

CERTIFICATE FOR ORDER

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

I, the undersigned officer of the Board of Directors of Harris County Municipal Utility District No.53 of Harris County, Texas, do hereby certify as follows:

1. The Board of Directors of Harris County Municipal Utility District No. 53 convened in Regular Session on the 9th day of March, 2010, at the regular meeting place inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Karen W. Casey	President
Judy Grant	Vice President
Cynthia A. Wood	Secretary/Treasurer
Michelle Denman	Asst. Vice President
Drew Fontenette	Asst. Secretary/Treasurer

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

**GO 2010-1  
ORDER ESTABLISHING UTILITY SERVICE RATES, FEES, AND CONDITIONS  
(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 persons 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 Subchapter C, Chapter 49, Texas Water Code.

PASSED AND APPROVED the 9th day of March, 2010.

Cynthia A. Wood  
Secretary/Treasurer

(SEAL)

HC53.Cert-Ord

**GO 2010-1**  
**ORDER ESTABLISHING UTILITY SERVICE RATES, FEES, AND CONDITIONS**  
**(RATE ORDER)**

THE STATE OF TEXAS       §  
  §  
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WHEREAS, Harris County Municipal Utility District No. 53 of Harris County, Texas (the "District") owns and operates a water and sewer system providing service to residential and commercial establishments within the District and other customers; and

WHEREAS, the Board of Directors deems it necessary to amend the rates, fees, charges, and conditions previously established for receiving water and sewer services from the District; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 53 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 water and sewer system which consists of one residence designed for use and occupancy by a single family unit and served by a single meter serving only that one residence.

B. "Non-Single Family Residential User" - means any user of the District's water and/or sewer system other than a Single Family Residential User including, but not limited to, apartments, multi-family dwelling units, multiple residences served by a single meter, commercial and business establishments, churches, libraries, schools, recreational facilities and clubs.

C. "Non-Taxable User" - means any user of the District's water system located within the boundaries of the District that is exempt from taxation by the District including, but not limited to, churches, libraries, schools, recreational facilities and clubs.

Section 2: Regulatory Assessment. As required by the Texas Water Code, each user of the District's water and sanitary sewer system is hereby assessed a charge of one-half of one percent of the District's charge for water and sewer service. This assessment is not included in the rate schedules listed below, but will be a separate charge on customer utility statements, and will be forwarded to the Texas Commission on Environmental Quality for use in paying costs and expenses incurred in its regulation of water districts.

Section 3: Plans Review. Before any connections to the District's water or sewer system may be made, engineering plans for water, sewer, and drainage systems for the premises to be served must be submitted to the District's engineer for review and determination that such plans are in compliance with District and City of Houston standards including meter sizing and sanitary and storm sewer tap locations. Plans must include locations of meters, a legal description of the site and the street address of the premises, the number of apartment units in the premises, or if not an apartment project, the area of the premises in square feet of the gross floor area. The Board will require the user to pay all expenses incurred by the District's engineer for his review of the

plans. A copy of such approved plans with the engineer's approval indicated thereon shall be submitted to the District's operator. Any modification of such plans shall require reapproval by the District's engineer. The District's operator shall inspect the water, sewage, and drainage facilities to determine that they have been installed in substantial compliance with the approved plans and specifications prior to providing a water or sewer connection. The District reserves the right to require removal of any connection(s) made in violation of this section and to terminate water and sewer service until the water, sewage, and drainage facilities have been constructed and connections are made in accordance with the approved plans.

Section 4: Platting Requirement. Prior to initially connecting to the District's water, sewer, or drainage systems, a user shall submit to the District's operator proof that the user's property has been platted in accordance with the subdivision ordinances of the City of Houston. Acceptable proof of platting includes a copy of the recorded plat, or a certificate from the City of Houston that the property has been platted or that the property is legally exempt from the platting process.

Section 5: Easements. Before water and sewer service commences to any user, the user requesting services shall grant an ingress and egress easement to and from the water meter(s) appurtenant to the premises to be served for the purposes of operating, maintaining, reading, and repairing the meter(s) as the District may deem necessary.

Section 6: Construction Inspections:

A. Pre-Construction Inspection. All builders or contractors for property owners within the District must contact the District's 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. After the inspection and any necessary work is completed, the builder or contractor will then be responsible for paying the costs of all damages, adjustments, relocations, and repairs found during the Final Site Survey. An inspection fee of \$60.00 per connection for Single Family Residential Users and \$100.00 per connection for Non-Single Family Residential Users shall be paid to the District to cover the cost of making said inspections.

B. Post-Construction 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 reinspect the water tap, meter, and all other District facilities on the property. A fee in the amount of \$60.00 per connection for Single Family Residential Users and \$100.00 per connection for Non-Single Family Residential Users shall be paid to the District to cover the cost of making said inspections. 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 reinspections of the facilities are required to ensure that the District's facilities are repaired, relocated, or adjusted, an additional fee in the amount of \$60.00 per connection for Single Family Residential Users and \$100.00 for Non-Single Family Residential Users shall be charged for each such reinspection before service will be transferred to a subsequent user. Payment of the Backcharges, or any inspection or reinspection 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 reinspection 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 7: Water Tap Fees:

A. All connections to the District's water system shall be made under the supervision of a representative of the District. Prior to connection to the District's water system, tap fees calculated as follows shall be paid to the District to cover the costs of making connections and providing water meters:

1. Single Family Residential Users: \$900.00.
2. Non-Single Family Residential Users
  - (a) 3/4" x 5/8" Tap: Installation Costs plus \$250.00.
  - (b) 1" Tap: Installation Costs plus \$500.00.
  - (c) 1 1/2" Tap: Installation Costs plus \$1,000.00.
  - (d) 2" Tap: Installation Costs plus \$2,000.00.
  - (e) Over 2" Tap: Installation Costs plus \$3,000.00.

3. Non-Taxable Users: An amount equal to the Installation Costs 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 are to be financed, fully or partially, by the District's bonds (as determined by the District's consultants).

B. As used herein, "Installation Costs" means the District's actual costs of installing a tap, meter, and any necessary service lines, inspection expenses, boring expenses, and the cost of repairing or restoring yards, sidewalks, streets, landscaping, concrete, or other improvements affected by the installation. The District's operator will determine Installation Costs. Determinations in this regard are appealable to the Board of Directors. If actual Installation Costs are greater than the Installation Costs paid by the user, the difference will be billed to the user on the first water and sewer bill. If actual Installation Costs are less than the Installation Costs paid by the user, a refund for the difference will be issued to the user.

C. No tap over 2" shall be made without the approval of the District's Board of Directors.

Section 8: Sewer Tap Fees:

A. All connections to the District's sewer system shall be made under the supervision of a representative of the District and in accordance with the Rules and Regulations Governing Sewer Lines and Sewer Connections as the District may from time to time promulgate. Water service shall not commence until a connection has been installed in accordance with all District requirements. Prior to connection to the District's sewer system, the following connection fees shall be paid to the District to cover the costs of making connections:

1. Single Family Residential Users: Connection Costs plus \$50.00.
2. Non-Single Family Residential Users and Non-Taxable Users:
  - (a) 4" Tap: Connection Costs plus \$150.00.
  - (b) 6" Tap: Connection Costs plus \$1,000.00.
  - (c) 8" Tap: Connection Costs plus \$2,000.00.

B. As used herein, "Connection Costs" means the District's actual costs in making a connection, installing measuring devices, grinders, lift facilities, or necessary service lines, supervisory expenses, boring expenses, and the cost of repairing or restoring yards, sidewalks, streets, landscaping, concrete, or other improvements affected by the connection. The District's operator will determine Connection Costs. Determinations in this regard are appealable to the Board of Directors. If actual Connection Costs are greater than the Connection Costs paid by the user, the difference will be billed to the user on the first water and sewer bill. If actual Connection Costs are less than the Connection Costs paid by the user, a refund for the difference will be issued to the user.

Section 9: Deposits:

A. Deposits shall be required for all new user connections to the District's system as follows:

- (1) ¾" x 5/8" Tap: \$125.00.
- (2) 1" Tap: \$200.00.
- (3) 1½" Tap: \$350.00.
- (4) 2" Tap: \$500.00.
- (5) Over 2" Tap: An amount equal to three (3) months service as estimated by the District's operator.

B. When a single family residence, which is connected to the District's system, is leased or rented, a deposit of \$125.00 shall be required of the lessee or tenant.

C. Multi-Family Dwelling Units/Apartments and Multiple Residences served by one meter. For the purposes of this rate order, such services are considered to be "multi-unit residential connections." Notwithstanding Subsection A hereof, for each multi-unit residential connection, a deposit shall be required in an amount calculated as follows: the number of dwelling units multiplied by \$125.00.

D. A deposit shall be required on existing user connections and accounts if one of the following occurs: (i) service is discontinued for non-payment; (ii) payment on the account is attempted to be made with a check that is returned because of insufficient funds; or (iii) the water meter for the account is tampered with or damaged.

E. Deposits shall be held by the District in escrow to assure prompt payment of all charges for water and sewer service. No interest will be allowed on such deposits.

F. Unless requested in writing by a customer within forty-five (45) days after the cessation of service, the District will not refund a remaining unencumbered customer deposit amount which is less than \$5.00.

G. If deposits required by the District are not paid, service will be terminated or will not be commenced.

Section 10: Water Rates:

A. Single Family Residential Users. 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 pursuant to the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$8.00 - ("minimum monthly charge")	First 3,000 gallons - ("minimum gallonage")
\$1.25 per 1,000 gallons	Next 3,000 gallons
\$1.50 per 1,000 gallons	Next 4,000 gallons
\$2.00 per 1,000 gallons	All over 10,000 gallons

B. Non-Single Family Residential Users. Except as provided in Subsection C or Subsection D hereof, each Non-Single Family Residential User shall be charged for water service on a monthly basis according to water used and tap size pursuant to the following rates:

- (1) 3/4" x 5/8" Tap: The same rates set forth above for Single Family Residential Users.
- (2) 1" Tap: The rates set forth above for Single Family Residential Users, except the minimum monthly charge shall be multiplied by four (4).
- (3) 1 1/2" Tap: The rates set forth above for Single Family Residential Users, except the minimum monthly charge shall be multiplied by eight (8).
- (4) 2" Tap and Larger: The rates set forth above for Single Family Residential Users, except the minimum monthly charge shall be multiplied by ten (10).

C. Non-Taxable Users. Each Non-Taxable User shall be charged for water service from the District on a monthly basis according to water used and tap size pursuant to the following rates:

- (1) 3/4" x 5/8" Tap:

Amount of Payment

Water Usage

\$16.43 ("minimum monthly charge")	First 3,000 gallons- ("minimum gallonage")
\$4.06 per 1,000 gallons	Next 4,000 gallons
\$4.31 per 1,000 gallons	Next 4,000 gallons
\$4.81 per 1,000 gallons	All over 11,000 gallons

(2) 1" Tap: The rates set forth above for 3/4" x 5/8" taps, except the minimum monthly charge shall be multiplied by four (4).

(3) 1 1/2" Tap: The rates set forth above for 3/4" x 5/8" taps, except the minimum monthly charge shall be multiplied by eight (8).

(4) 2" Tap and Larger: The rates set forth above for 3/4" x 5/8" taps, except the minimum monthly charge shall be multiplied by ten (10).

D. Multi-Unit Residential Connections. Each multi-unit residential connection shall be charged for water service on a monthly basis an amount calculated by multiplying the number of dwelling units therein by the minimum monthly charge for Single Family Residential Users (for purposes of this Rate Order, each separate residential dwelling unit not separately metered shall be considered one unit). In addition to the foregoing monthly minimum, a multi-unit residential connection shall be billed a monthly overage charge computed as follows: (i) the number of units shall be multiplied by the minimum gallonage for Single Family Residential Users which determines the amount of water a multi-unit residential connection is entitled to when the minimum charge is paid; no further charge will be made for water usage up to that amount; and (ii) for any amount of water usage above the amount calculated as the foregoing minimum, the multi-unit residential connection shall be billed at the rates set forth above for Single Family Residential Users exceeding the minimum gallonage. The foregoing minimum and overage billing procedure shall apply whether or not a multi-unit residential connection is totally occupied.

E. Wholesale Water Supply to Municipal Utility Districts ("MUDs"):

(1) A MUD is eligible for wholesale water supply service from the District if it meets the following requirements:

(a) the MUD is created pursuant to and governed by Chapter 54 of the Texas Water Code;

(b) the MUD has entered into a contract with the District providing for the temporary purchase of water for resale to the MUD's customers;

(c) the primary purpose of the above-required contract is not to establish an emergency water interconnect or source; and

(d) the MUD is a participant in the North Channel Water Authority.

(2) An eligible MUD shall pay \$2.00 per 1,000 gallons of usage.

F. Construction Connections. A connection to the District's water system for construction purposes shall be charged \$5.00 per 1,000 gallons of water used.

Section 11: Sewer Charges.

A. Single Family Residential Users. Each Single Family Residential User within the District shall pay a flat monthly sewer service charge of \$8.00.

B. Non-Single Family Residential Users and Non-Taxable Users. Except as provided in Subsection C hereof, each Non-Single Family Residential User shall pay a minimum monthly sewer service charge of \$8.00 for the first 10,000 gallons of sewage discharged and an additional charge of \$0.80 per 1,000 gallons of sewage discharged in excess of 10,000 gallons.

C. Multi-Unit Residential Connections. Each multi-unit residential connection shall be charged for sewer service on a monthly basis an amount calculated by multiplying the number of dwelling units therein by \$8.00. In addition to the foregoing monthly minimum, a multi-unit residential connection shall pay a monthly overage charge computed as follows: (i) the number of units in the multi-unit residential connection shall be multiplied by 10,000 gallons which determines the amount of sewage discharge a multi-unit residential connection is entitled to when the minimum charge is paid; no further charge will be made for service up to that amount; and (ii) for any amount of service above the amount calculated as the foregoing minimum, the multi-unit residential connection shall be charged \$0.80 per 1,000 gallons of sewage discharged. The foregoing minimum and overage billing procedure shall apply whether or not a multi-unit residential connection is totally occupied.

D. The amount of sewage discharged shall be the total amount of water billed to a user.

Section 12: Inspections and Testing. The following fees shall be charged for the following inspections or tests undertaken by the District's operator:

A. Customer Service Inspections:

(1) Single Family Residential Users: \$100.00 per inspection (except for initial service where the tap fee covers the cost of this inspection).

(2) Non-Single Family Residential Users and Non-Taxable Users: \$200.00 per inspection (except for initial service where the tap fee covers the cost of this inspection).

B. Backflow Prevention Device Testing: Cost plus \$30.00.

Section 13: Payment:

A. Charges for water and sewer service shall be billed monthly. All bills shall be payable on the 20th day after the date of the statement for said charges. Unless payment is received on or before the 20th day after the date of said statement, such account shall be considered delinquent.

B. Upon the request of a qualified elderly person, for purposes of this section, the due date will be delayed until the 25th day after the date on which the bill is issued.



C. Any bill for which payment is not received by the due date shall incur a late penalty of 10% of the amount due for water and sewer charges.

D. Any bill for which payment is received without the corresponding billing stub, shall incur an administration charge of \$2.00.

E. Payments must be made by check, draft, money order, or by such other means as authorized by the District's operator. Cash payments will not be accepted.

Section 14: Disconnection. The District may, in its discretion, terminate service, lock or remove metering devices, or otherwise suspend services for failure to pay all charges by the 50th day after the issue date of a bill; provided, however, that prior to terminating services, locking or removing metering devices, or otherwise suspending or interrupting service, the District shall send written notice by United States first class mail to the user at the address of the connection and provide the user with an opportunity to contest, explain, or correct the charges, services, or termination, at a meeting of the Board of Directors of the District. The written notice shall inform the user of the amount of the delinquent payment, the date service will be terminated 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 termination, by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown in the notice. The date specified for termination shall be 10 days after the date of the next scheduled meeting of the Board of Directors as shown in the notice. 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. A written statement by the District's operator that the notice was so mailed shall be prima facie evidence of delivery of same. If the user appears before the Board in person or in writing, the Board shall hear and consider the matter and, if necessary, inform the user of the Board's determination by sending written notice by United States first class mail to the user at the address of the connection. If service to a user is terminated or suspended hereunder, there shall be charged a service fee of \$30.00 before service is again commenced to such user. If the District's operator is required to lock or remove the meter, there shall be an additional charge of \$50.00 before service may be recommenced.

Section 15: If a check is returned because of insufficient funds, there shall be a charge of \$25.00.

Section 16: Whenever a single family residence, which is connected to the District's system, is leased or rented, the lessee or tenant shall have the water and sewer service account transferred into the name of the lessee or tenant and shall be responsible for the payment of all water and sewer charges incurred after the earlier of the date that the account is transferred or the date that the residence is first occupied by the lessee or tenant. The lessee or tenant shall be responsible for the payment of all water and sewer charges incurred after the date of occupancy by the lessee or tenant regardless of whether said account is transferred.

Section 17: No Free Service. No free service shall be provided by the District to any person, organization, or institution, including charitable institutions.

Section 18: Penalties for Violation. Any user, person, corporation, or other entity who:

A. violates any section of this Rate Order; or

- B. makes unauthorized use of District services or facilities; or
- C. uses or permits the use of any septic tank or holding tank within the District; or
- D. constructs facilities or buildings which are not included in the approved plans for development as set forth in this Rate Order; or
- E. causes damage to District facilities by improperly tampering or interfering with such facilities or by using such facilities in a manner or for a purpose contrary to the purpose for which they were designed; or
- F. reconnects to the District's system after termination of service by the District without having paid all outstanding charges due to the District; or
- G. violates the District's Rules and Regulations Governing Sewer Lines and Sewer Connections; or
- H. violates the District's Plumbing Regulations;

shall be subject to a penalty of 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 any other (i) charges, fees, costs, and/or penalties authorized or described herein; (ii) penalties provided by the laws of the State of Texas or the United States; or (iii) legal rights or remedies of the District as otherwise allowed by law.

Section 19: Applicability of Rate Order. This Rate Order and all of the provisions herein apply only to utility service to land within the District unless expressly provided otherwise. The Board of Directors shall determine whether to provide any utility service to areas outside of the District and the terms and conditions for such service.

Section 20: Superseding Orders. This Rate Order supersedes all prior policies relating to water and sewer service (and revisions thereto), orders, resolutions, and other actions of the Board concerning fees and charges for water and sewer services.

Section 21: This order shall be effective from and after its adoption.

***[SIGNATURE PAGE FOLLOWS]***

PASSED AND APPROVED THIS 9<sup>th</sup> day of March, 2010.

/s/ Karen W. Casey  
President, Board of Directors

ATTEST:

/s/ Cynthia A. Wood  
Secretary/Treasurer, Board of Directors

