined in Sec. 1 of this plan are declared to be the property of the DISTRICT. No official or employee of the DISTRICT has, by virtue of his or her position, any personal or property right to such records even though he or she may have developed or compiled them. The unauthorized destruction, removal from files, or use of such records is prohibited.

SECTION 3. POLICY. It is declared to be the policy of the DISTRICT to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all records of this office through a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements of the Local Government Records Act and accepted records management practice. This policy shall apply to all employees, agents, independent contractors, and volunteers of the DISTRICT.

SECTION 4. RECORDS MANAGEMENT OFFICER. The PRESIDENT will serve as Records Management Officer for the DISTRICT as provided by law and will develop policies and procedures to ensure that the maintenance, preservation, security, destruction, electronic storage, and other disposition of the records of this office are carried out in accordance with the requirements of the Local Government Records Act.

SECTION 5. RECORDS CONTROL SCHEDULES. Appropriate records control schedules issued by the Texas State Library and Archives Commission shall be adopted by the DISTRICT as provided by law. The Records Management Officer shall prepare amendments to the schedules as needed to reflect new records created or received by this office, or revisions to retention periods established in a records retention schedule issued by the Commission. Any destruction of records of the DISTRICT will be in accordance with these schedules and the Local Government Records Act.

SECTION 6. RETENTION. The DISTRICT intends to retain all records permanently and destroy only those records for which no retention periods have been established in a records retention schedule established under Section 441.158, Government Code. Therefore, as provided in subsection (g) of Sec. 203.04, Local Government Code, neither the DISTRICT nor the Records Management Officer is required to adopt any records control schedule under this policy, unless and until such retained records are proposed not to be retained further, or destroyed.

SECTION 7. PRIOR POLICIES. This policy supersedes and replaces all prior records management policies of the DISTRICT.