

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Cimarron Municipal Utility District of Harris County, Texas hereby certify as follows:

1. The Board of Directors of Cimarron Municipal Utility District of Harris County, Texas, convened in regular session on the 22nd day of October, 2012, at the regular meeting place outside the boundaries of the District, and the roll was called of the members of the Board:

Jeff A. Dillard	President
Richard May	Vice President
David F. Jones	Secretary
Mark Curtis	Asst. Secretary
John Linn	Asst. Vice President


and all of said persons were present except Director(s) Linn, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

AMENDED RATE ORDER

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

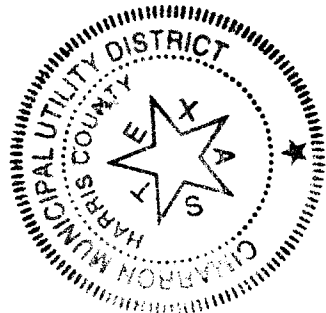
2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order has been duly recorded in the Board's minutes of the meeting; that the person named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that 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 the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 22nd day of October, 2012.



Secretary, Board of Directors

(SEAL)



AMENDED RATE ORDER

THE STATE OF TEXAS §
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COUNTY OF HARRIS §

WHEREAS, Cimarron Municipal Utility District of Harris County, Texas (the "District"), provides water, sewer, drainage and garbage collection services to residential and commercial establishments within the District; and

WHEREAS, the Board of Directors deems it necessary to amend the Rate Order to provide for the recoupment of certain District costs; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF CIMARRON MUNICIPAL UTILITY DISTRICT OF HARRIS COUNTY, TEXAS, THAT:

Section 1. Definitions. The following words or phrases shall have the meanings indicated below:

- A. 'Single Family Residential User' - means a user of the District's System that consists of one residence designed for use and occupancy by a single family unit.
- B. 'Non-Single Family Residential User' - means any user of the District's System other than a Single Family Residential User including, but not limited to, commercial establishments, apartments, and multi-family dwelling units.
- C. 'Non-Taxable User' - means any user of the District's water and sewer system that is exempt from ad valorem taxation by the District under Property Tax Code, including, but not limited to, schools and churches.
- D. 'Irrigation User' - means any user of the District's water system for irrigation purposes only to serve public esplanades, lakes, recreational areas or green spaces.
- E. 'Private Irrigation User: - means any user of the District's water system for irrigation purposes only to serve private esplanades, lakes, recreational areas or green spaces.
- F. 'Fire Protection Service User' means a user of the District's water system for fire protection services only.
- G. 'Full Service Tap' shall mean a connection to the District's water and sewer system to serve a single family unit, commercial establishment, apartments, recreational facilities, club, multi-family dwelling units or any other building.
- H. 'Fire Protection Service Tap' shall mean a connection to the District's water system for the sole purpose of providing fire protection to the user's property.

Section 2. Builder Connections. During construction and prior to initial occupancy, a builder shall be charged a monthly flat rate of \$16.00 for water and sewer service.

Section 3. Water Rates.



A. Single Family Residential. Following connection to the District's water system, each Single Family Residential User within the District shall be charged for water service from the District on a monthly basis according to the water used based on the following schedule:

<u>Water Usage</u>	<u>Amount of Payment</u>
First 6,000 gallons	\$ 9.00 (minimum monthly charge)
6,001 - 10,000 gallons	\$1.25 per 1,000 gallons
10,001 - 15,000 gallons	\$1.50 per 1,000 gallons
15,001 - 20,000 gallons	\$1.75 per 1,000 gallons
Over 20,000 gallons	\$2.00 per 1,000 gallons

B. Non-Single Family Residential. Following connection to the District's water system and during the period of construction prior to initial occupancy of the premises, Non-Single Family Residential Users except Irrigation Users connected to the District's system by a separate water meter shall be billed on a monthly basis according to the water used based on the following schedule:

<u>Water Usage</u>	<u>Amount of Payment</u>
First 6,000 gallons	\$9.00 (minimum monthly charge)
6,001 - 10,000 gallons	\$1.25 per 1,000 gallons
10,001 - 15,000 gallons	\$1.50 per 1,000 gallons
15,001 - 20,000 gallons	\$1.75 per 1,000 gallons
Over 20,000 gallons	\$2.00 per 1,000 gallons

C. Private Irrigation Users. Private irrigation Users connected to the District's system by a separate irrigation meter shall be billed on a monthly basis according the water used based on the following schedule:

<u>Water Usage</u>	<u>Amount of Payment</u>
First 6,000 gallons	\$9.00 (minimum monthly charge)
6,001 - 10,000 gallons	\$1.25 per 1,000 gallons
10,001 - 15,000 gallons	\$1.50 per 1,000 gallons
15,001 - 20,000 gallons	\$1.75 per 1,000 gallons
Over 20,000 gallons	\$2.00 per 1,000 gallons

Section 4: West Harris County Regional Water Authority (WHCRWA) Fee. The WHCRWA assesses a fee upon the District for each 1,000 gallons of groundwater withdrawn by the District in a calendar quarter. Each user of District water for any purpose, whether builder, single family residential, non-single family residential, or any other type of user, shall be charged, in addition to the water rates set forth above, a separate amount equal to the amount assessed by the WHCRWA to the District plus 10% for each 1,000 gallons of water delivered to such user in a billing cycle. The effective date of this charge is January 1, 2008.

Section 5. Sewer Rates.

A. Single Family Residential.



Following connection to the District's sanitary sewer collection system, each Single Family Residential User (including each unit within a building or buildings occupied as a separate dwelling) connected to the District's system by a separate water meter shall be billed monthly a flat charge of \$13.00.

B. Non-Single Family Residential.

(1) Following connection to the District's sanitary sewer collection system, each Non-Single Family Residential User (including each unit within a building or buildings occupied as a separate dwelling) connected to the District's system by a separate water meter shall be billed on a monthly basis according to the following schedule:

<u>Amount of Payment</u>	<u>Usage</u>
\$13.00 minimum	First 10,000 gallons per month
\$2.00 per 1,000 gallons	All over 10,000 gallons

(2) Retail centers connected by a single meter shall be billed on a monthly basis according to the following schedule:

<u>Amount of Payment</u>	<u>Usage</u>
\$13.00 minimum	First 10,000 gallons per month
\$2.00 per 1,000 gallons	All over 10,000 gallons

Section 6. Irrigation Users and Homeowners' Association Facilities. Water service will be provided to the Homeowners' Association and any other Irrigation User within the District for irrigation purposes at a rate of \$8.00 per month per connection. In order to promote conservation of the District's water supply, however, the Homeowners' Association or any Irrigation User will pay an increased rate to be set by the District if the District, within its sole discretion, determines that their water usage is excessive, inefficient, and/or wasteful.

Section 7. No Free Service. No free service shall be provided by the District to any person, organization or institution, including charitable institutions.

Section 8. Garbage Collection. Each occupied connection in the District shall be charged the District cost for garbage collection plus a \$0.17 administrative fee. Garbage collection fees for commercial property within the District may be waived upon written request to the Board of Directors and proof of independent garbage collection services.

Section 9. Tap Fees

A. Single Family Residential. Prior to connection to the District's water system, a tap fee as set forth herein shall be paid to the District to cover the cost of making said connection and the cost of providing the water meter. In the case of a 5/8" water meter, the tap fee shall be \$570.00. In the case of a 3/4" water meter, the tap fee shall be \$675.00. In the case of a 1" water meter, the tap fee shall be \$942.00.

B. Non-Single Family Residential. Prior to connection to the District's water system a tap fee shall be paid to the District equal to three (3) times the District's actual cost of installing the tap, meter, and necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by



the installation shall be paid to the District (the 'Installation Costs'). The District's operator will produce an estimate for the Installation Costs, which will be approved by the Board of Directors and sent to the User. The User shall pay the Installation Costs, plus 20%, prior to the installation of the tap. If the actual Installation Costs are greater than the estimated Installation Costs paid by the User, the difference must be paid by the User before the District will provide service to the User. If the actual Installation Costs are less than the estimated Installation Costs paid by the User, a refund for the difference shall be issued to the User.

Connections to the District's water system shall not be allowed prior to an approved sewer inspection, and all such connections shall be inspected by the District's operator or its subcontractor.

- C. Homeowners' Association Facilities and Irrigation Users. In the case of a metered water connection to serve a homeowners' association and established solely to provide water for irrigation purposes, the tap fee shall be the District's actual cost of installing the tap, meter and any necessary service lines, and making any street, improvement or landscape repair required by installation. The tap fee, based on estimated costs, shall be paid prior to installation of the tap. If actual costs result in a greater tap amount, the difference shall be paid prior to initiation of service. Conversely, if the tap fee is less than the amount paid, the District shall refund the difference.

- D. Non-Taxable Users
 - (1) Non-taxable Users shall pay a tap fee equal to the District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements affected by the installation (as determined by the District's operator, together with the District's consultants) plus the User's pro rata share of the District's actual cost of the facilities necessary to provide District services to the non-taxable User that are financed or to be fully or partially financed by the District's tax bonds (as determined by the District's consultants and approved by the Board of Directors) (the "Installation Costs").
 - (2) The District's operator, together with the District's consultants, will determine the Installation Costs, which will then be approved by the Board of Directors and be sent to the User. The User shall pay the estimated Installation Costs, plus 20%, prior to installation of the tap. If the actual Installation Costs are greater than the estimated Installation Costs paid by the User, the difference must be paid by the User before the District will provide service to the User. If the actual Installation Costs are less than the estimated Installation Costs paid by the User, a refund for the difference shall be issued to the User.

- E. Irrigation User. All Irrigation Users shall be required to have meters installed, which shall be installed by the District's Operator. The tap fee shall be the District's actual cost of installing the tap, meter and any necessary service lines, and making any street, improvement or landscape repair required by the installation.

- F. Fire Protection User. For each Fire Protection Service Tap made for a Non-Single Family Residential User, the tap fee will be (a) the District's actual cost of installing



the tap and necessary service lines plus (b) any costs incurred by the District to repair or restore any yards, sidewalks, streets, landscaping, concrete or other improvements affected by the installation (the 'Installation Costs'). Meters are required by the District for Fire Protection Service Taps. The District's operator will notify the User of the estimated Installation Costs. The User shall pay the estimated installation costs prior to installation of the tap. If the actual installation Costs are greater than the estimated Installation Costs paid by the User, the difference will be billed to the User on the monthly water and sewer bill. If the actual Installation Costs are less than the estimated Installation Costs paid by the User, a refund for the difference shall be issued to the User.

Section 10. Plumbing Regulations; Prohibition Against Cross-Connections and Unacceptable Plumbing Practices; Penalty for Violation. Pursuant to Chapter 290 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all users of the District's potable water distribution system.

- A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, or prior to having service reconnected to any building after termination of water service, a User must execute a Service Agreement in the form attached to this Rate Order as Exhibit "A".
- B. Plumbing Fixtures. A User is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located.
- C. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow prevention device in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the city in whose jurisdiction the District is located.
- D. Backflow Prevention Assemblies. All sprinkler systems, spas and pools must have backflow prevention assemblies installed by the User at the User's sole cost and expense. In addition, the District, in its sole discretion, may require a non single family residential User to install a backflow prevention assembly at any meter(s) servicing such a User's property. The District, in its sole discretion, also may require any User to install other backflow prevention assemblies at any fixture in order to prevent contamination of the District's potable water distribution system or if the User's plumbing system poses a high health hazard. A high health hazard is defined by the TCEQ 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." If the District determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located, and must be tested and certified at least annually by a recognized backflow prevention



assembly tester. A list of certified backflow prevention assembly inspectors can be obtained from the local office of the TCEQ.

The User is responsible for insuring that all backflow prevention assemblies are tested upon installation by a recognized backflow prevention assembly tester. If this test is performed by the District's operator or its subcontractor, the cost will be equal to the District's cost plus a 10% surcharge for single-family residential Users and for commercial Users, which is due and payable prior to the test. In the event the User chooses to have the test performed by a source other than the District's operator, the User will be required to pay an administrative fee to the District in the amount of the District's cost plus a 10% surcharge. The User is solely responsible for the cost of this test. If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the User. In that event, service will not be restored until the backflow prevention assembly has been installed and tested and a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "B" has been provided to the District's operator.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's public water system, the User must install the backflow prevention assembly within five (5) working days after receipt of notice from the District that such installation is required. In addition, the User must provide the District's operator with a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "B" within three (3) working days of the installation of the backflow prevention assembly and within three (3) working days of any subsequent repair, maintenance or testing of such assembly. If the User fails to provide the testing certificate within this time, the District, in its discretion, may terminate service to the User pursuant to the terms of this Rate Order. The District's operator will retain such reports for a minimum of three (3) years.

- E. Customer Service Inspections. A customer service inspection is required prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected, or (iii) continues service to a User when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist. The cost of such customer service inspection will be the sole responsibility of the User. For single family residential service, a licensed plumber, a water supply protection specialist licensed by the Texas State Board of Plumbing, or a certified waterworks operator holding an endorsement from the TCEQ may perform this customer service inspection. For all other types of service, a water supply protection specialist licensed by the Texas State Board of Plumbing, or a certified waterworks operator holding an endorsement from the TCEQ may perform the inspection. If this customer service inspection is performed by the District's operator, the cost will be the District's cost plus a 10% surcharge for single family residential Users and will be determined on an individual basis for other Users. All fees relating to the customer service inspection shall be paid by the User prior to the inspection, and if the inspection is made in connection with new construction, the fee will be collected with the tap fee.



Prior to initiating service to new construction or buildings containing new plumbing fixtures, the User must provide the District's operator with a signed and dated 'Customer Service Inspection Certification' in the form attached to this Rate Order as Exhibit "C". The District's operator will retain such inspection certifications for a minimum of ten (10) years. If the District's operator does not perform the initial customer service inspection, the User will need to obtain a final inspection certificate from the District's operator prior to receiving service. In connection with this final plumbing inspection, the User shall allow its property to be inspected by the District's operator or its subcontractors during normal business hours for possible cross-connections and other unacceptable plumbing practices which violate this Rate Order. The cost of this final plumbing inspection shall be the District's cost plus a 10% surcharge for single family residential Users and will be determined on an individual basis for other Users. The cost of this final inspection shall be paid by the User prior to the final plumbing inspection. Thereafter, the District's operator or its subcontractors may, at the discretion of the District and/or the District's operator, periodically inspect a User's plumbing system during normal business hours for the purpose of identifying possible cross-connections and other unacceptable plumbing practices which violate this Rate Order.

- F. Prohibition Against Cross-Connections. No cross-connection between the District's potable water distribution system and a private water system is permitted. 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 must be properly installed and such assembly must be annually inspected and tested by a certified backflow prevention device tester. A list of certified backflow prevention device testers may be obtained from the local office of the TCEQ. By accepting service from the District, all Users agree to allow such annual inspection and testing of backflow prevention assemblies to take place during normal business hours. If any User refuses to allow such annual inspection and testing, service to such User will be discontinued until such inspection and testing is completed.

No connection which allows water to be returned to the District's potable water distribution system is permitted. This includes, but is not limited to, any device pursuant to which water is removed from the District's potable water distribution system, circulated through a User's system for condensing, cooling and heating of fluids or industrial processes, including but not limited to a heat exchange system, and routed back to the District's potable water distribution system.

- G. Notice of Unacceptable Plumbing Practices. The District shall notify the User in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the customer's service inspection, the final plumbing inspection, any periodic re-inspection, or any other inspection. At its sole cost and expense, the User shall immediately correct any unacceptable plumbing practice on its premises and properly install, test and maintain any backflow prevention device required by the District within two (2) working days of receipt of notice of the improper cross-connection. The User shall provide copies of all testing and maintenance records on such devices to the District within three (3) working days of the testing or maintenance. If the User fails to correct the noted unacceptable plumbing practice, the District may immediately terminate water service or, at the User's sole cost and expense, eliminate the cross-connection or correct the unacceptable plumbing practice.



- H. Unauthorized Connection. Only the District's Operator or its designated agent is authorized to connect or reconnected service to the District's potable water distribution system, and the user is strictly prohibited from making such connection or reconnection. Any user who violates this subsection shall be responsible for all expenses or additional operating costs attributable to such violation.
- I. Penalty for Violation. The failure of a User to comply with the terms of this Section will be considered a violation of this Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in Section 16 of this Rate Order, immediately terminate service or, at the User's sole cost and expense, install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the User.

Section 11.

- A. Pre-Facility Inspection. All builders or contractors for property owners within the District may contact the operator, prior to starting any work on property within the District, to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the operator will make necessary repairs or locate and make the facilities visible at the expense of the District. A copy of the inspection report will be given to the builder's or contractor's representative, if requested. The cost for each inspection shall be the District's cost plus a 10% surcharge and is payable with the tap fee.
- B. Facility and Water Meter Inspection. After construction has been completed on the property, but before service is transferred to a User, the District's operator will conduct a Final Site Survey to re-inspect the water tap, meter and all other District facilities on the property for a fee in the amount equal to the District's cost plus a 10% surcharge. The fee shall be collected at the time the tap fee is paid. The property owner, builder or contractor will be held responsible for any damages or adjustments to District facilities and the cost of repairing, adjusting or relocating the facilities (the "Backcharges") before service shall be initiated to a User. If any re-inspections of the facilities are required to ensure that the District's facilities are repaired, relocated or adjusted, a fee in the amount equal to the District's cost plus a 10% surcharge shall be charged for each such re-inspection before service will be transferred to a subsequent User. Payment of the Backcharges, or any inspection or re-inspection fees, shall be made on or before the 30th day after the date of the invoice for said charges. The District may withhold the provision of service to the property or to other property owned by any User, property owner, builder or contractor who has failed to timely pay for the Backcharges or any inspection or re-inspection fee, including specifically the provision of additional taps; provided, however, the District shall follow the notification procedures set forth in this Rate Order prior to withholding the provision of service.



Section 12. Builder Deposit. Prior to a water tap and meter being installed, any person proposing to construct a house or other building in the District shall deposit \$1,00 with the District as security for any damages to District facilities, whether on the lot for which the tap is requested or elsewhere in the District. Such deposit shall be held, used or refunded as follows:

- A. The deposit shall be held until the inspection provided in the preceding paragraph has been completed. If no damages are discovered or damages have been paid, the deposit shall be refunded within 30 days after final inspection. If damages are discovered and not paid within ten (10) days, the District shall withhold the portion required to pay all damages and refund the balance, if any.
- B. Commercial and Industrial Waste. A builder of multiple houses shall be required to make only one deposit, however, if damages to District facilities are not paid by the builder within ten (10) days after notification, the District may draw on the deposit and no new taps should be made until the deposit is restored to \$1,000. The \$1,000 deposit is for security purposes only and is not a limitation.

Section 13. Connection to Sewer. All connections to the District's sewer system shall be made in accordance with the provisions of the rules and regulations governing sewer house lines and sewer connections. All connections to the District's sewer system shall be inspected by a representative of the District prior to being covered in the ground. In the event a connection is made and covered without inspection by a representative of the District, water service at such location shall be terminated. An inspection fee equal to the District's cost plus a 10% surcharge for all single family connections and a fee equal to the District's cost plus a 10% surcharge for all connections other than single family connections shall be paid to the District to cover the cost of making said inspection.

Section 14. Quality of Sewage.

- A. Domestic Waste. Only ordinary liquid and water-carried waste from domestic activities that is amenable to biological treatment and that is discharged from sanitary conveniences of buildings connected to a public sanitary sewer system shall be discharged into the District's sanitary sewer lines. Waste resulting from any process of commerce or industry may not be discharged into the District's sanitary sewer lines except as authorized pursuant to Section 13.B.
- B. Commercial and Industrial Waste. All discharges other than waste described in subsection A are prohibited unless the user has applied to and received written authorization from the District for such discharge. The applicant must file a statement with the District containing the following information:
 - (1) Name and address of applicant;
 - (2) Type of industry, business, activity, or other waste-creative process;
 - (3) Quantity of waste to be discharged;
 - (4) Typical analysis of the waste;
 - (5) Type of pretreatment proposed; and
 - (6) Such other information as the District may request in writing.

The District shall have the right to reject any application for discharge of non-domestic waste into the District's sanitary sewer lines if the District determines in its sole discretion that the proposed discharge may be harmful to the District's sanitary sewer system or the environment. The District also shall have the right in approving



any application for the discharge of non-domestic waste to impose any limitations on such discharge that the District determines in its sole discretion to be necessary to protect the District's sanitary sewer system or the environment.

- C. National Categorical Pretreatment Standard. If a user is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental Protection Agency under Section 307 of the federal Clean Water Act, the user is prohibited from discharging pollutants into the District's sanitary sewer system in violation of applicable categorical pretreatment standards or the Wastewater Order adopted by reference in subsection E below.
- D. District Testing; Pretreatment. The District shall have the right to sample and test any user's discharge at the discretion of the District's operator, with no limit as to the frequency of the tests, and to charge the user for the District's cost of such sampling and testing. The District also shall have the right to require pretreatment, at the user's expense, of any discharge of non-domestic waste if the District determines in its sole discretion that pretreatment of such waste is necessary to protect the District's sanitary sewer system or the environment, even if pretreatment is not otherwise required pursuant to subsection C above.
- E. Compliance with Wastewater Order. The District adopts and incorporates by reference and all users in the District shall comply with the Order Regulating the Introduction of Wastewater into the Sanitary Sewer System of the District ('Wastewater Order'). A copy of the Wastewater Order is attached to this Amended Rate Order as Exhibit 'D'

Section 15. Delinquent Payments. Charges for services performed shall be billed monthly. All bills shall be payable on the 20th day after the date of the statement for said charges. Unless payment of the monthly bill is received on or before the 20th day after the date of statement or unless payment of any Backcharges is received on or before the 30th day after the date of the invoice, such account shall be considered delinquent and a one time late charge equal to ten percent (10%) of the unpaid balance shall be charged. The District may, in its discretion, disconnect service for failure to pay all charges and Backcharges, including any late charge, by the 50th day after the due date; provided, however, that prior to disconnecting services, the District shall send written notice by United States first class mail to the User or entity at the appropriate address and provide the User or entity with an opportunity to contest, explain or correct the charges, services, or disconnection, at a meeting of the Board of Directors of the District. The written notice shall inform the User or entity of the amount of the delinquent payment, the date service will be disconnected or additional service withheld if payment is not made, the date, time and place of the next scheduled meeting of the Board of Directors, and of the opportunity to contest, explain or correct the charges, services, or disconnection, by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown on the notice. The date specified for disconnection shall be ten (10) days after the date of the next scheduled meeting of the Board of Directors as shown in the notice and the date for withholding additional service shall be the date of that Board meeting. The notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled meeting of the Board of Directors.

\$10.00 shall be charged by the District for each notice of delinquency mailed or hand delivered to an account. A written statement by the District's operator that the notice was so mailed and a certificate of mailing by the United States Postal Service shall be prima facie evidence of



delivery of same. If the User or entity appears before the Board in person or in writing, the Board shall hear and consider the matter and inform the User or entity of the Board's determination by sending written notice by United States first class mail to the User or entity at the appropriate address. If water or sewer or garbage collection service to a user is terminated for any cause, there shall be charged a reinstatement fee of \$45.00 before service is again commenced to such user.

Section 16. Returned Check Charge. The District will charge a \$15.00 fee to any customer for each check given to the District for payment that must be returned for any reason. Payments attempted to be made by a check which is returned shall be considered delinquent unless cash or certified funds are presented to the District for payment within the time period required by the previous section.

Section 17. Grease Trap Inspection. Effective for all grease traps existing on or after August 18, 1993, there shall be charged a monthly flat rate inspection fee of the District's cost plus a 10% surcharge. If the operator is required to re-inspect the grease trap, such re-inspection shall be charged at the same rate.

Section 18. Transfer Fee. A fee of \$30.00 shall be charged by the District to cover the expense to the District for the transfer of water and sewer service from the initial User to each subsequent User.

Section 19. Penalties for Violation. Any person, corporation or other entity who:

- A. violates any Section of this Order; or
- B. makes unauthorized use of District services or facilities; or
- C. causes damage to District facilities by using such facilities in a manner or for a purpose contrary to the purpose for which such facilities were designed; or
- D. violates the District's Rules and Regulations Governing Sewer Lines and Sewer Connections; or
- E. uses or permits the use of any septic tank or holding tank within the District; or
- F. violates the District's Industrial Waste Order; or
- G. Constructs facilities or buildings which are not included in the approved plans for development as set forth in this Agreement;

shall be subject to a penalty up to \$5,000.00 for each breach of the foregoing provisions. Each day that a breach of any provision hereof continues shall be considered a separate breach.

This penalty shall be in addition to the other penalties provided by the laws of the State and to any other legal rights and remedies of the District as may be allowed by law.

Section 20. Superseding Orders. This order supersedes all prior orders, resolutions and other actions of the Board concerning fees and charges for water and sewer services.



SIGNED AND SEALED this 22nd day of October, 2012.

/s/ Jeff A. Dillard
President, Board of Directors

ATTEST:

/s/ David F. Jones
Secretary, Board of Directors

(SEAL)

