

ORDER AMENDING CONSOLIDATED RATE ORDER AND RULES AND REGULATIONS;
ESTABLISHING A DROUGHT CONTINGENCY PLAN; ESTABLISHING CERTAIN OTHER POLICIES;
AND
PROVIDING PENALTIES FOR VIOLATION THEREOF

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

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WHEREAS, the Board of Directors (the "Board") of Harris County Municipal Utility District No. 537 (the "District") desires to adopt an amended order ("Rate Order") and Rules and Regulations establishing the rates and conditions under which water and sanitary sewer service would be provided; and

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537 COUNTY THAT:

Section 1. Definitions. For purposes of this Order, the following words or terms shall have the following meanings:

1.01. "Customer" shall mean the person, firm, corporation or other entity which receives District services for a Residential or other structure, whether the owner, renter, builder or lessee thereof. Inasmuch as this Order hereinafter makes it mandatory for each such structure to be connected to the District's System as soon as the District's System becomes operable, the term "Customer" shall mean and include the person, firm, corporation or other entity which requests District services for such structure at the time service becomes available to said structure.

1.02. "Customer Connection" shall mean each separately metered Residential facility that is physically connected to the District's System, whether occupied or not, and where appropriate, shall refer to the point of physical connection of such facility to the District's System.

1.03. "Customer Service Inspection Certification" shall mean the inspection and subsequent certification required to be provided to the District in the instances and in the manner set forth in this Order, and which shall be evidenced by the completion of a form in substantially the form attached to this Order as Exhibit "B."

1.04. "Delinquent Bill" shall mean a bill for water and/or sanitary sewer service and/or other services, penalties and/or other charges of any nature hereunder imposed by the District, whether hereunder or pursuant to the District's Waste Order, which has not been paid within twenty (20) days after the date of the bill.

1.05. "District's Engineer" shall mean the person, firm or corporation which the District has engaged to provide engineering services for the District.

1.06. "District's Operator" shall mean the person, firm, corporation, municipal corporation or political subdivision with which the District has contracted for operation and maintenance of the District's System.

1.07. "Domestic Waste" shall mean liquid carried sanitary sewage discharged from Residential Customer Connections which is properly shredded and amenable to biological treatment, which is normally discharged from Residential food preparation and bathroom facilities, and which has biological oxygen demand (5-day) and total suspended solids concentrations not exceeding 200 milligrams per liter.

1.08. "High Health Hazard" shall mean a cross-connection, potential cross-connection, or other situation involving any substance that could, in the opinion of the District, cause death, illness, or spread of disease, or which has a high probability of causing such effects if introduced into the District's potable drinking water supply.

1.09. "Nontaxable/Non-Profit Entity", as used in reference to "initial connection to the System," shall mean the owner of any property within the District that is exempt from the payment of ad valorem taxes levied by the District or that is operating as a non-profit corporation under the laws of the State of Texas.

1.10. "Rate Schedule" shall mean the schedule of rates set by the District for water and sanitary sewer services as well as any and all necessary services provided by the Districts' Consultants on behalf of or for the benefit of the District's Customers, whether in-District or out-of-District, residential, commercial, governmental or charitable organizations, as set forth on Exhibit "A" attached hereto, which rates may be amended from time to time by the District's Board of Directors.

1.11. "Residential" shall mean and include only single family residences and shall not include Apartments unless specifically stated herein to the contrary.

1.12. "System," as used herein, shall mean the water and/or sanitary sewer and/or storm sewer facilities of the District and all extensions and additions thereto, whether now in place or hereafter constructed.

Section 2. Initial Connections to the District's System ("Taps").

2.01. Requirement to Connect to the District's System. Each structure within the District requiring water and/or sanitary sewer services shall be physically connected to the District's System as soon as the District has made water and sanitary sewer services available to such structure pursuant to the provisions contained herein and the plumbing code requirements of the City of Houston. It is the policy of the District that all properties within the District shall be physically connected to both the sanitary sewer System and water System of the District. In the event that both water and sanitary sewer services are not available to a property at the time a Customer Connection is applied for, the Board of Directors, in its sole discretion, may permit connection to the water System or sanitary sewer System upon determination by the District that an acceptable alternative water source or wastewater treatment source is available to such property. If both water and sanitary sewer services do not become available at the same time, and if the District permits connection to the water System or sanitary sewer System without requiring connection to both, the water connection must be made at the time water service becomes available and the sanitary sewer connection must be made at the time sanitary sewer service becomes available.

2.02. Application for Water and Sanitary Sewer Connections. Each person desiring initial water and sanitary sewer service connections to the District's System shall notify the District's Operator and sign and complete an application for such service and pay such fees as established by this Order. The application form may be amended by the District from time to time, as deemed appropriate, without the necessity of an amendment to this Order. No physical connection to the District's System shall be made until such application has been completed and such fees have been paid.

2.03. Meter Installation Fees. Meter installation fees shall be collected from the applicant by the District's Operator before physical connection is made to the District's System (which fees shall include the meter, meter box, installation thereof and any necessary inspections deemed necessary by the District's Operator) as set forth on the *Rate Schedule* attached hereto as Exhibit "A."

2.04. Policies Governing Initial Connections.

(a) Certification. Subject to the provisions of Section 2.01 hereof, physical connection shall not be made to the District's System until the District's Engineer has certified that the System is operational. Continuous water service shall not be provided to any Customer until (i) an acceptable sanitary sewer connection (except as to water service only Customers) has been made; (ii) all inspections required pursuant to Section 2.05 hereof have been performed; (iii) any deficiencies or damages noted during said inspections have been corrected and/or paid for; and (iv) a properly completed Customer Service Inspection Certification has been provided to the District.

(b) Availability of Access. Upon application for Customer Connection, the applicant shall grant an easement of ingress and egress to and from the water meter for such installation, maintenance and repair as the District, in its judgment, may deem necessary. Physical connection will not be made when, in the opinion of the District's Engineer or the District's Operator, the work area is obstructed by building materials and debris or the work area is not completed to finished grade. When sidewalks, driveways or other improvements have been constructed prior to application for Customer Connection, such application shall be construed and accepted as a waiver of any claim for damages to such improvements resulting from the reasonable actions of the District's Operator relative to the installation of the Customer's connection to the District's System.

(c) Property of District. All meters, fittings, boxes, valves and appurtenances installed shall remain the property of the District.

(d) Connections by District Operator. Physical connection to the District's water System shall be made by the District's Operator unless specified otherwise by the Board of Directors of the District. Physical connection to the District's sanitary sewer System shall be made in accordance with the District's Policy Governing Sewer House Lines and Sewer Connections and in accordance with Section 2.05 hereof. No person, other than the properly authorized agents of the District, shall be permitted to make any connection to the District's water System, except for emergency fire-fighting purposes, or make any repairs or additions to our alterations in any meter, box, tap, pipe, cock or other fixture or appurtenance connected with the water service, or any manhole, main, truck or appurtenance of the District's sanitary sewer or storm sewer System except by the written permission of the Board of Directors of the District.

(e) Builder Deposit. Upon first application for a Customer Connection, the applicant (whether property owner, builder or other) (the "Applicant") shall pay a security deposit in the amount specified on the Rate Schedule attached hereto as Exhibit "A," (which deposit shall apply to all connections of such Applicant, whether one or more) (the "Builder Deposit"). The Builder Deposit is solely to secure the payment of costs to repair any District facilities damaged by the Applicant or other parties during the construction of the house, building or other improvement on the applicable property ("Builder Damages"). Notwithstanding the fee discussed in Section 5.01, below, the Applicant shall be held responsible for any Builder Damages and shall reimburse the District for all costs incurred in repairing the Builder Damages. For Builder Damages that result in water loss to the District, the costs shall include, but are not limited to, the amount incurred by the District to repair the Builder Damages plus a damage fee to compensate the District for the water loss as shown on the Rate Schedule attached hereto as Exhibit "A."

After inspection by the District's Operator, the District may utilize the Builder Deposit to pay for any repairs to the District facilities made necessary by the Applicant's construction activities. If the Builder Deposit is not sufficient to pay for such Builder Damages, the Applicant shall pay such outstanding balance due. No additional connections to the District's System shall be permitted relative to any Applicant who has outstanding Builder Damages. If Applicant is building more than one house, building or other improvement within the District, the Builder Deposit shall remain at the level set forth on the Rate Schedule attached hereto as Exhibit "A," at all times, and if the District utilizes a portion or all of the Builder Deposit to repair Builder Damages, the Applicant shall pay to

the District the amount(s) necessary to maintain the Builder Deposit as set forth on the Rate Schedule attached hereto as Exhibit "A."

The District shall refund the Builder Deposit upon completion of the last house, building or other improvement to be constructed within the District by the Applicant and final inspection by the District's Operator. No interest will be paid by the District on the Builder Deposit.

2.05. Inspections.

(a) Sanitary Sewer Inspections. The District shall perform an inspection of each sanitary sewer physical connection and service line for strict compliance with the District's "Rules and Regulations Governing Sewer House Lines and Sewer Connections." Customer shall notify the District's Operator prior to any such connection being made. Customer shall again notify the District's Operator after the physical connection has been made and such District's Operator shall inspect and approve the connection prior to backfilling of the area and prior to the commencement of sanitary sewer service. Installations which fail to conform to said rules will be denied. Customer shall be notified in writing as to the basis for such denial. After noted deficiencies have been corrected, the District shall perform a sanitary sewer connection reinspection and any subsequent reinspections as required before the sanitary sewer connection and service lines are found in compliance with the District's rules.

(b) Customer Service Inspection Certification. Prior to the District providing continuous water service to (i) any new construction; (ii) any existing Customer Connection when the District, in its sole discretion, has reason to believe that a cross-connection or other unacceptable plumbing practice exists; or (iii) any existing Customer Connection after any material improvement, correction or addition to the private plumbing facilities, a properly completed Customer Service Inspection Certification shall be provided by the Customer to the District. "Continuous" water service, with respect to new construction, shall be deemed to commence upon the transfer of service from the builder of a building, residence, or other establishment to the initial occupant or user thereof.

For Residential Customer Connections, the District's Operator shall perform the inspection and provide the necessary certification.

Should a Customer fail to provide to the District a properly completed Customer Service Inspection Certification, water service to such Customer will be terminated by the District and service shall not be restored by the District until the required Customer Service Inspection Certification form is provided.

(c) Final Inspection of District Facilities. In accordance with applicable rules of the Texas Commission on Environmental Quality, any person desiring water and sanitary sewer services from the District must notify the District's Operator prior to making any improvement or starting any construction on property within the District if such improvement, construction or equipment used in connection therewith will be within or in close proximity to easements, rights-of-way or property where District facilities are located. The District's Operator shall inspect each property or location at which the improvement or construction is to take place prior to commencement of same to verify the location and condition of District facilities on the property. Upon receipt of instructions from the contractor or builder that construction of the facility or improvement is complete and prior to the transfer of the account to the subsequent Customer, the District's Operator shall make a final inspection of the water tap, meters and all other District facilities located on or around the property in question to verify the condition of such facilities. If damage to any District facilities is found, the District's Operator will repair such facilities and the builder or contractor will be responsible for payment of all costs incurred prior to the initiation of services to the property.

2.06. Temporary Water Service. Withdrawal of water from flushing valves or fire hydrants or other appurtenances of the District's System without prior approval of the District, except for emergency fire-fighting purposes, is prohibited. The District's Operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water service within the area of the District. Such temporary service shall be provided only through a District meter installed by the District's Operator. The applicant for temporary water service shall be required to post a deposit to secure the payment for water supplied by the District, the installation fee, the safe return of the District's meter and fire hydrant wrench, and the cost of repair of any damage by a user of the hydrant. In addition to the deposit required herein above, a fee for temporary water service shall be charged for water delivered through the meter at the rate set forth in the Rate Schedule attached hereto as Exhibit "A." Temporary water service may be supplied outside the area of the District only with the express authorization of the Board of Directors of the District.

Section 3. Rates and Fees for Water and Sanitary Sewer Services.

3.01. Application Fee and Security Deposit. Each prospective Customer desiring water and sanitary sewer service shall be required to provide appropriate information in order to obtain such service and shall pay an application fee. A non-refundable application fee shall be charged for each Customer. Each Residential Customer shall pay a security deposit, as set forth on the Rate Schedule attached hereto as Exhibit "A." Upon final termination of service, such deposit shall be credited against amounts owed to the District and any balance refunded to the Customer within forty-five (45) days after termination of service. The District shall not be required to pay interest to the Customer on such security deposit. Further, any Customer whose service is terminated pursuant to Section 4.02 hereof shall pay such deposit (if such Customer has not previously paid a security deposit) before Customer's service is restored.

3.02. Monthly Rates for Residential Water and Sewer Service. The District shall charge a rate per month, or any part thereof, to each Customer Connection for Residential water and sewer service in every instance in which a different charge is not expressly and clearly provided for herein, as set forth on the Rate Schedule attached hereto as Exhibit "A."

3.03. Monthly Water and Sanitary Sewer Service Rates for Nontaxable/Non-Profit Entities. The District shall charge a rate per month, or any part thereof, to each Nontaxable Entity Customer Connection for water and sanitary sewer service in every instance in which a different charge is not expressly and clearly provided for herein, as set forth on the Rate Schedule attached hereto as Exhibit "A."

3.04. Bulk Rates. The water and sanitary sewer service rates set forth above shall not be construed to prevent the District from furnishing water and/or sanitary sewer service to any Customer at a bulk rate if deemed advisable by the District, with such rate to be determined on a case by case basis.

3.05. Policies Governing Services.

(a) No Reduced Rates or Free Service. All Customers receiving services from the District shall be subject to the provisions of this Order and shall be charged the rates established in this Order, and no reduced rate or free service shall be furnished to any Customer; provided, however, this provision shall not prohibit the District, upon good cause shown, from establishing reasonable classifications of Customers for which rates differing from the rates stated herein may be adopted.

(b) Entitlement. Customers are not guaranteed a specific quantity or pressure of water or specific capacity in sewer facilities for any purpose whatever; in no instance shall the District be liable for failure or refusal to furnish water or any particular amount or pressure of water or to provide capacity in sewer facilities.

(c) Unauthorized and Extraordinary Waste. The water and sewer service rates established herein are applicable for ordinary Domestic Waste normally considered to have a biological oxygen demand (five day) and total suspended solids of 200 milligrams per liter. Customers discharging,

whether intentionally or unintentionally, non-Domestic Waste into the District's System will be assessed additional charges as established by District based on the volume and concentration of the proposed waste, as well as costs of remediation and/or repairs to the System occasioned as a consequence of such discharge.

(d) Plumbing Regulations. The following plumbing regulations are, pursuant to 30 Texas Administrative Code Chapter 290, applicable to all Customers of the District:

(i) No direct connection between the District's water System and a potential source of contamination shall be permitted; potential sources of contamination shall be isolated from the District's water System by an air gap or an appropriate backflow prevention device in accordance with the guidelines set forth in the American Water Works Association Manual of Cross Connection Control (Manual M-14) and/or as otherwise required by the District in its reasonable discretion;

(ii) No cross connection between the District's water System and any private water system shall be permitted, and any potential threat of cross connection shall be eliminated at the service connection by the installation of an air gap or reduced pressure-zone backflow prevention device;

(iii) No connection which allows water used for condensing, cooling or industrial processes, or water from any other system of nonpotable usage over which the District does not have sanitary control to be returned to the District's water System shall be permitted;

(iv) The use of pipes and pipe fittings that contain more than 0.25 percent lead, or solders and flux that contain more than 0.2 percent lead is prohibited for installation or repair of the District's water supply System and for installation or repair of any plumbing in any Residential or Commercial facility providing water for human consumption and connected to the District's water supply System. This requirement may be waived for lead joints that are necessary for repairs to cast iron pipe;

(v) No new or replacement plumbing fixture which is not in compliance with a State-approved plumbing code shall be permitted to be installed in any Residential or Commercial facility that is connected to the District's water supply System; and

(vi) Notwithstanding anything to the contrary contained herein, the District reserves the right to inspect each Customer's property at any time for possible cross connections and other plumbing practices in violation of this Order. The Customer shall, upon receipt of notice from the District, immediately correct any undesirable plumbing practice existing on his premises to prevent possible contamination of the District's water System. The existence of a serious threat to the integrity of the District's water System shall be considered sufficient grounds for immediate termination of water service. Water service will be restored only when the source of potential contamination no longer exists, or when sufficient additional safeguards have been taken to protect the District's water System from contamination, and a Customer Service Inspection Certification confirming the correction of a prohibited plumbing practice has been submitted to the District. The District shall not be required to follow the procedures set forth in Section 4.02 hereof when terminating water service to a Customer under this Section 3.07(d). However, the Customer shall be subject to the same charge for restoration of service terminated pursuant to this Section 3.07(d) as is set forth in Section 4.02 hereof.

(e) Backflow Prevention Requirements. The following backflow prevention requirements are applicable to all Customers of the District:

(i) Backflow prevention assemblies shall be installed, tested and maintained, at the Customer's expense, at any Customer Connection as required by 30 Texas Administrative Code Chapter 290, and pursuant to the guidelines set forth in the American Water Works Association Manual of Cross Connection Control (Manual M-14) and/or as otherwise required by the District in its reasonable discretion. The use of a backflow prevention device at the service connection shall be considered additional backflow protection and shall not negate the use of backflow prevention on the internal hazards of any Customer Connection as outlined and enforced by State-approved plumbing codes and/or the American Water Works Association Manual of Cross Connection Control (Manual M-14).

(ii) All backflow prevention assemblies installed at any Customer Connection shall be tested upon installation by a recognized backflow prevention assembly tester (as defined in 30 Texas Administrative Code Chapter 290) and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against a High Health Hazard must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

(iii) The District's Operator shall install and test any backflow prevention assembly required to be installed at any Customer Connection pursuant to this Order, and shall complete and retain in the District's files for record keeping purposes an original Backflow Prevention Assembly Test and Maintenance Report ("Test Report"), in substantially the form attached to this Order as Exhibit "C." The District shall charge the Customer for the District's cost of the installation of the backflow prevention assembly and the initial test thereof, and for each annual test performed on such assembly.

3.07. Garbage Collection. The District may contract with an independent contractor to provide for solid waste and trash collection within the District. If the Board of the District determines that it is in the best interest of the District to contract for solid waste and trash collection, the fee for such service, as established by contract, shall be included on the monthly water and sewer service bill. Failure to pay the solid waste and trash collection service on or before the due date indicated on the water and sewer service bill shall result in the assessment of a 10% penalty on the unpaid balance of the bill for solid waste and trash collection as well as termination of service under the provisions of Section 4 of this Order.

3.08. Regulatory Assessment. Pursuant to Section 5.35 Texas Water Code, as amended, and 30 T.A.C. 291.76, the District shall pay by January 31 of each year a regulatory assessment to the Texas Commission on Environmental Quality in the amount required by law based on the total charges for retail water and sewer service collected from its retail customers in the prior twelve months.

At the end of each calendar year, the Operator shall prepare a written statement indicating the (i) the total charges collected for retail water and sewer service for the year; and (ii) the regulatory assessment due and payable to the Texas Commission on Environmental Quality. The Operator shall deliver the written statement to the District's Bookkeeper for payment.

3.09. Policy for Issuing Credits on Water and Sewer Bills. From time to time, a Customer may have a water leak which goes undetected for a period of time resulting in an unusually high water bill. Each Residential Customer is allowed a one-time adjustment in his/her water bill if the unusually high water usage is the result of a problem on the Customer's side of the meter. In making the adjustment, the Operator will average the previous three month's bills and charge the customer according to this Rate Order. Any credit applied to a Customer's water bill shall be applied only to the charges assessed by the District.

3.10 Booster Pump Installation Requirement. For new construction started on or after the Effective Date, Booster Pumps shall be installed, tested, and certified to be operating within specifications, by the builder of a building, residence, or other establishment to the initial occupant or user thereof. According to the 2012 Uniform Plumbing Code, Section 608.1, a pump shall be installed where pressures are less than 15 pound-force per square inch ("psi"). The use of booster pumps shall be considered necessary to maintain the appropriate psi in the residences located in District.

Section 4. Delinquency in Payment; Penalty; Discontinuation and Termination of Service.

4.01. Penalty for Failure to Pay Bill Before Delinquency. A charge of fifteen percent (15%) of the amount of the Customer's bill shall be added to the Customer's bill when such Customer has failed to pay any bill before it becomes a Delinquent Bill. A returned check charge in the amount shown on the Rate Schedule attached hereto as Exhibit "A," shall be imposed for each returned check notice forwarded to a Customer as a result of a Customer's check being returned by a bank for any reason.

4.02. Termination of Service for Failure to Pay Bills When Due. The District shall have the right to terminate service and cut off the supply of water to a Customer and/or a Customer's access to the District's sanitary sewer System at any time after its bill becomes a Delinquent Bill. The Customer shall, by written notice mailed to the Customer's address as reflected in the records of the District, be notified of the delinquency and the date on which service shall be terminated if the account (including delinquent charges and penalty) is not paid in full, which date shall not be less than five (5) days from the date such notice is sent. Such notice shall state the place and time at which the account may be paid, that any errors in the bill may be corrected by contacting the billing company, whose telephone number shall also be given in such notice, and that the Customer has the right to appeal such termination to the Board of Directors of the District. The notice shall also be left by the District's Operator on the front door at the address to which the service in question was provided at least twenty-four (24) hours prior to the time at which service shall be terminated. The cost incurred by the District to mail notice of a Delinquent Bill and the District's cost to place notice of a Delinquent Bill on the customer's front door shall be added to the customer's Delinquent Bill. If the delinquent account (including any non-delinquent portion thereof), including penalty and all other charges then due and owing, has not been paid in full by the proposed termination date, service shall then be discontinued unless otherwise agreed by the Board of Directors of the District. The District shall impose a charge as shown on the Rate Schedule attached hereto as Exhibit "A," for disconnection and restoration of service discontinued pursuant to this section. Payment of the unpaid account, including penalty and all other charges then due and owing, plus any required deposit, shall be paid in cash, cashier's check or money order prior to restoration of water service where service has been terminated because of the Customer's failure to pay a bill before it became a Delinquent Bill.

4.03. Discontinuing Service Upon Request of a Customer. Whenever a Customer of the District requests that water and sewer service be temporarily discontinued, Customer shall notify the District's Operator at least two days prior to the time that such service discontinuation is desired. The District shall charge the Customer, as indicated on the Rate Schedule attached hereto as Exhibit "A," for restoring water service when such service is discontinued and restored at the request of the Customer and he/she is not delinquent in the payment of any bill at the time of either request.

Section 5. Damage to District Facilities.

5.01. Damage to Meters and Appurtenances. No person other than a duly authorized agent of the District shall open any meter box, repair, alter, adjust, remove, make connections or additions to or in any other way take any action which affects any meter, meter box, service line or other water and/or sewer System appurtenance. The District reserves the right to immediately and without notice remove the meter or disconnect water service to any Customer whose meter, meter box, service line or other System appurtenance has been tampered with or altered in any way, or who has reconnected service which was terminated by the District. The District shall assess repair costs to Customer plus a damage fee as shown on the Rate Schedule attached hereto as Exhibit "A." If the action taken results in water loss to the District, then Section 2.04(e), above, applies.

5.02. Right to Repair. In recognition of the District's obligation to protect and maintain the public health, the District reserves the right to repair damage to the District's System and appurtenances without prior notice, and to assess against Customer such costs, including attorneys' fees, and such penalties as are provided in this Order or otherwise provided by law or legally available to the District, in addition to those charges necessary to repair the portion of the System so damaged.

5.03. Obstructions. After a water meter has been set, the Customer shall at all times keep the area in, around and upon the meter and box and District easements and property under Customer's control free from rubbish or obstructions of any kind. Failure to keep the meter and box and District easements and property under Customer's control free from rubbish or obstructions may result in disconnection of water services and/or the assessment of charges necessary to remove said obstructions. Customers are prohibited from introducing material into the District's sanitary sewer System which would cause obstruction of said System. In the event that an inspection by the District's Engineer or District's Operator reveals damage to the sanitary sewer System resulting from a Customer's failure to prevent obstructions from entering said System, the District reserves the right to immediately and without notice remove the obstruction. Any District costs for removal of obstructions, including the cleaning of grease traps, plus a District administration fee, shall be assessed to Customer. The District's Operator shall have rights of ingress and egress to Customer's property in order to carry out the provisions of this Section.

5.04. Storm Sewer System. The use of the District's storm sewer System is limited solely to storm waters. No other liquids or solids, including but not limited to, grass or yard clippings, trash, construction materials, oils or grease, shall be introduced into the District's storm sewer System. It shall be a violation of this Order to introduce unauthorized material, whether liquid or solid, into the District's storm sewer System and the District reserves the right to assess such penalties as provided in this Order to any person, corporation, or other entity who makes such unauthorized use of the District's storm sewer System.

Section 6. Penalties for Violation; Attorneys Fees and Court Costs. Any person, corporation or other entity who:

- (1) violates any section of this Order; or
- (2) makes unauthorized use of District services or facilities; or
- (3) 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
- (4) uses or permits the use of any septic tank or holding tank within the District; or
- (5) violates the District's Rules and Regulations Governing Sewer Lines and Sewer Connections or any other rules or regulations of the District; or
- (6) violates the District's Order Adopting a Drought Contingency Plan; or
- (7) constructs facilities or buildings which are not included in the approved plans for development required in this Order;

shall be subject to a civil penalty of not less than \$200.00, and in no event to exceed \$5,000, for each breach of the foregoing provisions. Each day that a breach continues shall be considered a separate breach. The amount of any penalty levied by the District pursuant to this Section 6 shall be established by the District's Board of Directors after reasonable notice to the violator and a public hearing relative to such matter before the Board of Directors.

Penalties levied under this Section 6 shall be in addition to such other penalties as are provided in this Order, any other penalties provided under the laws of the State of Texas, and any other right of recovery that the District may have for damages or otherwise under applicable law. Notwithstanding the foregoing, in no event shall the District levy a penalty that is in excess of the jurisdictional limit of the justice court as provided by Section 27.031, Texas Government Code, as amended. In addition to the enforcement provisions set forth in this Order, the provisions of this Order, including any penalties levied hereunder, may be enforced by complaints filed in the appropriate court of jurisdiction in the County in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover reasonable fees for attorneys, expert witnesses and other costs incurred by the District before the court. The amount of attorney's fees shall be fixed by the court.

Section 7. Appeal. Any determination by District's Operator or District's Engineer or authorized agent of the District or any dispute regarding the terms and provisions of this Order may be appealed to the Board of Directors of the District which shall conduct a hearing on the matter. All appeals shall either be submitted by Customer in writing or presented by Customer in person to the Board of Directors of the District at its regular meeting. In order to maintain service during the pendency of any such appeal in connection with fees or charges assessed hereunder, Customer shall pay all amounts, including service charges, penalties and other charges, due and payable to the District. Any amounts which are paid by the Customer and subsequently determined by the Board of Directors not to have been due shall be refunded to the Customer or credited against future bills, at the discretion of the District. The District's Operator and/or attorney shall provide Customer with information regarding appeals and hearing procedures upon Customer's request.

Section 9. Non-waiver. The failure on the part of the District to enforce any section, clause, sentence, or provision of this Order shall not constitute a waiver of the right of the District later to enforce any section, clause, sentence, or provision of this Order.

Section 10. Amendments. The District's Board of Directors has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

Section 11. Adoption of Rules and Regulations Concerning Waterworks and Sanitary Sewer System. To preserve the sanitary condition of all water controlled by the District, to prevent waste or the unauthorized use of water controlled by the District, and to secure and maintain safe, sanitary and adequate plumbing installation, connections and appurtenances, the Board of the District hereby adopts the Amended and Restated Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections attached hereto as Appendix "A" and incorporated herein for all purposes.

Section 12. Drought Contingency Plan. The Board of the District hereby adopts the Drought Contingency Plan attached hereto as Appendix "B" and incorporated herein for all purposes.

Section 13. Miscellaneous.

11.01. Amendments. The Board of the District has and specifically reserves the right to change, alter or amend any rate or provision of this Order at any time.

11.02. Severability. The provisions of this Order are severable, and if any provision or part of this Order or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Order and application of such provision or part of this Order shall not be affected thereby.

11.03. Headings. The section and paragraph headings used herein are for reference only and are not to be construed as part of the text of the section or paragraph.

Section 12. Repeal of Previous Orders. All previous orders adopted by the Board of Directors pertaining to the subject matter hereof are each hereby repealed in their entirety as of the effective date hereof.

Section 13. Effective Date. This Order shall be effective as of May 15, 2024.

The President or Vice President is authorized to execute and the Secretary or any Assistant Secretary is authorized to attest this Order on behalf of the Board and to do all things necessary and proper to carry out the purpose and intent hereof.

PASSED, ADOPTED, ORDERED and APPROVED this 15th day of April, 2024.

/s/ Allen Watson
President, Board of Directors

ATTEST:

/s/ Anthony Sartori
Secretary, Board of Directors

RATE SCHEDULE

EXHIBIT A

SERVICE DESCRIPTION	CUSTOMER CHARGE	BILLING FREQUENCY	OPERATOR'S CHARGE	APPLICABLE RATE SECTION
Residential Tap 1"	\$1,500 (includes cost of all necessary inspections)	Start of Construction	\$557.50	§ 2.03
Nonstandard Residential Tap [greater than 1" tap]		Start of Construction	Per Quote	§ 2.03
Nontaxable Entity connection		Start of Construction	Per Quote	§ 2.03
Builder Security Deposit	\$1,000	As Necessary	Not Applicable	§ 2.04(e)
Temporary Water Service -- Deposit Installation of meter: 1" meter larger than 1" meter Temporary Water Service Rate: 0-1,000 gallons of metered water 1,001-2,000 gallons of metered water 2,001-3,000 gallons of metered water 3,001-4,000 gallons of metered water 4,001-5,000 gallons of metered water 5,001-6,000 gallons of metered water 6,001-12,000 gallons of metered water 12,001-20,000 gallons of metered water ▶ 20,001 gallons of metered water	\$500.00 deposit \$1,500.00 Per Quote \$13.14 \$14.83 \$16.53 \$43.33 \$51.30 \$59.27 \$59.27 + \$11.12/1,000 gallons \$125.99 + \$14.62/1,000 gallons \$242.95 + \$19.08/1,000 gallons	Time of Request Upon Service Upon Service Monthly	Not Applicable \$557.50 Per quote	§ 2.06 § 2.06 § 2.06
Non-refundable Application Fee	\$25.00	Time of Request	\$15.00	§ 3.01
Security Deposit – Residential Customer	\$100.00	Time of Request	Not Applicable	§ 3.01

SERVICE DESCRIPTION	CUSTOMER CHARGE	BILLING FREQUENCY	OPERATOR'S CHARGE	APPLICABLE RATE SECTION
Additional Security Deposit payable if service disconnected for nonpayment	Same as Initial Deposit	Prior to Restoration of Service	Not Applicable	§ 3.01
Residential Water Service: 0-1,000 gallons of metered water 1,001-2,000 gallons of metered water 2,001-3,000 gallons of metered water 3,001-4,000 gallons of metered water 4,001-5,000 gallons of metered water 5,001-6,000 gallons of metered water 6,001-12,000 gallons of metered water 12,001-20,000 gallons of metered water ▶ 20,001 gallons of metered water	\$13.14 \$14.83 \$16.53 \$43.33 \$51.30 \$59.27 \$59.27 + \$11.12/1,000 gallons \$125.99 + \$14.62/1,000 gallons \$242.95 + \$19.08/1,000 gallons	Monthly	Not Applicable	§ 3.02
Residential Sewer Service: 0-1,000 gallons of metered water 1,001-2,000 gallons of metered water 2,001-3,000 gallons of metered water 3,001-4,000 gallons of metered water 4,001-5,000 gallons of metered water 5,001-6,000 gallons of metered water ▶ 6,001 gallons of metered water	\$26.90 \$33.41 \$39.93 \$53.93 \$67.93 \$81.93 \$95.93 + \$14.00/1,000 gallons	Monthly	Not Applicable	§ 3.02
Nontaxable/Non-Profit Entity Irrigation Service	10% of the then Current Rate per 1,000 Gallons Paid by the District to the City of Houston for Treated Water	Monthly	Not Applicable	§ 3.03
Penalty for Failure to Pay Bill Before Delinquency	15% of Amount	Monthly	Not Applicable	§ 4.01
Returned Check Charge	\$30.00	As Necessary	\$15.00	§ 4.01

SERVICE DESCRIPTION	CUSTOMER CHARGE	BILLING FREQUENCY	OPERATOR'S CHARGE	APPLICABLE RATE SECTION
Disconnect and Reconnection Fee (Due to Non-Payment)	\$50.00	As Necessary	\$20.00	§ 4.02
Pulling Meter	\$75.00	As Necessary	\$45.00	§ 4.02
Reconnection of Water Service on Emergency Basis (After Hours and Holidays)	\$75.00	As Necessary	\$20.00	§ 4.02
Cost to Issue Delinquent Notices: <ul style="list-style-type: none"> • Door Tag Fee • Delinquent Letter Fee 	\$17.00 \$10.00	As Necessary	\$12.00 \$ 5.00	§ 4.02
Disconnect and Reconnection Fee (Customer's Request)	\$35.00	As Necessary	\$20.00	§ 4.03
Damage to Meters and Appurtenances	Costs of Repair Plus \$50.00 Damage Fee	As Necessary	Per Quote	§ 5.01
Curing Obstructions to District's System	Costs of Removal Plus Administration Fee of 50% of Costs	As Necessary	Per Quote	§ 5.03

APPENDIX A

RULES AND REGULATIONS
GOVERNING WATER AND SANITARY SEWER FACILITIES,
SERVICE LINES, AND CONNECTIONS

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

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ARTICLE I.
PURPOSE

The following Amended and Restated Rules and Regulations Governing Water and Sanitary Sewer Facilities, Service Lines, and Connections (the "Rules and Regulations") shall govern the design, installation and inspection of all connections and taps made to the District's water distribution system and sanitary sewer collection system, the limitations of the flow of waste into the sanitary sewer system, protection of all facilities which are part of the District's waterworks and sanitary sewer system, and the enforcement of these Rules and Regulations.

ARTICLE II.
GENERAL

Section 2.01. Definitions.

A. Customer is any person, partnership, corporation, non-profit corporation, trust or other legal entity served by the District with water and/or sewer services to a residence or business establishment.

B. District is Harris County Municipal Utility District No. 537, a political subdivision of the State of Texas.

C. Engineer is the person, company or corporation which is under contract with the District to design the District's Water Supply System and Sanitary Sewer Collection System and performs any additional services as set forth in the contract with the District.

D. High Health Hazard is a cross-connection, potential cross-connection, or any other situation involving any substance that can cause death, illness, spread of disease, or that has a high possibility of causing such effects if introduced into the District's Water Supply System.

E. Operator is the person, company or corporation which is under contract with the District to operate the District's Water Supply System and Sanitary Sewer Collection System, collect amounts owed to the District for such services, report monthly to the District on the operations of the District's Water Supply System and Sanitary Sewer Collection System and perform any additional services as set forth in the contract with the District.

F. Rate Order shall mean the District's Order Adopting Consolidated Rate Order and Rules and Regulations; Establishing a Drought Contingency Plan; Establishing Certain Other Policies; and Providing Penalties for Violation Thereof which may be amended from time to time.

G. Sanitary Sewer Collection System constitutes the underground sanitary sewer lines owned or leased and operated by the District. This system is composed of all interconnecting laterals, mains, and trunk lines with manholes, clean-outs, stacks, tees, and wyes located within the publicly dedicated utility easements owned or leased and operated by the District. This system is maintained by the District.

H. Sanitary Sewer Service Line is any line from a residential dwelling or commercial building which connects with the District's Sanitary Sewer Collection System, including any grease traps or other facilities constructed to prevent non-domestic waste from being introduced into the District's Sanitary Sewer Collection System. This service line is owned and maintained by the property owner of the residential dwelling or commercial building.

I. Sewer Tap is the physical connection between the Sanitary Sewer Service Line and the District's Sanitary Sewer Collection System.

J. Sewer Tap Inspection is the inspection performed by the District's Operator to assure that the proper materials and connections to the Sanitary Sewer Collection System have been accomplished in accordance with these Rules and Regulations.

K. State Approved Plumbing Code is a set of rules governing plumbing practices which are at least as stringent and comprehensive as one of the following nationally recognized codes:

1. Southern Standard Plumbing Code.
2. Uniform Plumbing Code.
3. National Standard Plumbing Code.

L. Tap Fee is the fee paid to the District to obtain a water meter and sewer inspection for any dwelling. The amount of the Tap Fee shall be established in the Rate Order and may be modified or changed at any time.

M. Utility Easement is an interest in land, granted by dedication, to public utility entities, including the District, to install and maintain utilities across, over, or under private land together with the right to enter thereon with machinery, other vehicles and personnel necessary for the maintenance, repair or construction of said utilities.

N. Water Supply System is composed of all water lines, valves, valve boxes, flushing valves, blowoff valves, water meters, water meter service lines, and meter boxes located within public rights-of-way or easements owned or leased and operated by the District. This system is maintained by the District.

O. Water Meter is the recording device that registers the amounts of water consumed by each Customer of the District. This meter is owned and maintained by the District.

P. Water Service Line is any line from a residential dwelling or commercial building, which connects to the District's Water Supply System. This service line is owned and maintained by the property owner of the residential dwelling or commercial structure.

Q. Water Tap is the physical connection of any Water Service Line to the District's Water Supply System. Such connection will be made only by the District's Operator.

Section 2.02. Platting Requirement. No connection shall be made to the District's Water Supply System or Sanitary Sewer Collection System unless the tract, parcel, or lot of land to be served by such connection:

A. was first connected to the District's Water Supply System or Sanitary Sewer Collection System prior to September 1, 1987, or

B. is part of an area covered by a development plat duly approved and recorded pursuant to Sections 212.0115 and 212.012 of the Local Government Code, as amended, or

C. is not required to be platted and written certification to that effect, in accordance with Section 212.0115(e), has been presented to the District's Operator.

Section 2.03. Approval of Plans and Specifications.

Prior to any non-residential connection to the District's Water Supply System or the Sanitary Sewer Collection System, the plans and specifications for the Sanitary Sewer Service Line and the Water Service Line must be submitted the District's Engineer for review and approval. Upon the Engineer's review and approval, the plans and specifications shall then be submitted to the District's Operator for review and approval. The cost of the review and approval of the plans and specification by the District's Engineer and Operator shall be paid by the Customer.

ARTICLE III.
WATER CONNECTIONS

Section 3.01. Water Tap Materials. Only the following types of pipe and fitting materials shall be approved for the installation of Water Taps, including residential Water Taps and commercial Water Taps:

- A. Any meter approved by the City of Houston;
- B. Brass curb stops, corp stops, and related fittings manufactured by Ford, Hays or Muller;
- C. Polyethylene water service pipe, 3/4" to 2";
- D. Cast iron or vinyl iron (C-900) water service pipe, larger than 2";
- E. Water main pipe of the type originally installed;
- F. Plastic meter box up to 2" meter;
- G. Concrete meter box, where traffic use is specified; and
- H. Concrete meter vault per City of Houston specifications for 3" and larger meter.

Section 3.02. Plumbing Material Prohibitions.

A. Prohibited Materials.

The use of the following materials are prohibited for the installation and repair of the District's Water Supply System and for the installation and repair of any private plumbing facilities:

- 1. any pipe or pipe fitting which contains more than 0.25% lead; and
- 2. any solder or flux which contains more than 0.2% lead.

This prohibition may be waived for lead joints that are necessary for repairs to cast iron pipe.

B. Certificate of Compliance.

No new connections to the District's Water Supply System shall be made unless a state licensed plumber first submits in writing to the District a Certificate of Compliance, as set forth in Exhibit "1" attached hereto, specifying that the new connection complies with the plumbing material prohibition contained in Section 3.02(A) hereof. The Certificate of Compliance shall be signed by the licensed plumber and must be submitted to the District's Operator prior to continuous service being supplied. The District shall not accept any Tap Fee that is not accompanied by a Certificate of Compliance.

Section 3.03. Installation.

A. An Application for Service, a copy of which is attached hereto as Exhibit "5," must be filed with the District's Operator. The Customer must pay to the District's Operator all Drop and Non Drop Fees, inspection fees and deposits, as described in the District's Rate Order.

B. All Water Taps to the District's Water Supply System shall be installed only by the District's Operator.

C. The District's Operator shall install Water Taps and set meters at a location on adjoining property lines, whenever possible, with the meter box being located in the easement adjacent to the property line and with two (2) meters per box, where appropriate.

D. The District's Operator shall be responsible for all repairs to the Water Taps.

E. After installation of the Water Tap, connection of the Water Service Line shall be made at the expense of the Customer. (Note: This line shall be tested for leaks since all water recorded through the meter will be charged to the Customer).

F. After connection to the District's Water Supply System, the Water Service Line should be thoroughly flushed as to prevent foreign matter from entering the household system.

Section 3.04. Customer Service Inspection Certifications.

A. A Customer Service Inspection Certification, as described in Exhibit "2" attached hereto, shall be completed prior to providing continuous water service to any new construction, on any existing service where the District has reason to believe that cross-connections or other unacceptable plumbing practices exist, and after any material improvement, correction, or addition to private plumbing facilities. Prior to the District initiating continuous service, a Customer shall provide a Customer Service Inspection Certification to the District. The Customer Service Inspection Certification may only be performed by those individuals described in Subsection B of this Section 3.04. For Customer Service Inspection Certifications performed by the District's Operator, the Customer must pay the District the Customer Service Inspection Fee prior to the Operator performing the inspection and certification. Copies of properly completed Customer Service Inspection Certifications shall be kept on file by the District's Operator and made available, upon request, for Texas Commission on Environmental Quality ("TCEQ") review. Inspection certifications shall be retained for a minimum of ten (10) years. Failure to provide a Customer Service Inspection Certification in accordance with this Section 3.04 shall constitute a violation of these Rules and Regulations and such violation shall be subject to the enforcement provisions set forth in Article X hereof.

B. Individuals with the following credentials shall be recognized as capable of conducting a Customer Service Inspection Certification:

1. Plumbing Inspectors and Water Supply Protection Specialists licensed by the Texas State Board of Plumbing Examiners; and
2. Certified Waterworks Operators and members of other water related professional groups who have completed a training course, passed an examination administered by the TCEQ or its designated agent, and hold an endorsement granted by the TCEQ or its designated agent.

C. Private plumbing facilities in violation of Article III hereof shall constitute an unacceptable plumbing practice and violation of these Rules and Regulations. If an unacceptable plumbing practice is discovered, the Customer shall eliminate the unacceptable plumbing practice within thirty (30) days from the date of discovery to prevent possible contamination of the District's Water Supply System. The existence of a serious threat to the integrity of the District's Water Supply System shall be considered sufficient grounds for immediate termination of water service. Service can be restored only when the source of potential contamination no longer exists, or when sufficient additional safeguards have been taken, and a Customer Service Inspection Certification confirming correction of unacceptable plumbing practices has been submitted to the District.

D. The Customer Service Inspection Certification shall certify that:

1. No direct connection between the District's Water Supply System and a potential source of contamination exists. Potential sources of contamination are isolated from the District's Water Supply System by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing regulations.

2. No cross-connection between the District's Water Supply System and a private water source exists. Where an actual air gap is not maintained between the District's Water Supply System and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a recognized backflow prevention assembly tester.

3. No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the District's Water Supply System.

4. No pipe or pipe fitting which contains more than 0.25% lead exists in private plumbing facilities.

5. No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.

6. No new or replacement plumbing fixture is installed which is not in compliance with a State Approved Plumbing Code.

Section 3.05. Prohibited Connections.

A. No water connection from the District's Water Supply System shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. Where a containment air gap is impractical, individual "internal" air gaps or mechanical backflow prevention devices shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511 and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health.

B. No water connection from the District's Water Supply System shall be made to any condensing, cooling, or industrial process or any other system of nonpotable usage over which the District does not have sanitary control, unless the said connection is made in accordance with the requirements of paragraph (A) of this section. Water from such systems cannot be returned to the District's Water Supply System.

C. Overhead bulk water dispensing stations must be provided with an air gap between the filling outlet hose and the receiving tank to protect against back siphonage and cross-contamination.

Section 3.06. Backflow Prevention Assemblies.

A. Backflow prevention assemblies shall be installed on any connection which poses a High Health Hazard and any other connection which the District or the District's Operator reasonably believes poses a threat to the District's Water Supply System. Water service provided for lawn sprinklers, swimming pool supply, reflection pool supply or other such applications must incorporate a back flow prevention assembly in accordance with a State Approved Plumbing Code for the particular designated use. No permanent water service will be provided or continued to any new connection in the District which requires a backflow prevention assembly, unless the Customer provides the District with a Backflow Prevention Assembly Test and Maintenance Report (the "Test Report"), as described in Exhibit "3" attached hereto. At the request of the customer, the District's Operator may, on behalf of the District, install the backflow prevention assembly and complete the Test Report at the Customer's cost.

B. Effective January 1, 1996, all backflow prevention assemblies shall be tested upon installation by a Recognized Backflow Prevention Assembly Tester and certified to be operating within specifications. The Test Report, as described in Exhibit "3" attached hereto, shall be retained for a minimum of three (3) years. The District shall provide these records to the TCEQ for inspection upon request. Backflow prevention assemblies which are installed to provide protection against High Health Hazards must also be tested and certified to be operating within specifications at least annually by a Recognized Backflow Prevention Device Tester.

C. Recognized Backflow Prevention Device Testers shall have completed a TCEQ approved course on cross-connection control and backflow prevention and passed an examination administered by the TCEQ or its designated agent. The accredited tester classification shall be broken down into two categories:

1. The "General Tester" is qualified to test and repair backflow prevention assemblies on any domestic, commercial, industrial or irrigation service.

2. The "Fireline Tester" is qualified to test and repair backflow prevention assemblies on firelines only. The State Fire Marshall's office requires that a person performing maintenance on firelines must be employed by an Approved Fireline Contractor.

D. Individuals who can show proof of completion of a course and passage of an exam based on the ABPA or ASSE National Exam, prior to the effective date of these regulations, may be recognized as accredited for the term of their current certification (not to exceed three (3) years).

E. Gauges used in the testing of backflow prevention assemblies shall be tested for accuracy annually in accordance with the University of Southern California's Foundation of Cross- Connection Control and Hydraulic Research and/or the American Water Works Association Manual of Cross Connection Control (Manual M-14). Test gauge serial numbers must be included on the Test Report and Recognized Backflow Prevention Device Testers shall have gauges tested for accuracy.

F. A Test Report must be completed by the Recognized Backflow Prevention Assembly Tester for each assembly tested. The signed and dated original must be submitted to the District's Operator for record keeping purposes.

G. Repairs to backflow prevention assemblies shall be performed by authorized individuals as recognized by the Texas State Board of Plumbing Examiners, the TCEQ, Texas Irrigators Advisory Council, or the Texas Commission on Fire Protection-State Fire Marshall's Office, depending upon application and use.

H. The use of a backflow prevention device at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by a State Approved Plumbing Code.

Section 3.07. Customer Service Agreements.

A. The District is responsible for protecting its Water Supply System from contamination or pollution which can result from unacceptable plumbing practices. To this end, the District has adopted plumbing restrictions to provide protection to the District's Water Supply System. To notify Customers of the plumbing restrictions which are in place, each Customer shall be required to sign a Customer Service Agreement, as described in Exhibit "4" attached hereto, before the District will begin service.

The District will maintain a copy of the Customer Service Agreement as long as the Customer and/or the premises is connected to the District.

B. The Customer shall allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. Inspections shall be conducted during the District's normal business hours.

C. The District shall notify the Customer in writing of any cross-connection or other unacceptable plumbing practices which have been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately correct any undesirable plumbing practice on his/her premises.

E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.

F. If a Customer fails to comply with the terms of the Customer Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of the Customer Service Agreement shall be billed to the Customer.

ARTICLE IV.
SANITARY SEWER CONNECTIONS

Section 4.01. Sanitary Sewer Service Line Installation.

A. Only one Sanitary Sewer Service Line connection to the District's Sanitary Sewer Collection System is permitted for each residence or commercial building. The Sanitary Sewer Service Line shall remain fully within the boundaries of the lot until the line reaches a utility easement or street right-of-way.

B. No opening in the District's Sanitary Sewer Collection System will be allowed to remain overnight or during rain.

C. All Sanitary Sewer Service Lines must be constructed to true alignment and grade. Warped and/or sagging lines will not be permitted. Sanitary Sewer Service Lines must have continuous contact with firm trench bottom throughout their entire run. Lines placed in such manner as to increase the likelihood of being displaced during backfill will be rejected.

D. All Sanitary Sewer Service Lines should be run from wyes or stacks directly to the houses without meanders or bends.

Section 4.02. Sanitary Sewer Service Line Materials. Only the following types of pipe and fitting materials are approved for constructing Sanitary Sewer Service Lines. Pipe and fittings in each Sanitary Sewer Service Line must consist of the following material or other material approved by the District's Engineer:

A. Vitrified clay pipe conforming to ASTM Specification C700 with joint coupling conforming to ASTM Specifications C425 or C594 and installed according to ASTM C12.

B. Cast iron soil pipe, standard weight, conforming to ASTM Specification A74 with rubber gasket joint coupling conforming to ASTM Specification C564.

C. Poly-vinyl-chloride PSM (PVC) pipe conforming to ASTM Specification D3034 or ASTM specification F789 (with UL listing) and installed according to ASTM D2321.

D. Ductile Iron Pipe conforming to ANSI A21.51 with rubber gasket joints ANSI A21.11 and installed according to manufacturer's recommendations.

E. Acrylonitrile-butadiene-styrene (ABS) pipe material conforming to ASTM Specification D2751.

Section 4.03. Size and Grade of Sanitary Sewer Service Lines.

A. Minimum Sizes for Sanitary Sewer Service Lines shall be as follows:

1. Residential- - - 4 inches in diameter; and
2. Commercial - - - 6 inches in diameter.

B. The minimum grades for Sanitary Sewer Service Lines shall be as follows:

1. 4 inch pipe - - - 14 inch drop per hundred feet (1.2%);
2. 6 inch pipe - - - 8 inch drop per hundred feet (0.7%); and
3. 8 inch pipe - - - 5 inch drop per hundred feet (0.4%).

C. The maximum grades for Sewer Service Lines shall be as follows:

1. 4 inch pipe - - - two and one-half feet drop per hundred feet (2.5%);
2. 6 inch pipe - - - one and one-half feet drop per hundred feet (1.5%); and
3. 8 inch pipe - - - one foot drop per hundred feet (1%).

Section 4.04. Connection of Building Sewer Outlet.

A. On all building waste outlets, the building tie-on connections shall be made directly to the stub-out from the building plumbing at the foundation.

B. Water-tight adapters of a type compatible with the materials being joined shall be used at the point of connection of a Sanitary Sewer Service Line to the building plumbing. No cement grout materials shall be permitted.

C. Unless an exception is permitted by the District's Operator, existing wye and stack connections must be utilized for connection of a Sanitary Sewer Service Line to the District's Sanitary Sewer Collection System.

D. Commercial users shall install a sampling well constructed to City of Houston standards and a grease trap with sampling port constructed to City of Houston standards when required by the District's Engineer and Operator.

Section 4.05. Fittings and Cleanouts.

A. No bends or turns at any point will be greater than forty-five degrees (45).

B. Each horizontal Sanitary Sewer Service Line will be provided with a cleanout at its upper terminal; and each such run of piping which is more than ninety (90) feet in length will be provided with a cleanout for each ninety (90) feet or fraction thereof in the length of such piping.

C. Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of wye branch and end-of-the-line cleanouts, cleanouts will be installed vertically above the flow line of the pipe.

D. Cleanouts will be made with air-tight mechanical plug.

Section 4.06. Installation of Sewer Taps and Issuance of Permits.

A. Sanitary Sewer Service Lines must be at least 24 inches below (vertically) and at least 9 feet from (horizontally) any Water Service Line (far side or near side connection). If this is not possible, a cast iron casing over the Water Service Line must be installed by the Customer, which casing will be inspected by the Operator.

B. Excavation for Sewer Taps shall be water tamped in all areas within 5 feet (vertically or horizontally) of any existing sewer lines, sidewalks or driveways. Soil not suitable for water tamping (clay modules, organic material or silty soils) shall be removed and replaced with suitable backfill materials.

C. All stacks shall be installed in locations shown on the plans. Stacks shall be capped and the cap lightly cemented in place. Wyes will not be installed by the line contractor. Wye saddles will be paid for in the line contract, but will be delivered to the District's Operator. The District's Operator will furnish the Customer a saddle at the time of inspection.

D. An Application for Service (a copy of which is attached as Exhibit "5") must be filed with the District's Operator prior to construction of any Sanitary Sewer Service Line, and the Tap Fee and/or Sewer Tap Inspection fee as established in the District's most current Rate Order should accompany the application. (Application forms are available from the District's Operator.) Construction of any Sanitary Sewer Service Line must not begin until the design of the Sanitary Sewer Service Line is approved by the District's Engineer and construction is authorized by the District's Operator.

E. When the Sanitary Sewer Service Line is complete, and prior to backfilling the pipe trench, the Customer shall request an inspection of the Sanitary Sewer Service Line. Requests for inspections (or reinspections) shall be made to the District's Operator at least twenty-four (24) hours in advance of the inspection.

F. The Sewer Tap shall be made only under the supervision of the District's Operator by use of an adapter of a type compatible with materials being joined. The Sewer Tap shall be watertight. No cement grout materials are permitted.

G. Any damage to the District's facility shall be repaired promptly by the Customer under the direction of the District's Operator. Major damage will be repaired by the District's Operator at the Customer's expense.

H. Backfilling of a Sanitary Sewer Service Line trench must be accomplished within twenty-four (24) hours of inspection and approval. Backfill material shall be sand or loam free of large lumps or clods. No debris will be permitted in the trench or backfill.

I. During inspection of the Sanitary Sewer Service Line, the District's Operator will examine all District facilities, such as manholes, valves, flush valves, and inlets on and adjacent to the lot. The connection permit will not be granted until any damage to these facilities has been repaired.

J. The District's Operator will complete the Inspection Form (a copy of which is attached as Exhibit "6") and file it for record with the Application.

K. A connection permit will be issued after the Sewer Tap Inspection is performed and the District's Operator confirms that all requirements of these Rules and Regulations have been met.

L. Connection permits which are rejected for any deficiency shall be promptly corrected and a reinspection requested. A reinspection fee as set forth in the District's Rate Order shall be paid at the time the reinspection is requested.

ARTICLE V. FEES AND CHARGES

The District's fees and charges shall be as established by the Rate Order.

ARTICLE VI. EXCLUDED FLOW AND WASTE

A. No waste material which is not biologically degradable will be permitted to discharge into the District's Sanitary Sewer Collection System, including mud and debris accumulated during service line installation. The Customer should refer to the District's Rate Order and Wastewater Control Order for specific information concerning acceptable discharges into the District's Sanitary Sewer Collection System. The Customer is to be fully responsible for cleaning and jetting lines of any dirt or debris permitted to enter during service construction.

B. No surface runoff water will be permitted to be discharged into the District's Sanitary Sewer Collection System, including but not limited to, downspouts and yard or area drains.

C. Swimming pool and/or spa connections will not be made to the District's Sanitary Sewer Collection System unless specifically approved by the District in writing.

ARTICLE VII. PRIVATE WELLS/TANKS

The construction of water wells and/or the installation of septic tanks is prohibited without prior written approval by the Board of Directors. Said approval, if granted by the Board of Directors, will state the purpose for the construction of a water well and the intended use of the water.

ARTICLE VIII.
AVAILABILITY OF ACCESS/OBSTRUCTIONS

By application for connection to the District's Sanitary Sewer Collection System and/or Water Supply System, the Customer shall be deemed to be granting to the District and its representatives a right of ingress and egress to and from the meter or point of service for such installation, maintenance and repair as the District, in its judgment, may deem reasonably necessary. The Customer shall also be deemed to be granting to the District and its representatives a right of ingress and egress to the Customer's property, including the interior and exterior of the Customer's premises, for the purpose of performing the inspections and completing the Customer Service Inspection Certifications required by these Rules and Regulations. Taps and connections will not be made when, in the opinion of the District's Engineer or Operator, the work area is obstructed by building materials or other debris or the work area is not completed or finished to grade. When sidewalks, driveways or other improvements have been constructed prior to application for service, such application shall be construed and accepted as the Customer's waiver of a claim for any damages to such improvements resulting from the reasonable actions of the District's Operator in installation of the connection.

ARTICLE IX.
PROTECTION OF DISTRICT'S WATER SUPPLY SYSTEM AND
SANITARY SEWER COLLECTION SYSTEM

A. Damage to the District's Water Supply System or the Sanitary Sewer Collection System by the District's Customers, including developers and builders' plumbers, will be repaired by the District at the Customer's expense.

B. After a water meter has been set or a fire hydrant installed, the Customer shall at all times keep the area in, around and upon such facilities and District easements and property under Customer's control free from rubbish or obstructions of any kind, including shrubbery. Failure to keep such facilities and District easements and property under Customer's control free from rubbish or obstructions of other kind, including shrubbery, shall result in disconnection of water service and/or the assessment of charges necessary to remove said obstructions. Customers are prohibited from introducing material into the District's Sanitary Sewer Collection System which could cause obstruction of said system. In the event that an inspection by the District's Engineer or Operator reveals foreseeable damage to the District's Sanitary Sewer Collection System resulting from a Customer's failure to prevent obstructions from entering said system, the District reserves the right to remove the obstruction immediately and without notice. Any costs incurred by the District for removal of an obstruction to the District's system, plus a District administration fee of 20% of said costs, shall be assessed to the Customer.

C. It shall be unlawful for any person, unless authorized in writing by the District's Operator, to tamper or interfere with, obstruct access to, or as a result of willful action injure, deface, or destroy any facilities that are a part of the District's Water Supply System or Sanitary Sewer Collection System, including, with respect to the waterworks system, water plants, flushing valves, valve boxes, and water lines up to the meter box and including meters; provided, however, that duly authorized members of the local fire department shall have the right to use such flushing valves for fire protection purposes.

D. It shall be unlawful for any person to connect any building to the District's Water Supply System without a meter or to have a straight line connection to a building without being metered. It shall also be unlawful for any person, other than the District's Operator or Engineer, to draw water from the District's Water Supply System (except for the use of water for firefighting purposes) without being metered, including the unauthorized use of a flushing valve or unmetered water taps.

E. It shall be unlawful for any person to deposit, throw, drain, discharge, or otherwise cause to be injected into any sewer, manhole, catch basin, flush tank, or other facility that is a part of the District's Water Supply System or Sanitary Sewer Collection System any debris or foreign substance that would interfere with the proper and routine functioning thereof.

ARTICLE X.
ENFORCEMENT OF RULES AND REGULATIONS

Any and all of the following remedies may be employed by the District to abate and prevent any violation of the provisions of these Rules and Regulations:

A. Discontinuance of water service.

B. Disconnection and sealing of sanitary sewer connection.

C. The Board hereby imposes the following civil penalties for breach of any rule or regulation of the District: The violator shall pay the District twice the costs the District has sustained due to the violation up to \$5,000. A penalty under this Section is in addition to any other penalty provided by the laws of this State and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located. If the District prevails in any suit to enforce its rules, it may, in the same action, recover any reasonable fees for attorneys, expert witnesses, and other costs incurred by the District before the court. The amount of the attorneys' fees shall be fixed by the court.

D. A Customer found in violation of these Rules and Regulations shall be liable to the District for all expenses borne by the District including laboratory fees, legal fees, engineering fees and other costs incurred by the District in establishing the violation and resolving the cause of the violation.

E. A Customer found in violation of these Rules and Regulations who causes or contributes to a violation by the District's Sanitary Sewer Collection System of effluent parameters shall be liable to the District for all expenses borne by the District, including legal and engineering fees related to any lawsuit filed by federal, state, or local authorities regarding violations by the District of effluent parameters applicable to the District's Sanitary Sewer Collection System.

ARTICLE XI.
EFFECTIVE DATE

These Rules and Regulations shall become effective immediately.

EXHIBIT "1"
TO APPENDIX A

CERTIFICATE OF COMPLIANCE
WITH
PROHIBITION ON USE OF SPECIFIED MATERIALS IN CONNECTIONS TO
MUNICIPAL UTILITY DISTRICT WATER SYSTEM

I, _____, a duly licensed plumber in the State of Texas, hereby certify that the connection at _____ (the "Connection") complies in full with the "Prohibition of Use of Specified Materials" provision contained in the Amended and Restated Rules and Regulations for _____. I further certify that:

- (a) No direct connection between the District's Water Supply System and a potential source of contamination exists. Potential sources of contamination are isolated from the District Water Supply System by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.
- (a) No cross connection between the District's Water Supply System and a private water system exists. Where an actual air gap is not maintained between the District's Water Supply System and a private water supply system, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.
- (b) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the District's Water Supply System.
- (c) No pipe or pipe fitting which contains more than 0.25% lead exists in private plumbing facilities.
- (d) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.
- (e) No plumbing fixture is installed which is not in compliance with a State Approved Plumbing Code.

These determinations have been made under my direction and supervision. I am aware that there are significant penalties for false certification, including the possibility of fine.

Signature

Printed Name

Company Name

Texas License No.: _____

Date

EXHIBIT "2"
TO APPENDIX A

Service Inspection Certification

Name of District: _____
 District I.D. #: _____
 Location of Service: _____

I, _____ (*name of Inspector*), upon inspection of the private plumbing facilities connected to the Water Supply System of Harris County Municipal Utility District No. 537, do hereby certify that, to the best of my knowledge:

Certificate of
 Non-Compliance on
 Compliance Compliance File

		<u>FOR DISTRICT USE ONLY</u>
(1)	No direct connection between the District's Water Supply System and a potential source of contamination exists. Potential sources of contamination are isolated from the District Water Supply System by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(2)	No cross connection between the District's Water Supply System and a private water system exists. Where an actual air gap is not maintained between the District's Water Supply System and a private water supply system, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(3)	No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the District's Water Supply System.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(4)	No pipe or pipe fitting which contains more than 0.25% lead exists in private plumbing facilities.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(5)	No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
(6)	No plumbing fixture is installed which is not in compliance with a State Approved Plumbing Code.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Water service shall not be provided or restored to the private plumbing facilities until the above conditions are determined to be in compliance.

I further certify that the following materials were used in the installation of the plumbing facilities:

Service Lines Lead Copper PVC Other
 Solder Lead Lead Free Solvent Weld Other

I recognize that this document shall become a permanent record of the Water Supply System of Harris County Municipal Utility District No. 537 and that I am legally responsible for the validity of the information I have provided.

NOTE: THIS SERVICE INSPECTION CERTIFICATION IS FURNISHED FOR THE SOLE PURPOSE OF INSPECTING THE PLUMBING FACILITIES AT THE AFORESAID LOCATION OF SERVICE FOR UNACCEPTABLE PLUMBING PRACTICES IN ACCORDANCE WITH SAID DISTRICT'S RULES AND REGULATIONS GOVERNING WATER AND SANITARY SEWER FACILITIES, SERVICE LINES, AND CONNECTIONS. NO REPRESENTATION OR WARRANTY IS INTENDED OR MADE AS TO THE ADEQUACY, QUALITY OR FITNESS OF THE PRIVATE PLUMBING FACILITIES.

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

EXHIBIT "3"
TO APPENDIX A

Backflow Prevention Assembly Test and Maintenance Report

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the District for record keeping purposes:

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

Name of District: _____
PWS I.D. #: _____
Location of Service: _____

The backflow prevention assembly detailed below has been tested and maintained as required by TCEQ regulations and is certified to be operating within acceptable parameters.

TYPE OF ASSEMBLY

- | | |
|---|--|
| <input type="checkbox"/> Reduced Pressure Principle | <input type="checkbox"/> Pressure Vacuum Breaker |
| <input type="checkbox"/> Double Check Valve | <input type="checkbox"/> Atmosphere Vacuum Breaker |
| <input type="checkbox"/> Not Needed at this Address | |

Manufacturer _____
Model Number _____
Serial Number _____

Size _____
Located at _____

	Reduced Pressure Principle Assembly			Pressure Vacuum Breaker	
	Double Check Valve Assembly		Relief Valve	Air Inlet	Check Valve
	1st Check	2nd Check		Opened at _____ psid	
Initial Test	DC-Closed Tight <input type="checkbox"/> RP- _____ psid Leaked <input type="checkbox"/>	Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Opened at _____ psid	Did not Open <input type="checkbox"/>	Leaked <input type="checkbox"/>
Repairs and Materials Used					
Test After Repair	DC-Closed Tight <input type="checkbox"/> RP _____ psid	Closed Tight <input type="checkbox"/>	Opened at _____ psid	Opened at _____ psid	_____ psid

The above is certified to be true.

Firm Name: _____
Firm Address: _____

Certified Tester: _____
Cert. Tester No. : _____
Date: _____

EXHIBIT "4"
TO APPENDIX A

CUSTOMER SERVICE AGREEMENT

SECTION I. PURPOSE. Harris County Municipal Utility District No. 537 (the "District") is responsible for protecting its Water Supply System from contamination or pollution which could result from unacceptable plumbing practices. The purpose of this Service Agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must sign this Customer Service Agreement before the District will begin service.

SECTION II. PLUMBING RESTRICTIONS. The following unacceptable plumbing practices are prohibited by State regulations:

- A. No direct connection between the District's Water Supply System and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention device.
- B. No cross-connection between the District's Water Supply System and a private water system is permitted. These potential threats to the District's Water Supply System shall be eliminated at the service connection by the installation of an air gap or a reduced pressure-zone backflow prevention device.
- C. No connection which allows water to be returned to the District's Water Supply System is permitted.
- D. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

SECTION III. SERVICE AGREEMENT. The following are the terms of this Customer Service Agreement between the District and _____ (the "Customer"):

- A. The District will maintain a copy of this Customer Service Agreement as long as the Customer and/or the premises is connected to the District.
- B. The Customer shall allow his/her property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. Inspections shall be conducted during the District's normal business hours.
- C. The District shall notify the Customer in writing of any cross-connection or other unacceptable plumbing practices which have been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately correct any unacceptable plumbing practice on his/her premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.

SECTION IV. ENFORCEMENT. If the Customer fails to comply with the terms of this Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this Service Agreement shall be billed to the Customer.

NOTE: THE PURPOSE OF THE CUSTOMER SERVICE AGREEMENT IS TO NOTIFY CUSTOMERS OF THE PLUMBING RESTRICTIONS OF THE DISTRICT ADOPTED TO PROTECT THE DISTRICT'S WATER SUPPLY SYSTEM. INSPECTIONS CONDUCTED BY THE DISTRICT'S OPERATOR IN ACCORDANCE WITH THIS SERVICE AGREEMENT ARE FOR THE SOLE PURPOSE OF DISCOVERING AND ELIMINATING UNACCEPTABLE PLUMBING PRACTICES. THE DISTRICT OR THE DISTRICT'S OPERATOR MAKES NO REPRESENTATION AS TO THE ADEQUACY, QUALITY, OR FITNESS OF THE CUSTOMER'S PRIVATE PLUMBING FACILITIES.

Customer's
Signature: _____

Date: _____

Address: _____

EXHIBIT "5"
TO APPENDIX A

APPLICATION FOR SERVICE
(Please print or type)

Duplicate to
(address)

(Subdivision and Section)

(Name of Applicant)

(Lot) (Block)

(Street Address)

(Street Address)

(Phone)

(City) (State) (Zip)

Installation to be performed by: _____
(Plumber or Sub-contractor) (Phone)

Type of pipe material to be used: PVC_____, ABS_____, VC_____, CI

Date: _____ Requested by: _____
(Signature)

Applicant to draw sketch of house layout and proposed location of water and sewer service line:

For District Use Only

Date Application Received: _____

Date Construction Authorized: _____

Connection Information: _____

WYE Location _____

Stack Location _____

Manhole Location _____

Date of Inspection 1st _____ 2nd _____ 3rd _____

Date Permit Granted _____

Approved by _____ District Representative

EXHIBIT "6"
TO APPENDIX A

INSPECTION FORM
SANITARY SEWER SERVICE

Lot _____ Block _____ Section _____

Street Address _____

Inspection Requested By: _____ Date _____

Date Tap to Be Made _____

Results of Inspection Made on _____ at _____ AM/PM

Pipe Material: Size _____ PVC (D3034) _____ ABS(D2751) _____

Tap to: Wye _____ Stack _____

Cleanout: House _____ and _____

INSTALLATION

Satisfactory Unsatisfactory

Directness to Wye _____

Slope _____

Full Contact w/bedding _____

Connection w/Main _____

Condition of Other District _____

Facilities on Lot _____

Connection Permit is approved (not approved).

Water service to Lot is approved (not approved).

This service reinspected on _____. (See Attached new report).

Comments: _____

Copy to:

Applicant: _____

By: _____

District Inspector

Manager: _____

By: _____

Authorized Representative of Applicant

APPENDIX B
DROUGHT CONTINGENCY PLAN
FOR
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

**ARTICLE I
POLICY AND, PURPOSE**

Section 1.01: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety, and to minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Harris County Municipal Utility District No. 537 (the "District") hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the "Plan") are considered to be non-essential, and continuation of such uses during times of water shortage or other emergency water supply condition is deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Article VII of this Plan.

Section 1.02: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the District by means of holding public hearings during regular meetings of the Board of Directors of the District during preparation of the Plan.

Section 1.03: Public Education

The District will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of letters to the residents, notices on the utility bills, placing of signs in the District, or other similar measures, as appropriate.

Section 1.04: Coordination with Regional Water Planning Groups

The service area of the District is located within Regional Water Planning Area H ("Region H") under the Texas Water Plan, and the District will provide a copy of this Plan to Region H.

Section 1.05: Authorization

The Board of Directors of the District, along with Si Environmental, LLC (the District's "Operator"), is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Operator shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section 1.06: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the District. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

ARTICLE II DEFINITIONS

For the purposes of this Plan, the following definitions shall apply in addition to the definitions from Article I of the Order Adopting Consolidated Rate Order and Rules and Regulations; Establishing Drought Contingency Plan; Establishing a Wastewater Control Order; Establishing Certain Other Policies; and Providing Penalties for Violation Thereof:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the District.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8, and locations without addresses.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except as otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

**ARTICLE III
DROUGHT RESPONSE STAGES**

Section 3.01. Criteria for Initiation and Termination of Drought Response Stages

The Operator shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on known system capacity limits. The District will adopt measures for each stage of the Plan as warranted by the triggers. The stages will not necessarily be adopted in consecutive order.

Section 3.02. Stage 1 Triggers -- Mild Water Shortage Conditions

A. Requirements for initiation. Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain non-essential water uses, defined in Article II hereof, when the following condition is reached:

When total daily water demand equals or exceeds 80% of the District's available water well capacity (e.g., based on the "safe" operating capacity of water supply facilities), or when the water supply facilities cannot meet or are in danger of not being capable of meeting water supply demand, as determined by the District's Operator.

B. Requirements for termination. Stage 1 of the Plan may be rescinded when the District's Operator determines that all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

Section 3.03. Stage 2 Triggers --- Moderate Water Shortage Conditions

A. Requirements for initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 2 of this Plan when any of the following conditions occur:

When total daily water demand equals or exceeds 85% of the District's available water well capacity (e.g., based on the "safe" operating capacity of water supply facilities), or when the water supply facilities cannot meet or are in danger of not being capable of meeting water supply demand, as determined by the District's Operator.

B. Requirements for termination. Stage 2 of the Plan may be rescinded when the District's Operator determines that all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days. Upon termination of Stage 2, Stage 1 becomes operative, unless otherwise notified.

Section 3.04. Stage 3 Triggers -- Severe Water Shortage Conditions

A. Requirements for initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when any of the following conditions occur:

When total daily water demand equals or exceeds 90% of the District's available water well capacity (e.g., based on the "safe" operating capacity of water supply facilities), or when the water supply facilities cannot meet or are in danger of not being capable of meeting water supply demand, as determined by the District's Operator.

B. Requirements for termination. Stage 3 of the Plan may be rescinded when the District's Operator determines that all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative, unless otherwise notified.

Section 3.05. Stage 4 Triggers -- Critical Water Shortage Conditions

A. Requirements for initiation. Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when any of the following conditions occur:

When total daily water demand equals or exceeds 95% of the District's available water well capacity (e.g., based on the "safe" operating capacity of water supply facilities), or when the water supply facilities cannot meet or are in danger of not being capable of meeting water supply demand, as determined by the District's Operator.

B. Requirements for termination. Stage 4 of the Plan may be rescinded when the District's Operator determines that all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative, unless otherwise notified.

Section 3.06. Stage 5 Triggers -- Emergency Water Shortage Conditions

A. Requirements for initiation. Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when the Operator determines that a water supply emergency exists based on:

1. Major water line breaks, pump or system failures, or other events which cause unprecedented loss of capability to provide water service; or
2. Natural or man-made contamination of the water supply source(s).

B. Requirements for termination. Stage 5 of the Plan may be rescinded when the District's Operator determines that all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

Section 3.07. Stage 6 Triggers -- Water Allocation

A. Requirements for initiation. Customers shall be required to comply with the allocation plan prescribed in Article IV of this Plan and comply with the requirements and restrictions for Stage 5 when any of the following conditions occur:

When total daily water demand equals or exceeds 97% of the District's available water well capacity, or when the water supply facilities cannot meet or are in danger of not being capable of meeting water supply demand, as determined by the District's Operator.

B. Requirements for termination. Stage 6 of the Plan may be rescinded when the District's Operator determines that all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days.

**ARTICLE IV
DROUGHT RESPONSE STAGES**

Section 4.01. Public Notification

The Operator shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section III of this Plan, shall determine when a mild to moderate, severe, critical, or emergency water shortage condition exists and shall implement the following notification procedures:

A. Notification. Before any notification of the public occurs, the Operator shall notify the Board of Directors of the need to evoke mandatory water conservation procedures.

The Operator shall notify the public by means of:

1. direct mail to each customer,
2. signs posted in public places, or
3. other measures that might be appropriate.

B. Additional Notification. The Operator shall notify directly, or cause to be notified directly, the following individuals and entities:

1. Texas Commission on Environmental Quality (required when mandatory restrictions are imposed),
2. Major water users,
3. Critical water users, i.e. hospitals.

Section 4.02. Stage 1 Response -- Mild Water Shortage Conditions

A. Goal. Achieve a 15 percent reduction in daily water demand to reduce the well motor run time from 18 hours to 14 hours or less.

B. Best Management Practices

1. Reduce flushing of water mains.
2. Notify customers of the implementation of the voluntary water use restrictions by sending the letter attached as Exhibit 1.

C. Voluntary Water Use Restrictions for Reducing Water Demand. The following voluntary water use restrictions shall apply to all persons:

1. Customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

2. All operations of the District shall adhere to water use restrictions prescribed for Stage 2 of the Plan.

3. Customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Section 4.03. Stage 2 Response -- Moderate Water Shortage Conditions

A. Goal. Achieve a 20 percent reduction in daily water demand to reduce the well motor run time from 20 hours to 14 hours or less.

B. Best Management Practices

1. Reduce flushing of water mains.

2. Notify customers of the implementation of the water use restrictions by sending the letter attached as Exhibit 2.

C. Water Use Restrictions for Reducing Water Demand. Upon threat of penalty for violation, the following water use restrictions shall apply to all persons:

1. Irrigation of residential landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of residential landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

2. Irrigation of green belts, common areas, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight.

3. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

4. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.

5. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.

6. Use of water from hydrants shall be limited to fire-fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the District.

7. Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the District, the facility shall not be subject to these regulations.

8. All restaurants are prohibited from serving water to patrons except upon request of the patron.

9. The following uses of water are defined as non-essential and are prohibited:

a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;

b. use of water to wash down buildings or structures for purposes other than immediate fire protection;

c. use of water for dust control;

d. flushing gutters or permitting water to run or accumulate in any gutter or street; and

e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Section 4.04. Stage 3 Response -- Severe Water Shortage Conditions

A. Goal. Achieve a 25 percent reduction in daily water demand to reduce the well motor run time from 22 hours to 14 hours or less.

B. Best Management Practices

1. Discontinue flushing of water mains.

2. Notify customers of the implementation of the mandatory water use restrictions by sending the letter attached as Exhibit 3.

C. Water Use Restrictions. All requirements of Stage 2 shall remain in effect during Stage 3 except that except:

1. Irrigation of residential landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

2. Irrigation of green belts, common areas, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight

3. The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.

4. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Section 4.05. Stage 4 Response -- Critical Water Shortage Conditions

A. Goal. Achieve a 30 percent reduction in daily water demand to reduce well motor run time from 24 hours to 14 hours or less.

B. Best Management Practices

1. Discontinue flushing of water mains; discontinue irrigation of public landscaped areas.
2. Notify customers of the implementation of the water use restrictions by sending the letter attached as Exhibit 4.

C. Water Use Restrictions. Under threat of penalty for violation, the water use restrictions of Stages 1, 2 and 3 shall be mandatory and shall remain in effect during Stage 4 except:

1. Irrigation of residential landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems is prohibited at all times.
2. Irrigation of green belts, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight
3. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.
4. The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
5. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
6. No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Section 4.06. Stage 5 Response -- Emergency Water Shortage Conditions

A. Goal. Restore normal water supply as soon as possible.

B. Best Management Practices

1. Discontinue flushing of water mains; discontinue irrigation of public landscaped areas.
2. Notify customers of the implementation of the water use restrictions by sending the letter attached as Exhibit 5.

C. Water Use Restrictions. All requirements of Stages 1, 2, 3 and 4 shall remain in effect during Stage 5 except (1) irrigation of landscaped areas and (2) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle are absolutely prohibited.

Section 4.07. Stage 6 Response - Water Allocation

In the event that water shortage conditions threaten public health, safety and welfare, the Operator is hereby authorized to allocate water according to the water allocation plan set forth below. The Operator shall notify the Customers by placing signs at the entrances of all subdivisions in the District, and by sending the letter attached as Exhibit 6.

A. Single Family Residential Customers. The allocation to residential water customers residing in a single-family dwelling shall be as follows:

<u>Persons per Household</u>	<u>Gallons per Month</u>
1 or 2	6,000
3 or 4	7,000
5 or 6	8,000
7 or 8	9,000
9 or 10	10,000
11 or more	12,000

"Household" means the residential premises served by the customer's meter. **"Persons per household"** includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer's household is comprised of two (2) persons unless the customer notifies the Operator of a greater number of persons per household on a form prescribed by the District, set forth in Attachment 1 to Exhibit 6. The District shall use its best efforts to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to the Operator's offices to complete and sign the form claiming more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed in Attachment 1 to Exhibit 6. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify the District on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify the Operator in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household, the District shall adopt methods to insure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of persons in a household or fails to timely notify the District of a reduction in the number of person in a household shall be fined not less than \$250.00.

Residential water customers shall pay the following surcharges:

- \$3.00 for the first 1,000 gallons over allocation.
- \$4.00 for the next 1,000 gallons over allocation.
- \$5.00 for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

**ARTICLE VII
ENFORCEMENT**

A. No person shall knowingly or intentionally allow the use of water from the District for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the Operator in accordance with provisions of this Plan.

B. Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than five hundred dollars (\$500). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, as set forth in the District's Rate Order, and any other costs incurred by the in District discontinuing and re-connecting service. In addition, suitable assurance must be given to the District that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

C. Any person, including a person classified as a water customer of the District, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

D. The Operator, police officer, or other person(s) designated by the District, may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the Justice of the Peace Court on the date shown on the citation for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in the Justice of the Peace Court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in the Justice of the Peace Court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in the Justice of the Peace Court before all other cases.

ARTICLE VIII VARIANCES

A. The Operator, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

1. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.

2. Alternative methods can be implemented which will achieve the same level of reduction in water use.

B. Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the District within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Operator, and shall include the following:

1. Name and address of the petitioner(s).

2. Purpose of water use.
3. Specific provision(s) of the Plan from which the petitioner is requesting relief.
4. Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
5. Description of the relief requested.
6. Period of time for which the variance is sought.
7. Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
8. Other pertinent information.

C. Variances granted by the Operator on behalf the District shall be subject to the following conditions, unless waived or modified by the Operator:

1. Variances granted shall include a timetable for compliance.
2. Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

**ARTICLE IX
END OF DROUGHT CONTINGENCY WATER USE RESTRICTIONS**

When the District is able to return to normal water use, the District shall send out the letter attached as Exhibit 8, or otherwise notify the customers of the District of the end of all water use restrictions.

PASSED AND APPROVED this February 17, 2015.

/s/ Darryl Robinson
President, Board of Directors

/s/ Michael Keegan
Secretary, Board of Directors

(SEAL)

**EXHIBIT 1
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas
(Drought Stage 1)

(Date)

Dear Customer:

Harris County Municipal Utility District No. 537 is unable to provide water at the customary levels or pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage One of the Drought Contingency Plan is now in effect. Stage One includes the following **VOLUNTARY** water use restrictions:

- (a) Irrigation of residential landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of residential landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Irrigation of green belts, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight.
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (d) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (f) Use of water from hydrants shall be limited to fire-fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the District.

- (g) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the District, the facility shall not be subject to these regulations.
- (h) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (i) The following uses of water are defined as non-essential and are prohibited:
 - (1) wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (3) use of water for dust control;
 - (4) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

The Board of Directors appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, you will be notified of more stringent restrictions, to ensure the availability of water in your community.

Very truly yours,

Board of Directors

**EXHIBIT 2
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas
(Drought Stage 2)

(Date)

Dear Customer:

Harris County Municipal Utility District No. 537 is unable to provide water at the customary levels or pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 2 of the Drought Contingency Plan is now in effect. Stage 2 includes the **MANDATORY** water use restrictions set forth below. Any person who violates the water use restrictions set forth below is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than five hundred dollars (\$500). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, as set forth in the District's Rate Order, and any other costs incurred by the District in discontinuing and re-connecting service. In addition, suitable assurance must be given to the District that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

WATER USE RESTRICTIONS

- (a) Irrigation of residential landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, residential irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Irrigation of green belts, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (d) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.

- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.
 - (f) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the District.
- (g) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the District, the facility shall not be subject to these regulations.
- (h) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (i) The following uses of water are defined as non-essential and are prohibited:
 - (1) wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (3) use of water for dust control;
 - (4) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

The Board of Directors appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, you will be notified of more stringent restrictions, to ensure the availability of water in your community.

Very truly yours,

Board of Directors

**EXHIBIT 3
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas
(Drought Stage 3)

(Date)

Dear Customer:

Harris County Municipal Utility District No. 537 is experiencing severe water shortage conditions and is unable to provide water at the customary levels or pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 3 of the Drought Contingency Plan is now in effect and the **MANDATORY** restrictions set forth in below are now in effect. The Board of Directors is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a house fire. Any person who violates the water use restrictions set forth below is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than five hundred dollars (\$500). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, as set forth in the District's Rate Order, and any other costs incurred by the in discontinuing service. In addition, suitable assurance must be given to the District that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

WATER USE RESTRICTIONS

- (a) Irrigation of residential landscaped areas shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9). Irrigation of residential landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- (b) Irrigation of green belts, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 10:00 a.m. and 2:00 p.m. and between 10:00 p.m. and 6:00 a.m.
- (d) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.

- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (f) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- (g) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.
- (h) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (i) The following uses of water are defined as non-essential and are prohibited:
 - (1) wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (3) use of water for dust control;
 - (4) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Failure to comply with the Water Use Restrictions is deemed a violation of the Drought Contingency Plan and may result in the termination of water and sewer service to your property. Water and sewer service will not be restored until noncompliance is discontinued and a reconnect fee of \$100 is paid.

The Board of Directors appreciates your cooperation and perseverance during this Drought Stage. Once the Drought Stage ends, we will notify you and you may then return to normal usage. If conditions should worsen, you will be notified of more stringent restrictions, to ensure the availability of water in your community.

Very truly yours,

Board of Directors

**EXHIBIT 4
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas
(Drought Stage 4)

(Date)

Dear Customer:

Harris County Municipal Utility District No. 537 is experiencing critical water shortages conditions and is unable to provide water at the customary levels or pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 4 of the Drought Contingency Plan is now in effect and the **MANDATORY** restrictions set forth in below are now in effect. The Board of Directors is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a house fire. Any person who violates the water use restrictions set forth below is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than five hundred dollars (\$500). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, as set forth in the District's Rate Order, and any other costs incurred by the District in discontinuing and re-connecting service. In addition, suitable assurance must be given to the District that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

WATER USE RESTRICTIONS

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 4 of the Drought Contingency Plan is now in effect. The Board of Directors is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a house fire. The following **MANDATORY** restrictions are now in effect:

- (a) Irrigation of residential areas shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9). Irrigation of residential landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems is prohibited at all times.
- (b) Irrigation of green belts, esplanades and sports field shall be limited to Mondays and Fridays between 8:00 p.m. and 12:00 midnight.
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

- (d) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (f) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- (g) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.
- (h) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (i) The following uses of water are defined as non-essential and are prohibited:
 - (1) wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (3) use of water for dust control;
 - (4) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- (j) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

The Board of Directors appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, you will be notified of more stringent restrictions, to ensure the availability of water in your community.

Very truly yours,

Board of Directors

**EXHIBIT 5
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas
(Drought Stage 5)

(Date)

Dear Customer:

Harris County Municipal Utility District No. 537 is experiencing emergency water conditions and is unable to provide water at the customary levels or pressure.

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 5 of the Drought Contingency Plan is now in effect and the **MANDATORY** restrictions set forth in below are now in effect.. The Board of Directors is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a house fire. Any person who violates the water use restrictions set forth below is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than five hundred dollars (\$500). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, as set forth in the District's Rate Order, and any other costs incurred by the District in discontinuing or re-connecting. In addition, suitable assurance must be given to the District that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

WATER USE RESTRICTIONS

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 5 of the Drought Contingency Plan is now in effect. The Board of Directors is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a house fire. The following **MANDATORY** restrictions are now in effect:

- (a) Irrigation of all residential landscaped areas is prohibited.
- (b) Irrigation of green belts, esplanades and sports fields is prohibited.
- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.
- (d) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a re-circulation system.

- (f) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- (g) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.
- (h) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (i) The following uses of water are defined as non-essential and are prohibited:
 - (1) wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (3) use of water for dust control;
 - (4) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- (j) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

The Board of Directors appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, you will be notified of more stringent restrictions, to ensure the availability of water in your community.

Very truly yours,

Board of Directors

**EXHIBIT 6
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas
(Drought Stage 6)

(Date)

Dear Customer:

Harris County Municipal Utility District No. 537 is experiencing emergency water conditions and must implement water allocation measures.

You are hereby notified that Stage 6 of the Drought Contingency Plan is now in effect and the **MANDATORY** water allocations and water use restrictions set forth below are now in effect. Any person who violates the water use restrictions set forth below is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than five hundred dollars (\$500). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Operator shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, as set forth in the District's Rate Order, and any other costs incurred by the District in discontinuing or re-connecting service. In addition, suitable assurance must be given to the District that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.

WATER ALLOCATION

RESIDENTIAL WATER CUSTOMERS RESIDING IN A SINGLE-FAMILY DWELLING SHALL BE ALLOCATED WATER AS FOLLOWS:

<u>Persons per Household</u>	<u>Gallons per Month</u>
1 or 2	6,000
3 or 4	7,000
5 or 6	8,000
7 or 8	9,000
9 or 10	10,000
11 or more	12,000

Each residential water customer is deemed to have 2 persons per household unless written notification is provided to the District in Attachment 1. Residential water customers shall pay the following surcharges:

- \$3.00 for the first 1,000 gallons over allocation.
- \$4.00 for the next 1,000 gallons over allocation.
- \$5.00 for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

WATER USE RESTRICTIONS

To ensure that an adequate supply of water is available for drinking and bathing, you are hereby notified that Stage 6 of the Drought Contingency Plan is now in effect. The Board of Directors is aware of the inconvenience of these severe restrictions, but it is imperative that the water supply not only be available for drinking and bathing but also for fire fighters in the event of a house fire. The following mandatory restrictions are now in effect:

- (a) Irrigation of landscaped areas is prohibited.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.
- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire-fighting, related activities, or other activities necessary to maintain public health, safety, and welfare. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.
- (f) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
 - (1) wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (3) use of water for dust control;
 - (4) flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- (j) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

The Board of Directors appreciates your cooperation and perseverance during this Conservation Condition. Once the Conservation Condition ends, we will notify you and you may then return to normal usage. If conditions should worsen, you will be notified of more stringent restrictions, to ensure the availability of water in your community.

Very truly yours,

Board of Directors

**Attachment 1 to Exhibit 6
TO APPENDIX B**

CERTIFICATE OF OCCUPANCY

To: Harris County Municipal Utility District No. 537
c/o Gulf Utility Service
P.O. Box 691008
Houston, Texas 77269

I, the undersigned, hereby notify Harris County Municipal Utility District No. 537, that the number of persons in the household at _____ is _____ persons.

Executed this _____.

Name: _____
Address: _____

**EXHIBIT 7
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas

CITATION

(Date)

Dear Customer:

On _____, you were notified that you were violating the Water Use Restrictions of Harris County Municipal Utility District No. 537. This second violation has resulted in the termination of water and sewer service to your property. Service will be restored upon discontinuation of the prohibited use and upon payment of a \$100 reconnect fee. In addition, you will have to sign a copy of the water use restrictions now in effect. To have service restored you should contact the operator of Harris County Municipal Utility District No. 537 at _____.

In addition, if you fail to take the steps listed above, the District will consider the imposition of Monetary Penalties for Noncompliance. In addition to disconnection, the District may impose a penalty of up to \$5,000.00 for each violation of this Plan. Each day that a breach of any provision of this Plan continues shall be considered a separate violation. This penalty shall be in addition to any other legal rights and remedies of the District as may be allowed by law. We urge you to comply with the provisions of the District's Drought Contingency Plan.

Sincerely,

Board of Directors

**EXHIBIT 8
TO APPENDIX B**

Harris County Municipal Utility District No. 537
of
Harris County, Texas

(Date)

Dear Customer:

The Drought Condition has ended. You may return to normal water usage. The Board of Directors of Harris County Municipal Utility District No. 537 appreciates your cooperation and perseverance during this period and would appreciate your continued attention to water use. Continued water conservation practices will help ensure water availability in the future. Thank you for your efforts.

Very truly yours,

Board of Directors