

AMENDED ORDER ESTABLISHING WATER AND WASTEWATER SERVICE RATES AND TAP FEES AND ADOPTING CERTAIN GENERAL POLICIES AND RULES WITH RESPECT TO THE DISTRICT’S WATER, WASTEWATER, AND DRAINAGE SYSTEMS AND OTHER DISTRICT PROPERTY

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

WHEREAS, under Section 49.212, Texas Water Code, the Board of Directors (the “Board”) of Vista Oaks Municipal Utility District (the “District”) is authorized to adopt and enforce all necessary charges, fees, or rentals for providing or making available District facilities or services;

WHEREAS, under Section 54.205, Texas Water Code, the Board is authorized to adopt and enforce rules and regulations to regulate privileges on any land or easement controlled by the District;

WHEREAS, the District desires to establish rates, charges, and fees sufficient to provide water, wastewater, and drainage facilities and services to the properties within its boundaries and the District desires to adopt and enforce all necessary rules and regulations governing the District’s property;

It is, therefore, ordered by the Board as follows:

I. General Policies.

A. Definitions. For purposes of this Order, the following terms shall have the meanings indicated:

1. “Backflow Prevention Device” means an assembly or device that is designed to prevent backflow of water into the District’s system and meets the testing standards accepted by the American Water Works Association or the University of Southern California Foundation for Cross Connection Control and Hydraulic Research.

2. “City” shall mean City of Round Rock, Texas.

3. “Connection” shall mean and refer to each residential unit occupied by a separate family, including separate apartments located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

4. “District’s Representative” shall mean and refer to the general manager of the District or another representative or employee of the District acting pursuant to the direction of the general manager or the Board.

5. “District’s Wastewater System” means the District’s wastewater collection, treatment, and disposal system.

6. “HOA” means Vista Oaks Owners Association, Inc., a Texas nonprofit corporation.

7. “Inadmissible Waste” has the meaning ascribed thereto in Article X.A.5.

8. “In-District” shall mean and refer to services provided to all lands within the District and all provisions of this Order shall apply to In-District customers except specific references to Out-of-District customers.

9. “Industrial Waste” means waterborne liquid, gaseous, or solid substances that result from any process of industry, manufacturing, trade, or business.

10. “List of Inadmissible Wastes” has the meaning ascribed thereto in Article X.A.5.

11. “Non-Domestic Waste” means any wastewater or discharge other than ordinary domestic wastewater.

12. “Out-of-District” shall mean and refer to services provided to all lands outside the District.

13. “Rules” shall mean and refer to such rules and regulations as the District may adopt pursuant to Section 54.205, Texas Water Code.

14. “Systems” shall mean and refer to the District’s water, wastewater, and drainage systems.

B. All Services Required. Except as otherwise expressly authorized in the Rules, by the District’s Representative, or by the Board, no service shall be provided by and through the District’s Systems unless the applicant agrees to take both water and wastewater service.

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

D. Other Utilities. Prior to installing underground cables in the area of District water supply and sanitary sewer collection lines, representatives of utility companies shall meet with the District’s Representative to file such companies’ construction plans and schedules and to review the engineering plans illustrating the location of the District’s lines.

E. Service Calls. If a customer requests that the District’s operator make a service call to the customer’s residence to investigate a leak, sewer back-up, or operational issue that, after investigation, is determined to be the customer’s responsibility, the customer will be responsible for any costs incurred by the District in connection with the service call. The District may add the amount of any such costs to the customer’s utility bill, or the District may deduct the amount such costs from the customer’s security deposit or any other amounts held by the District and may further require that the customer replenish the deposit by an equivalent amount.

II. Connections to the District’s Systems.

A. Applications for Connections.

1. Any party desiring to make a connection to the District’s Systems shall first make an application to the District’s Representative in the form approved by the Board. The applicant shall, upon request, furnish the District’s Representative with

evidence that the party who will actually install the tap and connecting line has comprehensive general liability insurance in the minimum amounts of \$300,000.00 bodily injury and \$50,000.00 property damage, with an underground rider and a completed operations rider.

2. The District's Representative shall review all applications for connections to the District's Systems. In the event that the District's Representative finds that the materials to be used and the procedures and methods to be followed in laying the line and making the connection are (i) equal to or better than the standards established by the International Plumbing Code as amended and supplemented by the current City of Round Rock plumbing ordinances for water service, any and all applicable water standard service details promulgated by the City of Round Rock Water Utility and any and all applicable wastewater standard service details promulgated by the City of Round Rock Wastewater Utility, as amended from time to time (collectively, the "Code"), and (ii) in compliance with all terms and conditions of the Rules, then the District's Representative may approve the application and the proposed connection, subject to such terms or conditions as the District's Representative deems necessary or convenient to accomplish the purposes and objectives of the Rules.

B. Payment of Fees. Any party desiring to make a connection to the District's water or wastewater system shall pay any and all appropriate water and wastewater tap and oversize fees to the District's Representative at the time the application for such connection for said property is made. Any party desiring that District service be initiated for a new customer account at an existing connection shall pay any applicable connection fees and service deposits at the time the application for such service initiation is made. No connection shall be made until such tap and oversize fees are paid.

C. Tap and Inspection Fees.

1. The tap fee for each single family, duplex, townhome, commercial property or PUD water connection shall be \$575.00 per LUE.

2. The tap fee for all other water connections shall be the then-current cost of the water meter times three (3).

3. The tap fee for each wastewater connection shall be \$575.00 per LUE.

4. Sewer taps involving excavation of the sewer main shall be performed by the District at cost plus 25% in addition to said tap fee.

5. Said tap fees include the routine cost of one inspection of said connection.

6. Prior to, during, and after construction has been completed on the property, but before service is transferred to a user, the District's Representative will perform a series of inspections on the water tap, meter, and any other District customer facilities on the property as required by the District and the rules of the Texas Commission on Environmental Quality (the "Commission") for a fee of \$75.00 per inspection. Said fees are in addition to the tap fees and are to be paid in conjunction with the payment of the tap fees.

7. If additional reinspections are required due to deficiencies before a tap is approved by the District's Representative, the fee for each additional reinspection shall

be \$50.00. Said additional reinspection fees shall be payable to the District upon demand.

8. With regard to Out-of-District tap fees, if such fees are to be other than set forth herein, such tap fees shall be based on the individual costs related to each separate Out-of-District service customer and shall be agreed to by the District and each Out-of-District customer in a customary agreement for Out-of-District services executed in advance of said connection.

D. Additional Charges. Any non-routine charges incurred by the District in connection with any water tap, sewer tap, and/or inspection shall be the responsibility of the applicant for such connection and shall be payable to the District upon demand.

E. After-Hours Connection Charges. Any applicant for service who requests that new service be initiated other than during regular business hours shall be assessed an after-hours connection fee of \$50.00.

III. District Approvals: Escrow for Expenses.

Applicants for annexation, service commitments, out-of-district service, pass-through service; construction plan review and/or inspection, subdivision plan review and/or inspection, and of other types of District approvals, including utility construction agreements or other types of development agreements, are responsible for the payment of all legal, engineering, and management fees incurred by the District in reviewing their application and negotiating or preparing any related approvals or agreements. The District's Representative will establish a deposit amount equivalent to the estimated consultant fees that are expected to be incurred in connection with the application, and the applicant must deposit this amount with the District prior to any review or processing work being initiated. All consultant fees associated with the application incurred by the District will be charged against the deposit. Upon completion of the review process, the applicant must pay any fees incurred by the District in excess of the deposit. Any excess deposit remaining after payment of all fees will be returned to the applicant. No service commitment or plan approval will be issued or agreement will be effective by the District until all fees are paid.

IV. Water and Wastewater Service.

A. Applications for Service. Any party desiring to receive service from the District's Systems shall make an application for such service to the District's Representative in the form approved by the Board. All applications shall be made by the record owner or legal occupant of the property for which service is being requested. Proof of ownership or a rental/lease agreement shall be furnished to the District's Representative upon request.

B. Service Initiation and Online Customer Account Profile Fee. A party desiring to receive service from the District's Systems must pay a **\$5** application fee to initiate service and to establish an online customer account profile with the District's online billing system. This fee will be assessed on the invoice for the month in which the customer applies for service.

C. Security Deposit. With the exception of temporary service for builders of residential and/or commercial property in the District, a security deposit per connection shall be paid by each customer to the District's Representative prior to the time that service is provided in the following amounts:

<u>Meter Size</u>	<u>Security Deposit</u>
5/8"	\$250.00
1"	\$250.00
1-1/2"	\$250.00
2"	\$250.00
over 2"	2 Times Estimated Monthly Usage

Security deposits shall not be transferable and shall be held by the District to assure the prompt payment of all bills for water and wastewater services to the customer. At its option, the District may apply all or any part of a customer's security deposit against any delinquent bill of the customer. Upon discontinuation of service, whether because of the customer's delinquency or upon the customer's request, the deposit shall be applied against amounts due, including any disconnection fees. Any portion of the deposit remaining after deduction of such disconnection fees and amounts due shall be refunded to the customer. In no event shall the security deposit bear interest for the benefit of the customer.

D. Security Deposit – Builder. The builder shall make a \$250.00 deposit per home being built with a minimum \$1,000.00 deposit covering all houses he is building or intends to build within the District. The District's Representative shall carefully monitor the building of all houses covered by such builder deposit to make sure that the sanitary sewer and water service connection at each such house has been inspected and approved prior to its being covered. In any instance in which this procedure is not followed, the District's Representative shall require the builder to uncover the sanitary sewer or water service connection so that it may be inspected. Any cost to the District for additional inspections or other work resulting from a violation of this requirement shall be deducted from the existing security deposit and the builder shall be billed for such amount as necessary to fully restore the \$1,000.00. The District's Representative will not approve a water tap for any such builder until such builder's security deposit has been reestablished at the full \$1,000.00 amount. A connection permit will be granted after inspection confirms that all requirements of the Rules have been met. The \$1,000.00 security deposit will be refunded when the builder finishes his building program within the District. In no event shall the security deposit bear interest for the benefit of the builder.

E. Water and Sewer Service Rates. The following rates and charges for the sale of water and the collection and disposal of sewage shall be in effect for both residential and commercial customers of the District for all bills rendered after the March, 2016 meter reading:

1. General Provisions.

- a. Bills for sewer service shall be computed: (i) on the basis of the average amount of water used by the customer during the winter season based upon the average of the monthly readings of the customer's water meter for the preceding December, January, and February, unless another winter-averaging period is established by the Board (the "winter-averaging period"); or (ii) on the basis of the customer's current monthly water bill, whichever is less.
- b. If a residential customer does not have an established history of water usage during the preceding winter-averaging period, the customer's monthly sewer bill shall be calculated based upon (i) the customer's current monthly water usage; or (ii) on the basis of 10,000 gallons water usage per month, whichever is less.

- c. If the nonresidential customer does not have an established history of water usage during the preceding winter-averaging period, the customer’s monthly sewer bill shall be calculated based upon the customer’s current monthly water usage.
- d. Irrigation Systems. Metered water connections approved by the District and solely established for the purpose of providing water for irrigation systems shall be charged monthly according to the volume of water used including applicable base charges. There shall be no sewer usage charges for irrigation-only customers.

2. Monthly Basic Charge (Service Availability Charge): \$31.50

3. Monthly Water Commodity Charge (per 1,000 gallons) – all connections other than HOA connections:

0 – 5,000 gallons	\$3.03
5,001 – 20,000 gallons	\$3.45
over 20,000 gallons	\$3.85

4. Monthly Water Commodity Charge (per 1,000 gallons) – all HOA connections: \$3.03

5. Monthly Wastewater Commodity Charge (per 1,000 gallons) – all connections: \$4.29

6. Fire Hydrant Meter Fees. Sale of District water on a temporary basis from fire hydrants shall be applied for through the District’s Representative. There shall be charged and collected for each fire hydrant meter a fire hydrant meter fee in the amount of \$75.00 per month or any part of a month plus a commodity charge equal to those charges identified in Article IV.E.3 above. A security deposit shall be paid to the District’s Representative at the time application is paid for a fire hydrant meter in the amount of \$1,250.00. Such security deposit shall be refunded to the applicant at the time the meter is returned in good working order less any amounts due for damage to the meter.

F. Out-of-District Water and Sewer Service Rates. All Out-of-District customers shall be governed by the terms and provisions of this Order except that the water and sewer service rates listed in Article IV.E hereof shall be charged at one hundred fifty percent (150%) of said rates unless otherwise agreed to in a separate Out-of-District Service Agreement.

V. Billing; Delinquent Accounts.

A. Billing. The District shall bill each customer monthly for all services rendered in the preceding month. All bills shall be due when rendered and shall become delinquent if not paid by the date specified in the bill.

B. Information to be Included on the Bill. The customer’s bill will show the following information, if applicable (and be arranged so as to allow the customer to readily compute his bill using a copy of the applicable rate schedule, which will be provided to the customer on request):

- 1. the date of reading, current reading and the previous reading;

2. the number of gallons metered;
3. the total amount due for water service and separately stated, the total amount due for sewer service, and total surcharge;
4. the due date of the bill;
5. the total amount due as penalty for nonpayment within a designated period; and
6. the local telephone number or toll free number where the District's Representative can be reached.

C. Payment Obligation. If a customer does not receive a bill or bills, his obligation to make payment for services rendered is not diminished or released.

D. Overbilling and Underbilling. If billings for services are found to differ from the District's rates for the services, or if the District fails to bill a customer for services, a billing adjustment will be calculated by the District's Representative. If the customer is due a refund, an adjustment will be made for the entire period of the overcharges. If the customer was undercharged, the District will backbill the customer for the amount of the commodity actually used by the customer and may backbill at the actual cost of the commodity to the District. If the underbilling is \$25 or more, the District may offer the customer a deferred payment plan option for the same length of time as that of the underbilling upon request by the customer. In cases of meter tampering, bypass, or diversion, the District may, but is not required to, offer a customer a deferred payment plan.

E. Prorated Charges. When a bill is issued for a period of less than one billing cycle, charges will be computed as follows: For metered service, service will be billed for the amount metered and the minimum charge will be the applicable minimum as shown in this Order prorated for the number of days service was provided.

F. Disputed Bills.

1. A customer may advise the District that a bill is in dispute by giving written notice to the District's Representative. A dispute must be registered with the District prior to the date of proposed discontinuance for a customer to avoid discontinuance of service as provided by these sections.

2. Notwithstanding any other section of this Order, the customer is not required to pay the disputed portion of a bill which exceeds the amount of that customer's average monthly usage at current rates pending the completion of the determination of the dispute. For purposes of this section only, the customer's average monthly usage at current rates is the average of the customer's total service for the preceding 12-month period. If no previous usage history exists, consumption for purposes of calculating the average monthly usage will be estimated on the basis of usage levels of applicable living unit equivalent (LUE) criteria under similar conditions.

3. Notwithstanding any other section of this Order, a customer's service is not subject to discontinuance for nonpayment of that portion of a bill under dispute pending the completion of the determination of the dispute. The customer is obligated to pay any billings not disputed.

G. Due Date. All bills will be considered past due if not paid by the third day after the date of issuance ("Due Date"). The customer will be subject to termination of service, if full payment, including any applicable late fee, is not received by "Delinquency Date" which will be the 26th day of the month. If the Due Date or the Delinquency Date falls on a Saturday, Sunday, or legal holiday on which banks are required to close in the State of Texas, the applicable period will be extended to the next business day.

H. Late Charge. A late charge of five percent (5%) of the amount of the bill shall be added for each monthly billing date the delinquent amount remains unpaid. If a bill remains delinquent for thirty (30) days, or is paid with a check which is dishonored, water service shall be terminated in accordance with this paragraph. Prior to termination, the customer shall be notified of the amount due in accordance with Article VI.D.

I. Suit for Collection. The District reserves the right to institute suit for the collection of any amounts due and unpaid, together with interest thereon at the maximum legal rate and reasonable attorneys' fees.

J. Dishonored Checks. The District may charge a customer paying a bill with a check which is dishonored a fee of \$30.00. If a customer pays a District utility bill by a check that is dishonored, the District's Representative will promptly leave a courtesy notice or "red tag" on the door of the address to which the service in question is provided notifying the customer. This will state that service will be terminated not earlier than three days from the date of the notice unless the account is paid in full by cash, certified check or money order.

K. Payment Plans. If a customer contacts the District's Representative to discuss his inability to pay a bill or indicates that he is in need of assistance with his bill payment, the District's Representative will inform the customer of all available alternative payment and payment assistance programs available from the District, such as deferred payment plans, as applicable, and of the eligibility requirements and procedure for applying for them. A deferred payment plan is any arrangement or agreement between the District and a customer in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. All deferred payment agreements must be in writing. It is understood that the District's Representative may suspend the termination of services to customers for up to 30 days based upon the District's Representative's determination that the customer is making a good faith effort to pay the District's account; however, extensions beyond 30 days must be approved by the Board.

L. Bankruptcy. In the event of bankruptcy of any District customer, amounts due for pre-bankruptcy services will be posted to the customer's existing account and amounts due for post-bankruptcy services will be posted to a separate account. The customer will be required to provide the District with adequate assurance of payment for services rendered after the date of the bankruptcy filing, in the form of a security deposit satisfying the requirements of this Order. Any existing security deposit will be held by the District as security for sums due for pre-bankruptcy services and will not be credited towards the security deposit for post-bankruptcy services. If the customer fails to furnish the required security deposit for post-bankruptcy services to the District, the District may discontinue service to the customer in accordance with the provisions of this Order.

VI. Discontinuation of Service.

A. Disconnection with Notice. Service may be disconnected after proper notice for any of the following reasons:

1. within 30 days from the date of the issuance of a currently delinquent bill, the customer has neither paid the delinquent bill and all currently past due bills nor entered into, and commenced paying under, a written deferred payment agreement;
2. the customer has defaulted in the obligations under any deferred payment agreement;
3. violation of the District's Rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
4. failure to comply with security deposit arrangements required by Article IV of this Order; or
5. failure to repair a controllable leak within a reasonable time (not exceeding 30 days) after having been given notice to repair the leak.

B. Disconnection Without Notice. Service may be disconnected without notice where a known dangerous condition related to the type of service provided exists for as long as the condition exists or where service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment or in instances of tampering with the District's meter or equipment, bypassing the same, or other instances of diversion. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of and the reason for disconnection will be posted at the place of common entry or upon the front door of each affected structure as soon as possible after service has been disconnected.

C. Disconnection Prohibited. Service will not be disconnected in the following circumstances:

1. delinquency in payment for District service by a previous occupant of the premises; or
2. failure to pay the account of another customer as guarantor thereof, unless the District has in writing required the guarantee as a condition precedent to service; or
3. the customer has notified the District's Representative of the customer's desire to protest the disconnection, which requires the District to comply with the procedures set forth in Article VI.E prior to disconnecting the customer's service.

D. Notice of Disconnection of Service.

Proper notice of disconnection of service consists of a separate mailing by first class mail, postage prepaid at least 10 days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The information included in the notice will be provided in English and may be provided in Spanish if necessary to adequately inform the customer. A statement notifying the customer that, if they are in need of assistance with payment of their bill, they may be eligible for alternative payment programs, such as deferred payment plans, and to contact the District Representative for more information must be attached to or on the

face of the termination. The notice will advise the customer of the basis for the District's decision to disconnect service and that he has the right to request a hearing on the matter by contacting the District's Representative at least 48 hours before the stated date of disconnection. The District's Representative's telephone number must appear on the notice together with information regarding appropriate times to contact the Representative. If notice is mailed, the stated date of disconnection may not fall on a holiday or weekend, but will be the next working day after the 10th day. Payment at the District's authorized payment agency is considered payment to the District. The District will not issue a termination notice to the customer earlier than the first day a bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the District's authorized payment agency.

E. Customer Appeal Procedures. A customer may appeal the decision of the District's Representative to the Board. If the customer posts a bond in an amount sufficient to cover the cost determined by the District's Representative to be due, the District will not proceed with termination of the customer's service until a final decision is made by the Board.

F. Disconnection. If payment of all delinquent and past due amounts has not been made by 9:00 a.m. on the date specified by written notice to the customer, and no other arrangements for payment have been made, service will be disconnected. In order to reconnect service, the customer must pay all delinquent and past-due amounts, plus the applicable administrative fee, after-hours reconnect fee, and additional security deposit. If a customer defaults under a payment plan entered into with the District, termination procedures will immediately be initiated.

G. Delinquency Fees and Charges.

1. Administrative Fee. In the event of any discontinuation of service, whether because of customer's delinquency or upon a customer's request, the District shall charge the following administrative fee per connection prior to reconnecting such customers. The administrative fee will be due regardless of whether or not service has been physically disconnected.

a. Water System.

(1) When Meter Removed \$100.00

(2) When Meter Not Removed \$100.00

b. Wastewater System – two times the cost to the District.

2. After-Hours Reconnect Fee. If payment is tendered after 2:00 p.m. on any day after disconnection, the customer must pay a \$50 after-hours reconnect fee in order to obtain same-day reconnection of service.

3. Additional Security Deposit. In addition to applicable reconnection fees, the customer will be required to pay an amount sufficient to have on account with the District a security deposit of \$250.00 before the District reconnects such customer.

H. Disconnection on Holidays or Weekends. Unless a dangerous condition related to the type of service provided exists, or unless the customer requests disconnection, service will not be disconnected on a day, or on a day immediately preceding a day, when personnel of the

District are not available to the public for the purpose of making collections and reconnecting service.

I. Disconnection for Ill and Disabled. The District may not discontinue service to a delinquent residential customer permanently residing in an individually-metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at the residence becoming seriously ill or more seriously ill. Each time a customer seeks to avoid termination of service under this section, the customer must have the attending physician (for purposes of this section, the term “physician” means any public health official, including medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the District’s Representative within 15 days of issuance of the bill. A written statement must be received by the District’s Representative from the physician within 30 days of the issuance of the bill. The customer who makes such request must enter into a deferred payment plan with the District.

J. Reconnection of Services. If service is discontinued for any reason, reconnection of services will be established within 24 hours of payment of the past due bill in its entirety and any other outstanding charges, including all reconnection and administrative fees.

K. Meter Removal. The District’s Representative will remove a customer’s water meter if the customer illegally restores his service without payment of his delinquent account.

VII. Transfer of Service. In the event service at an address is to be transferred from one customer to another customer name there shall be assessed the following charge:

Transfer Fee: \$5.00

VIII. Regulatory Assessment. A regulatory assessment charge of one-half of one percent of retail water and sewer charges will be added to each customer’s monthly billing for all billings rendered by the District. The assessments will be remitted by the District to the Commission and are to be used by the Commission in performing its regulatory duties and in providing technical assistance and training to utilities.

IX. Metering.

A. Meter requirements.

1. Use of Meter. All water sold by the District will be charged for by meter measurements.

2. Installation by District. The District will provide and install and will continue to own and maintain all meters necessary for the measurement of water provided to its customers.

3. Standard Type. The District will not furnish, install, or put in use any meter which is not reliable and of a standard type which meets industry standards; however, special meters not necessarily conforming to these standards may be used for investigation or experimental purposes.

B. Meter Readings.

1. Meter Unit Indication. Each meter will indicate clearly the gallons of water or other units of service based on which the customer is to be charged.

2. Reading of Meters. As a matter of general practice, service meters will be read at monthly intervals, and as nearly as possible on the corresponding day of each meter reading period, but meters may be read at other than monthly intervals if the circumstances warrant.

C. Bill Adjustment Due to Meter Error. If any meter is found to be outside of the accuracy standards established by the American Water Works Association, the previous readings will be corrected for the two months immediately preceding the testing of the meter, or from the time the meter was in service since last tested, but not exceeding two months, and an adjusted bill will be rendered. No refund will be made from the District to any customer except the customer most recently served by the meter prior to the test.

D. Meter Tampering. For purposes of this Order, meter tampering, bypass, or diversion means tampering with a District's meter or other equipment, causing damage or unnecessary expense to the meter, bypassing a meter, reconnecting service without authorization to do so, whether the disconnection was due to non-payment or for any other reason, or any other instance of diversion or bypass, such as physically disorienting the meter, attaching objects to the meter to divert service or to bypass, inserting objects into the meter, electrical and mechanical means of tampering with, bypassing, or diverting District service, failing to have a meter installed, or covering or physically obstructing the location of the meter. Meter tampering, bypass or diversion is prohibited. Reconnecting service without authorization will be prosecuted as theft of service. Any party who tampers with a District meter or takes water from an unmetered or other unauthorized connection to the District's Systems will be subject to a penalty in an amount not to exceed \$5,000 per violation, each day of which will constitute a separate violation, and will also be liable for all attorney's fees incurred by the District and costs of court. The District may offset a customer's deposit against the amount of any penalties or costs imposed as a result of a violation of this section and may further require that the deposit be replaced and any unpaid penalties and costs paid before service is reconnected.

E. Bill Adjustment Due to Meter Tampering. If a meter is found not to have been registered for any period, to have been bypassed or tampered with, to have not been installed, or, for any reason cannot be located, the District's Representative will bill the customer for gallons used based on amounts used under similar conditions during the preceding or subsequent period or during corresponding periods in previous years, or used by similar users under similar circumstances. There is a presumption of reasonableness of billing methodology by the District with regard to a case of meter tampering, bypassing, or other service diversion if any of the following methods of calculating such bills are used:

1. estimated bills based upon service consumed by that customer at that location under similar conditions during periods preceding the initiation of meter tampering or service diversion. These estimated bills will be based on at least 12 consecutive months of comparable usage history of that customer, when available, or lesser history if the customer has not been served at that site for 12 months; this subsection, however, does not prohibit the District from using other methods of calculating bills for unmetered water when the usage of other methods is more appropriate;

2. estimated bills based upon that customer's usage at that location after the service diversion has been corrected; or

3. where the amount of actual unmetered consumption can be calculated by industry-recognized testing procedures, bills may be calculated for the consumption over the entire period of meter bypassing or other service diversion.

F. Equipment Damage Charges. The District may charge for all labor, material, equipment, and other costs necessary to repair or replace equipment damaged due to meter tampering or bypassing, service diversion, or the discharge of wastes which the system cannot properly treat. The District may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of these charges will be provided to the customer.

G. Meter Re-reads and Meter Tests. The District's Representative will, upon request of a customer, re-read the customer's meter. If the meter re-read confirms the accuracy of the original reading, the customer will be billed for the cost of the meter re-read. If the original reading is found to be incorrect, there will be no charge to the customer for the re-read. The District's Representative will, upon request of a customer, field test the accuracy of the customer's meter. If the meter test confirms the accuracy of the meter, the customer will be billed for the cost of the test. If the meter is found to be inaccurate, there will be no charge to the customer for the test. If a customer requests that a meter be pulled and tested for accuracy, the customer will be responsible for all costs incurred by the District in removing and testing the meter unless the meter registers more than two percent above or below the test result under reasonable flow quantities, in which case the costs will be borne by the District. The customer is entitled to receive a copy of the test report upon request.

H. Leaks; Water Leak Adjustment Policy. Failure to repair a controllable leak within a reasonable time (not exceeding 30 days) after notice from the District to repair the leak will constitute a violation of the District's Rules. If a customer experiences a water leak, the customer may submit a written leak adjustment request detailing the circumstances of the leak. All requests must be accompanied by a copy of all invoices and documentation evidencing the leak and confirming that the leak has been repaired. Upon receipt of a complete request, the customer's usage will be recalculated based upon the customer's prior history, as determined by the District's Representative. Water usage for the period in which the leak occurred that exceeds the base established by the customer's prior history will be presumed to be attributable to the leak and will be billed at the then-current wholesale water rate. The remaining portion of the customer's water usage will be billed at the District's normal and customary rates under this Order. If the leak occurred during the winter-averaging period, the District's Representative may establish an alternative winter-averaging period for this customer.

X. Industrial Waste Regulations; Non-Domestic Waste Fees.

A. Prohibited Waste.

1. Non-Biodegradable Material. No waste material that is not biologically degradable may be discharged into the District's Wastewater System, including mud and debris accumulated during construction.

2. Surface Runoff; Storm Water. No surface runoff water or storm water may be discharged into the District's Wastewater System, including downspouts and yard or area drain runoff.

3. Swimming Pool Water. Swimming pool water may not be discharged into the District's Wastewater System unless specifically approved in writing by the Board.

4. Industrial Waste. No Industrial Waste may be discharged into the District's Wastewater System.

5. Inadmissible Wastes. Only wastewater that is amenable to biological treatment may be passed through to or received by the District's Wastewater System. The District may, from time to time, establish, and revise a list of wastes that are not admissible to the District's wastewater collection system under applicable regulatory requirements (the "List of Inadmissible Wastes"). The current List of Inadmissible Wastes is attached as **Exhibit A**. Any waste identified on the List of Inadmissible Wastes is referred to herein as an "Inadmissible Waste". No Inadmissible Waste may be discharged into the District's Wastewater System.

6. Non-Domestic Waste. No Non-Domestic Waste may be discharged into the District's Wastewater System without the prior approval of the District's Representative. The District's Representative will review each application to discharge Non-Domestic Waste and make a recommendation to the Board as to approval or denial of the application. If an application is approved, the Board will establish rates and charges that cover, but are not limited to, the cost of waste treatment, taking into account the volume and character of the Non-Domestic Waste and all other waste treated, any special techniques of treatment or operation required for the Non-Domestic Waste, and any administrative expenses incurred by the District. These rates and charges must be at least sufficient to provide an equitable system of cost recovery that is sufficient to produce revenues, in proportion to the percentage of Non-Domestic Waste to be treated relative to the total waste load to be treated by the District, so as to provide for operation and maintenance of the treatment works, for the amortization of the District indebtedness for the cost of its waste collection and treatment system, and for any additional costs necessary to provide adequate waste treatment to meet the waste discharge requirements applicable to the District on a continuing basis. If, in the opinion of the District's Representative, pretreatment of any Non-Domestic Waste is necessary to prevent harm to the District's waste collection and treatment system or to prevent interference with the proper and efficient operation and maintenance of each system, pretreatment will be required as a condition to the District's receipt and treatment of the Non-Domestic Waste. If the District's engineer recommends against accepting the Non-Domestic Waste into the District's wastewater system under any conditions, the District's Representative will deny the application.

7. Application Fee. An applicant that intends to discharge Non-Domestic Waste into the District's Wastewater System must pay an application fee of \$250.00. No customer may discharge Non-Domestic Waste into the District's Wastewater System unless the customer has received a permit authorizing such discharge.

8. Permit Fee. Each customer who is issued a permit for disposal of Non-Domestic Waste must pay an annual permit fee of \$500.00 to the District on or before January 1 of each year. Such fee may be included on the customer's monthly water bill.

9. Prohibited Discharges. If the District determines that there has been a prohibited discharge under the District's Rules or this Order, the violator will be assessed and required to pay for all reasonable expenses of the District incurred in connection with the violation, any testing of the waste associated with such violation, and for any damage to the District's sanitary sewer system.

XI. Plumbing Regulations; Customer Service Inspections.

A. Authority. Under the requirements of the Chapter 341, Subchapter C of the Texas Health & Safety Code and 30 Texas Administrative Code § 290.46(i), the District is required to adopt rules to allow for proper enforcement of the requirements of the Commission. Title 30 Texas Administrative Code §290.46(j) requires the District to adopt rules providing for the conduct and certification of customer service inspections.

B. Purpose. 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 section is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must agree to comply with this section as a condition to receiving water and/or wastewater services from the District.

C. Plumbing Restrictions. The following undesirable plumbing practices are prohibited:

1. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination must be isolated from the public water system by a Code-approved air-gap or an appropriate Backflow Prevention Device.

2. 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 must be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone Backflow Prevention Device.

3. No connection which allows water to be returned to the public drinking water supply is permitted.

4. No pipe or pipe fitting which contains more than one-quarter of one percent (0.25%) lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

5. No solder or flux which contains more than two-tenths of one percent (0.2%) lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

D. Service Conditions. The following are the terms for the provision of service between the District and each customer of the District:

1. The customer must comply with the provisions of these Rules as long as the customer is receiving service from the District.

2. The customer must allow his or her property to be inspected for possible cross-connections and other undesirable plumbing practices as required by this Order. These inspections will be conducted by the District or its designated agent prior to initiating service and may be conducted periodically thereafter. All inspections will be conducted during the District's normal business hours.

3. The District will notify the customer in writing of any cross-connection or other undesirable plumbing practice which has been identified during the initial inspection or periodic reinspection.

4. The customer must immediately correct any undesirable plumbing practice on his premises.

5. The customer must, at his expense, properly install, test, and maintain any Backflow Prevention Device required by the District. Copies of all testing and maintenance records must be provided to the District.

E. Backflow Prevention Devices.

1. If there is an actual or potential source of contamination, pollution or hazard to the District's water system, no connection may be made to the District's water system unless:

- a. there is a Code-approved air gap between the potential source of contamination, pollution or hazard and the drinking water supply; or
- b. a Backflow Prevention Device is installed between the potential source of contamination, pollution or hazard and the drinking water supply.

2. A Backflow Prevention Device must be tested upon installation. The test must be conducted by an individual who has completed a Commission approved course on cross-connection control and backflow prevention and passed an exam administered by the Commission or its agent ("Recognized Tester"). The Recognized Tester must certify that the Backflow Prevention Device is operating within specifications and present evidence that the gauges used in the test have been calibrated and tested for accuracy in accordance with American Water Works Association or University of Southern California standards and that the Recognized Tester is currently certified to conduct Backflow Prevention Device Tests.

3. A Backflow Prevention Device that is installed to protect against High Health Hazards must be inspected and certified to be operating within American Water Works Association or University of Southern California specifications at least annually by a Recognized Tester. A High Health Hazard is a cross-connection, potential cross-connection, or other situation involving any substances 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.

4. All test and maintenance reports must be completed using a Commission form, or a form that contains the same information, and must be filed with the District within 30 days regardless of whether the test indicates a passed or failed test.

5. The District will maintain test and maintenance reports for a period of at least 3 years.

F. Inspections. The applicant for service or customer must submit a completed customer service inspection certification to the District in the following instances:

1. before the District provides continuous and adequate service to new construction;

2. when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist on any existing service; or

3. after any material improvement, correction or addition to any existing private plumbing facilities.

G. Certifications. A customer service inspection certification must be fully completed in the form approved by the Commission. The certification must be completed at the applicant's or customer's expense by:

1. a plumbing inspector and water supply protection specialist licensed by the Texas State Board of Plumbing Examiners and in good standing at the time of the inspection;

2. a certified waterworks operator and employee of the District's utility operator who has completed a training course, has passed an examination administered by the Commission or its designated agent, and holds an endorsement granted by the Commission or its designated agent; or

3. a licensed plumber, if the inspection and certification are for a single-family residential service.

H. Records. The District will maintain copies of completed customer service certifications for a minimum of ten years.

I. Unacceptable Plumbing Practices. If unacceptable plumbing practices are discovered, they must be promptly repaired and eliminated by the customer or applicant for service to prevent contamination of the water supplied by the District. The existence of an unacceptable plumbing practice is sufficient grounds for immediate termination of service without notice in order to protect the health and safety of all District customers. Service will not be restored until the potential source of contamination has been eliminated or additional safeguards have been taken and a new customer service inspection certification is provided to the District.

J. Enforcement. If a customer fails to comply with the terms of this Section, the District may assess fines in accordance with Section 54.205 of the Texas Water Code, and may either terminate service and/or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this Section will be billed to the customer.

XII. Protection of District Facilities and Property.

A. The following are prohibited on any District real or personal property or easement (collectively, "District Property"): (i) dumping, placing, disposing of, depositing on, or discharging any foreign materials or debris, including but not limited to grass or tree clippings, trash, and construction debris; and (ii) posting, placing, installing, storing, attaching, or allowing the encroachment of any signs, lighting or power sources, fences, landscaping, planting, or any other improvement or personal property. The District's representative may remove any such items from District property or easements, without liability to the owner, and may backcharge the cost of the removal, as well as any cost to repair damage that results to the District's property, to the responsible party. Additionally, any person or entity who violates the terms of this Section will be subject to a penalty in the amount of \$500 per violation, and will also be liable for all attorney's fees incurred by the District and costs of court. The District may add the amount of any penalties or costs imposed by this Section to the customer's utility bill, or the District may deduct the amount of any penalties or costs imposed as a result of a violation of this Section from a customer's security deposit or any other amounts held by the District and may further require that the customer replenish the deposit by an equivalent amount.

B. No drainage water, including roof run-off water; drainage from downspouts; water from yard drains; water from fountains and ponds; water from lawn sprays, rainwater leaders, swimming pool water; or swimming pool filter backwash water may be connected or discharged to the District's wastewater utility system. In order to protect the District's wastewater system from inflow, all clean-outs on customer service lines must be securely capped at all times. If any clean-out is left uncapped or the cap is loosened or removed so as to potentially allow inflow into the District's wastewater system, the District will be authorized to enter onto the responsible customer's property to replace the cap, and the customer at the service address in question will be charged the sum of \$100 for the replacement. This charge may be added to the customer's utility bill, or the District may deduct the amount of the charge from the customer's security deposit or any other amounts held by the District and may further require that the customer replenish the deposit by an equivalent amount.

C. No vandalism or other actions that could cause damage to the District's Property is permitted. It is a violation of this Order to: alter, damage, deface, mark, paint, place graffiti upon, or destroy any District Property, including the District's fencing along the rights of ways within the District or on any other District Property (collectively, the "District Fencing"); for any resident or property owner to allow or fail to prevent a pet from digging under, damaging or destroying any District Fencing; and for any resident or property owner to allow any tree, tree limb, or other landscaping on his or her lot or property to encroach, lean upon, displace, or damage any adjacent District Fencing. If any damage to District Fencing results from a violation described above, the District may require the responsible resident or property owner to repair the damage or replace the damaged District Fencing. In addition, if the damage was caused by an encroaching tree or tree limb, the District may require the responsible resident or property owner to remove the tree or limb in question. The District will give notice to the responsible resident and/or property owner of any required remedial action under this Section and, if the responsible resident or property owner fails to take the required action within five business days following the date after notice, the District may repair the damage or, if the damage was caused by a tree or tree limb, remove the encroaching tree or limb, and backcharge the costs of such repair, replacement and/or tree or limb removal to the responsible resident or property owner, in addition to pursuing any other penalties imposed by this Order. **Water Conservation and Drought Contingency Plan.**

The terms and provisions of the District's Water Conservation and Drought Contingency Plan (as amended from time to time, the "*Water Conservation and Drought Contingency Plan*") are incorporated into this Order. The District may add the amount of any fines, penalties, or costs imposed under the Water Conservation and Drought Contingency Plan to the customer's utility bill, or the District may deduct the amount of any fines, penalties, or costs imposed as a result of a violation of the Water Conservation and Drought Contingency Plan from a customer's security deposit or any other amounts held by the District and may further require that the customer replenish the deposit by an equivalent amount.

XIV. Enforcement; Penalties.

A. Water and sanitary sewer service will not be provided by the District until all applicable requirements of this Order have been met.

B. The provisions of this Order constitute rules adopted under Section 54.205, Texas Water Code. Violation of any provision of this Order will result in the offending party being subject to the payment of a penalty in an amount not exceed \$5,000 per offense, with each day of violation constituting a separate offense, as provided by Section 27.031, Texas Government Code. In addition, the offending party will be liable to the District for any other penalty provided by the laws of this State, and any and all costs incurred by the District in connection with any repairs or corrections necessitated by any violation. If the District prevails in any suit to enforce the provisions of this Order, the District may additionally recover its reasonable attorneys' fees, expert witness fees, and other costs incurred by the District before the Court.

C. This Order supersedes all previous orders and resolutions of the District relating to the establishment of rates and charges, and adopting rules and policies with respect to the District's Systems and property.

D. The attorney for the District is hereby directed to file a copy of this Order (i) with the Texas Commission on Environmental Quality and (ii) in the principal office of the District and to publish a substantive statement of the rules contained in this Order and the penalties for their violation as required by Section 54.207 of the Texas Water Code.

XV. Effective Date. Except as otherwise provided herein, the effective date of this Order shall be June 8, 2020, and it shall be in force and effect until amended by the Board of Directors.

APPROVED, ORDERED AND ADOPTED this 8th day of June, 2020.

(Signature page follows.)

**VISTA OAKS MUNICIPAL UTILITY
DISTRICT**

(SEAL)



Mike R. Asbury, President
Board of Directors

ATTEST:



Jacob Matto, Secretary
Board of Directors

EXHIBIT A

LIST OF INADMISSIBLE WASTES

The following is a list of inadmissible wastes, specifying materials that may not be discharged to the District's wastewater collection system and concentrations of substances which may not be exceeded in discharges to the District's wastewater collection system. The following list constitutes prohibited substances for discharge to the District's wastewater collection system of toxic or regulated pollutants which may pass through to the receiving stream, could cause interference with the operation of the treatment works or could cause a violation of the State or Federal discharge permit provisions. If any pollutant approaches or exceeds standards, investigative sampling will be conducted to determine the source and a limit for the pollutant will be calculated. Discharges to the District's wastewater collection system will be limited in accordance with the following lists:

1. Wastewater having a temperature that would result in the total combined influent to the treatment District's wastewater collection system to exceed a temperature of 104 degrees Fahrenheit.
2. Wastewater having a pH value lower than 5.5 or higher than 10.5.
3. Wastewater containing gasoline, petroleum oils, benzene, naptha, fuel oil, or other flammable or explosive liquid, solid or gas.
4. Wastewater containing grease, fats, waxes, oil, plastic or other substances that are in excess of a daily average limit of 200 milligrams per liter or which will solidify or become discernibly viscous at any temperature between 32 degrees Fahrenheit and 150 degrees Fahrenheit.
5. Wastewater with a radioactive content greater than allowed by applicable provisions of the Texas Radiation Control Act, Article 4590 (f), Revised Civil Statutes of Texas, and the Texas Regulations for Control of Radiation issued thereunder.
6. Wastewater that contains any noxious or malodorous materials which can form a gas; which either singly or by interaction with other discharges, are capable of causing objectionable odors or hazards to life, or which creates any other condition deleterious to the collection system..
7. Wastewater containing any substance in a form or concentration sufficient to cause inhibition, intereferece, or upset to the treatment process.
8. Wastewater which will, alone or in conjunction with other wastewater, cause the wastewater entering any entry point into the District's wastewater collection system to exceed a five-day Biochemical Oxygen Demand (BOD), concentration of 250 milligrams per liter, an average daily Chemical Oxygen Demand (COD) of 450 milligrams per liter, or a Total Suspended Solids (TSS), concentration of 250 milligrams per liter, based on a properly weighted 24 hour composite sample.
9. Industrial Wastewater will not be discharged to the District's wastewater collection system without prior written approval from the District. If an Owner desires to provide wastewater service to an industry, the POA will provide the District at least 120 days advance written notice.

10. Hazardous wastes prohibited by regulatory agencies will not be discharged to the District's wastewater collection system.
11. Wastewater having a constituent and concentration exceeding that of established National Categorical Standards established under title 40 of the Code of Federal Regulations or local limits as established by the Code and amended from time to time.