

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Municipal Utility District No. 278, hereby certify as follows:

1. The Board of Directors of Harris County Municipal Utility District No. 278 convened in regular session on May 14, 2025, outside the boundaries of the District, and the roll was called of the members of the Board:

B. Eugene Newsom	President
Tommie Ruth Allen	Vice President
Gwen Thornburg	Secretary
Shantai Magee	Assistant Vice President
VACANT	Assistant Secretary

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

AMENDED RATE ORDER AND REGULATIONS GOVERNING
DISTRICT SERVICES, INCLUDING PLUMBING AND SEWER RULES, PAYMENTS,
TERMINATION OF SERVICES AND USES

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

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

SIGNED AND SEALED on May 14, 2025.

(SEAL)




Secretary, Board of Directors

AMENDED RATE ORDER AND REGULATIONS GOVERNING DISTRICT SERVICES,
INCLUDING PLUMBING AND SEWER RULES, PAYMENTS, TERMINATION OF
SERVICES AND USES

WHEREAS, Harris County Municipal Utility District No. 278 (the "District") owns and operates water, wastewater, storm sewer and drainage systems designed to serve customers within the District and also provides garbage collection services to all single family residential users; and

WHEREAS, it is necessary that fees, charges, and conditions be amended for services provided by the District and to cover District operating expenses for administration of the District per the annual budget adopted by the Board of Directors of the District; and

WHEREAS, this Rate Order will replace and supersede all previously adopted Rate Orders; and

WHEREAS, the Texas State Legislature requires districts to adopt and implement a program of water conservation aimed at reducing the consumption of water, reducing the loss or waste of water and improving efficiency in the use of water; and

WHEREAS, it is the District's intent to establish rates for service from the District's Water System that will encourage sound management of the District's water usage and conservation practices by Users; and

WHEREAS, specifically, the escalating rates for increased water usage herein adopted by the District are intended to promote conservation and efficient management of the District's water resources; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278:

ARTICLE 1
DEFINITIONS

Section 1.1: Definitions. Certain definitions used herein are contained within various provisions of the Rate Order, including the "whereas" provisions. The following additional words or phrases shall have the meanings indicated below:

"Single Family Residential User" means one residence designed for use and occupancy only by one single family unit.

"Commercial User" means any Person and/or Builder using the District's System for an office building, hotel, retail store, warehouse, service station, or other establishment rendering a service or offering a product to the public; multi-family residential units including apartments, townhouses, condominiums and multiplexes;

and any other establishment not considered one single-family residence, an Irrigation User, a Public Space User, or a Non-Taxable User.

“Irrigation User” means any Person using water for irrigation purposes only, connected to the District’s Water System through a separate meter designated for irrigation water use only. Irrigation Users do not include Public Space Users.

“Public Space User” means any Person that uses a District service for the benefit of the public or a homeowner association for public esplanades, lakes, recreational centers and areas or green spaces (“Public Spaces”).

“Non-Taxable User ” means any User of the District's System that is designated by the Harris County Central Appraisal District as exempt from ad valorem taxation under the State Property Tax Code.

“User” means any user of all or a portion of the District’s System.

“Equivalent Connection(s)” means a particular number of connections assigned to a User by the Engineer, using TCEQ and/or City (as appropriate) criteria for Equivalent Single Family Connections. The number of Equivalent Connections initially assigned may be changed in the future by the District based on a history of actual usage.

“Water System” means the potable water production and distribution system owned and operated by the District.

“Wastewater System” means the wastewater collection and treatment system owned and operated by the District.

“Drainage Facilities” or “Drainage System” means the drainage and storm sewer system constructed, owned and operated by the District for the purpose of providing drainage capacity and detention to serve land located within the District.

“System” means all components of the District’s water, wastewater, storm sewer, detention, and drainage systems. Any portion/segment/part of the System is considered to be District Facilities.

“Backcharge” means the cost to make repairs of damages, corrections, adjustments or relocation of District Facilities caused by damage by Persons other than the District or its agents.

“Builder” means a Person constructing single family homes on developed lots in the District or commercial non-single family.

“Board” means the Board of Directors of the District.

“City” means the City of Houston, Texas.

"Drought Contingency Plan" means the Drought Contingency Plan adopted by the Board, a copy of which is attached as Exhibit A.

"Engineer" means the company designated by the Board to serve as the engineer for the District.

"Operator" means the company designated by the Board to serve as the operator for the District.

"Penalties" means any fine, Backcharge and/or penalty imposed by the District for a violation of the Rate Order.

"Person" includes an individual, corporation organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, business, and any other legal entity recognized by the State of Texas.

"TCEQ" means the Texas Commission on Environmental Quality or its successor.

"Unauthorized Materials" means trash, household or other hazardous materials, construction materials or debris, chemicals, other debris, or grass, tree and yard clippings, or anything else prohibited under regulations implemented pursuant to the Federal Water Pollution Control Act or any State equivalent act, or that impede the free flow of storm water runoff.

"Waste" or "Wastewater" means wastewater or waste meeting the quality standards established in Article 7.

ARTICLE 2 TAPS & INSPECTIONS

Section 2.1. Physical Connections. It is the policy of the District that all properties within the District must be physically connected to the Water, Wastewater, and Drainage Systems of the District, except for approved Irrigation Users and Public Space Users approved for water-only service. A Person desiring connection to the District's System must contact the Operator to initiate service. A checklist and fees for service is attached as Exhibit B. Each Person is required to complete and sign an application for such service and pay such fees as are established by this Rate Order. The application form is attached to this Rate Order as Exhibit C and the new customer application fee is set forth in Exhibit B.

Section 2.2. Connections by District Operator/Property of District. Physical connection to the Water System shall be made by the District's Operator unless specified otherwise in writing by the Board. Physical connection to the Wastewater System shall be made in accordance with the District's Plumbing and Sewer Rules, which are attached to this Rate Order as Exhibit F, and, if more restrictive or expansive, applicable requirements of the Texas Commission on Environmental Quality, and in accordance

with Section 2.04 hereof. No Person, other than the properly authorized agents of the District, shall be permitted to make any connection to the Water System, except for emergency fire-fighting purposes, or make any repairs or additions to or alterations in any meter, box, tap, pipe, cock or other fixture or appurtenance connected with the Water System, or any manhole, main, trunk, fixture or appurtenance of the Sanitary Sewer System without the prior written permission of the Board of Directors of the District. All meters, fittings, boxes, valves and appurtenances installed shall remain the property of the District. Physical connection to the District's Drainage System shall be made in accordance with the requirements set forth in Article 3 below. Any unauthorized physical connection to the District's System may be removed without notice to and at the expense of the Person causing such connection to be made.

Section 2.3. Utility Commitment Letters. Prior to connection to the District's Water System, Wastewater System, and/or Drainage System, all Commercial Users are required to obtain a Utility Commitment Letter ("UCL") which will detail the capacity required to serve the property. The sample UCL (which will be tailored for specific use and capacity needs), checklist and fee for a UCL is shown in Exhibit E. A Person holding a UCL must renew the UCL prior to its expiration if a permanent connection has not been made to the District's System. The Engineer shall be responsible for administering each UCL approved by the Board.

Section 2.4: Tap and Inspection Fees.

- A. Tap Fees. Prior to connection to the District's System, a fee must be paid to the District in the amount set forth in Exhibit B.
- B. Tap Installation. All connections to the District's Water System must be made by the Operator and must be metered. Service will not be provided by the District without the Operator inspecting the User-installed connection to the District's Wastewater System. A checklist of items required for connection to the Water System is attached as Exhibit B.
- C. Inspection Fees. Inspection Fees in the amount set forth on Exhibit B shall be paid at the time the tap fee is paid and as otherwise required by this Rate Order. A list of required inspections is set forth in Exhibit B.

Section 2.5: Engineering Design Review Fees.

- A. The Engineer must review all plans for facilities of a Commercial User, including Builders of single family residential development, to connect to the System prior to connection. Steps for approval and associated fees are listed in Exhibit B.

Section 2.6: Builder Responsibilities.

- (1) Street Cleaning. Builders will be responsible for ensuring that the street in front of their lots stays free from the accumulation of trash,

sediment, dirt, and all other debris. Street cleaning will be done by street scraping or by using a vacuum sweeper. Washing sediments into the sewer inlets is prohibited by the District and the U.S. Environmental Protection Agency.

- (2) Concrete Wash-Out Site. Each Builder will provide a single, dedicated concrete wash-out site on one of the Builder's reserved lots, for use during construction. The site selected will be reviewed with the District and developer, and an identification sign must be erected on the site by the Builder prior to use.

The Builder will clean and maintain the site as necessary and is responsible for the proper and legal disposal of concrete. Silt fencing must be installed along the curb in front of the wash-out site as well as an access pad.

The Builder will inform its subcontractors of the location and purpose of the concrete wash-out site.

- (3) Other Builder Responsibilities. The Builder is responsible for observing all signs and for enforcing the District's Rate Order with all employees, suppliers, and subcontractors. Builders are responsible for conducting regular inspections of their erosion control measures to insure they are functioning properly.
- (4) Failure to Comply. Failure of a Builder to comply with these Builder responsibilities will be considered a violation of this Rate Order and will subject the Builder to Penalties in this Rate Order. Further, the District, at its sole option, may perform or have performed any of the Builder's responsibilities and backcharge the Builder for the cost. Failure to timely pay a Backcharge will subject the Builder to termination of service in accordance with this Rate Order and/or withholding of taps in accordance with this Rate Order.

ARTICLE 3 DRAINAGE SYSTEM

Section 3.1. Drainage Facilities and Unauthorized Materials. In order to properly maintain its Drainage System, the District must ensure that it is kept clear of any objects or debris that may block storm water flow. The Drainage Facilities are solely to carry storm water rainfall and anything else deposited into such System is prohibited. Any Person who disposes, or is responsible for the disposal, of Unauthorized Materials in the Drainage System or District Rights-of-Way will be responsible for reimbursing the District for all costs of removal and restoration. If the Person is a User, the District may disconnect the User's water service to collect the

Backcharge owed to the District. If the Person is not a District User, the Board may assess a Penalty in addition to the Backcharge.

Section 3.2. Maintenance of Private Drainage Facilities. In order to properly maintain its Drainage System, the District must ensure that all private drainage facilities that connect to the District's Drainage System, including but not limited to commercial detention ponds, are properly maintained. All such private drainage facilities must adhere to the following schedule:

- Monthly: The User must mow, perform handwork, and pick up trash in and around the private drainage facility.
- Monthly: The User must perform a monthly inspection of the private drainage facility and make repairs as needed.
- Annually in March: The User must over-seed (50 pounds of Bermuda seed per acre) and fertilize (500 pounds of fertilizer per acre) the private drainage facility.
- Annually in June: The User must fertilize (500 pounds of fertilizer per acre) the private drainage facility.
- Annually in October: The User must over-seed (50 pounds of rye seed per acre) and fertilize (500 pounds of fertilizer per acre) the private drainage facility.

The failure of a User to comply with the terms of this Section is a violation of this Rate Order.

ARTICLE 4 EASEMENTS, PLATS AND PERMITS

Section 4.1: Easements. Before service is started to any User, the Person requesting such service shall grant an easement of ingress and egress to and from the meter and appropriate service connections for maintenance and repair if the location of the proposed connection is not already within a District right-of-way or easement. The Operator will not make the connection or a required inspection if the 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 a required inspection, the District will consider the User to have waived any claim for damages to such improvements resulting from the reasonable actions of the Operator.

Section 4.2: Obstructions. After a water meter has been set, the User must keep the area in, around and upon the meter and box and District easements free from obstructions. Failure to keep the meter and box and District easements free from obstructions will result in disconnection of water service and/or the assessment of Backcharges to remove such obstructions.

Section 4.3. Plat Required. In accordance with State law, prior to initially connecting to the System, a User must submit to the Operator proof that the property has been platted in accordance with Harris County Regulations and the City's subdivision ordinances. Acceptable proof of platting includes a copy of the recorded plat or, if applicable, a certificate from the City stating that the property is legally exempt from the platting process.

Section 4.4. Permit Requirement. In accordance with State law, before any connection is made to the District's System, the Person requesting such connection must provide the Operator a copy of one of the following from Harris County: (1) a Development Permit; or (2) a waiver for the Development Permit.

ARTICLE 5 PLUMBING & SEWER RULES

Section 5.1. Plumbing and Sewer Rules. Pursuant to 30 TAC Chapter 290, adopted by the TCEQ, the District was required to adopt the rules and regulations attached as Exhibit F. The Operator may periodically inspect a User's plumbing system during normal business hours for the purpose of identifying possible cross-connections and other unacceptable plumbing practices which violate this Rate Order; however, if the Operator suspects an immediate threat to public health, such inspection may be made at any time. The failure of a User to comply with the terms of this Section or the rules in Exhibit F is a violation of this Rate Order. If a violation occurs, or if the District determines the existence of a serious threat to the integrity of any of the System, the District may, in addition to all other legal remedies available to it, immediately terminate service or, at the User's cost, install the necessary plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the System, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. All expenses associated with the enforcement of this Section will be billed to the User and failure to pay will result in the termination of water service until paid.

ARTICLE 6 RATES AND PAYMENTS FOR SERVICE AND TEMPORARY WATER SERVICE

Section 6.1: Rates

- A. User Fees. Each User is charged for service on a monthly basis according to the schedule attached as Exhibit D. There is no proration for partial monthly use. Pursuant to the Texas Water Code, each User of the System is assessed a regulatory assessment charge equal to the percentage charged to the District by the TCEQ. This assessment is included in the rates.

- B. Drought Contingency Plan Fee. The District has the right to impose additional fees during any drought contingency response stage pursuant to the Districts' Drought Contingency Plan, which is attached as Exhibit A. Such fees are in accordance with the Drought Contingency Plan and will be billed with the monthly bills. Failure to pay same will result in termination of service.

Section 6.2: Temporary Water Service. The Operator is authorized to install a District rental meter on any fire hydrant or flushing valve to make a temporary connection upon receipt of a written request for temporary water service. The rental meter contract is attached as Exhibit G. Upon receipt of full payment for meter rental fees and temporary water used, the deposit, minus unpaid balances, will be returned. No interest is paid on the deposit. The rate for temporary water is set forth in Exhibit D.

Section 6.3: Returned Payment Charge. The District will charge a fee in the amount shown in Exhibit B to any User for each payment that is returned for any reason. Returned payments are considered delinquent unless certified funds or approved credit card payments are received by the District for payment before the delinquent date.

Section 6.4: Security Deposit. Deposits in amounts set forth in Exhibit B shall be charged to all new Users. The deposit is required prior to service being initiated and is held by the District as a non-interest-bearing deposit to assure prompt payment of all charges for service. Subsequent amounts will be added to the deposit for all terminations of service before reconnection is made. Any final payments due to the District upon termination of service will be deducted from the security deposit and all remaining funds in the account will be mailed by the Bookkeeper to the User at the forwarding address provided by the User. Unclaimed returned deposits will be escheated to the State as required by State law.

Section 6.5: Transfer Fee. A fee in the amount shown in Exhibit B shall be charged to all Users opening an account which has had prior service, to cover the expense to the District for the transfer of service.

Section 6.6: Additional Payment Options. Any User may pay the monthly water and sewer bill via the payment options provided by the District. Certain payment options are made available through service providers who charge a convenience fee. Such convenience fees are the sole responsibility of the User and are separate from any amount owed by the User to the District. Non-payment of convenience fees subjects the User to termination of service. If any User payment is refused or returned by the processing financial institution, the District will charge the User the fee for returned payment specified in Section 6.3.

ARTICLE 7
QUALITY OF WASTEWATER

Section 7.1. Quality of Wastewater.

- A. Domestic Waste. Only ordinary liquid and water-borne human waste and Waste from commercial and domestic activities, such as washing, bathing, and food preparation, that is amenable to biological treatment and has a total suspended solids concentrations not exceeding 200 milligrams per liter shall be discharged into the District's Wastewater lines. Waste resulting from any process of commerce or industry may not be discharged into the District's Wastewater lines except as authorized below.
- B. Commercial and Industrial Waste. All discharges other than domestic Waste are prohibited unless the User has applied for and received written authorization from the District for such discharge; regardless, no industrial Waste or Waste material which is not biologically degradable will be permitted to be discharged into the District's Wastewater System, including mud and debris accumulated during construction. The applicant must request an application from the Operator. The District has the right to reject any application for discharge of non-domestic Waste if the District determines in its sole discretion that the proposed discharge may be harmful to the District's Wastewater System. The District also shall have the right in approving any application for the discharge of non-domestic Waste to impose limitations on such discharge that the District determines are necessary to protect the District's Wastewater System.
- C. National Categorical Pretreatment Standard. If a User is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental Protection Agency under Section 307 of the Federal Clean Water Act, the User is prohibited from discharging pollutants into the District's Wastewater System in violation of applicable categorical pretreatment standards.
- D. District Testing; Pretreatment. The Operator has the right to sample and test any User's discharge, and to charge the User for the District's cost of such sampling and testing in order to ensure that the discharge meets the definition of Waste. The District has the right to require pretreatment, at the User's expense, of any discharge of non-domestic Waste if the District determines pretreatment of such Waste is necessary to protect the District's Wastewater System.

ARTICLE 8
TERMINATION OF SERVICE

Section 8.1: Termination of Service.

- A. Charges for District service are billed monthly. All bills are due on the 20th day after the date of the statement. Unless payment is received on or before the due date, the account shall be considered delinquent and a one-time late charge equal to ten percent (10%) of the unpaid balance will be charged for each delinquent monthly bill. The District may, in its discretion, disconnect water service for failure to timely pay all District charges, including any fees, penalties and additional deposits, by the 30th day after the due date. Prior to disconnecting service, the District shall send written notice by United States first class mail to the User at the appropriate address and provide the User with an opportunity to contest, explain or correct the charges, services, or disconnection, at a meeting of the Board of Directors of the District. To cover the District's costs charged by the Operator, a fee in the amount shown in Exhibit B is charged for each delinquency notice. The written notice will inform the User of the delinquent amount, the date service will be disconnected if payment is not made, the date, time and place of the next scheduled Board meeting, and the opportunity to contest the disconnection by presenting in person or in writing such matter to the Board at the meeting shown on the notice. The disconnection notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled Board meeting. A written statement by the District's operator that the notice was so mailed shall be prima facie evidence of delivery of same. After the Board meeting, the Operator will inform the Users who have been terminated by posting a door hanger at their address. The date of disconnection will be at least five (5) days after the date of the Board meeting as shown in the notice.
- B. Billing and Service During Extreme Weather Emergency. Notwithstanding any provisions of this Rate Order to the contrary, a User or entity may not be charged late fees nor have service disconnected for nonpayment of a bill that is due during an extreme weather emergency until after the emergency is over. A User or entity may, within thirty (30) days from the date the extreme weather emergency is over, request from the District a payment schedule for any unpaid bill that is due during an extreme weather emergency. Upon receipt of a timely payment schedule request, the District shall provide, in writing, a payment schedule and a deadline for accepting the payment schedule. The District or the District's operator may, at the discretion of the District and/or the District's operator, determine the terms of the payment schedule described in this

paragraph in accordance with applicable laws and regulations. If a User or entity requests a payment schedule pursuant to this paragraph, the District shall not disconnect the User or entity from service for nonpayment of bills that are due during an extreme weather emergency unless: (1) the payment schedule has been offered and the User or entity has declined to accept the payment schedule in a timely fashion; or (2) the User or entity has violated the terms of the payment schedule. Any preexisting disconnection notices issued to a User or entity for nonpayment of bills due during an extreme weather emergency are suspended upon the timely request for a payment schedule made under this paragraph; provided, however, that if: (1) the User or entity does not timely accept a payment schedule offered by the District; or (2) the User or entity violates the terms of the payment schedule, then any suspended disconnection notices may be reinstated. A User or entity who violates the terms of a payment schedule shall be subject to disconnection from service pursuant to the provisions of this Rate Order. For purposes of this paragraph, "extreme weather emergency" means a period when the previous day's highest temperature in an area did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. For purposes of this paragraph, an "extreme weather emergency" is over on the second business day the temperature exceeds 28 degrees Fahrenheit.

- C. Delinquent Backcharges. In the event the District has imposed Backcharges to any Person, payment dates and termination procedures described above in Subsection A apply equally to Backcharges.
- D. Builder Delinquencies. If a Builder fails to pay one account timely, additional taps and connections will be withheld until all delinquencies are paid in full.

Section 8.2. Termination of Service for Violation of Rate Order. Any Person who damages any District Facilities or violates any provision of this Rate Order is subject to having water service terminated; provided, however, that prior to disconnecting service for such violations, the District will give written notice as described above in Subsection A, unless there is an immediate threat to public health, in which case written notice shall be given as soon as possible.

Section 8.3. Disconnection and Reconnection Fees.

- A. Disconnection Due to Delinquency. If service to a User is disconnected for nonpayment of a delinquent bill or for any cause legally authorized, disconnection and reconnection fees in the amounts shown in Exhibit B plus an additional security deposit will be charged. Payment must be in

the form of cashier's check, money order, or acceptable credit card payments where the Operator can be assured of payment.

- B. Temporary Disconnection at User's Request. Whenever a User requests that water service be temporarily discontinued, such User shall notify the Operator at least two (2) days prior to the time service is to be discontinued and shall pay the applicable disconnection and reconnection fees shown in Exhibit B. A User shall not be entitled to request temporary disconnection of water service if payment of any amount owed by User to the District is delinquent at the time of the request.

Section 8.4. Meter Removal and Reinstallation Fees. In the event the Operator removes a User's meter due to unauthorized reconnection of service subsequent to its termination by the District, meter removal and reinstallation fees in the amounts shown in Exhibit B shall be paid prior to service being restored. Only forms of payment described in Section 8.3.A will be accepted.

ARTICLE 9 MISCELLANEOUS

Section 9.1: Maintenance and Repair. It is the responsibility of each User to maintain the water, wastewater and storm sewer lines from the home or building to the point that the User's lines connect to the District's System.

Section 9.2: Garbage Service.

- A. Each Single Family Residential User receives garbage service. No exceptions will be made. There is not a separate line item on the monthly water bill, as garbage service is a service provided by the District to its Single Family Residential Users.
- B. No Parking or Placing Items in Street that Block or Impede Garbage Collection. It is the responsibility of each User to ensure no vehicles or items belonging to the User are parked or placed in the street in such a way that blocks or impedes garbage collection services. The District's garbage collector will not collect garbage from any User's residence if access to the garbage bins is blocked or impeded in any way by vehicles or other items. If the District's garbage collector determines that the garbage is uncollectible due to a violation of this Section of the Rate Order, no adjustment will be made to the User's monthly water bill resulting from the non-collection of garbage.

- C. Heavy Trash Collection. Collection of excessive amounts of residential waste or bulk items is considered special collection and is not included in regular garbage service. The User is responsible for contacting the District's garbage collector to negotiate the price for any such special collection. If the User fails to pay the District's garbage collector for any such special collection, the District shall have the right but not the obligation to pay the cost of such special collection to the garbage collector and then bill the User the cost plus a 20% handling fee, which such amount will be included on the User's water bill. The failure of a User to comply with the terms of this Section of the Rate Order will be considered a violation of this Rate Order and may result in disconnection of utility service to the User in addition to all other legal remedies available to the District, including those remedies set out in Section 11 of this Rate Order.

Section 9.3: Pressure of Water. The District agrees to use all reasonable efforts to supply its Users adequate pressure of water. The District cannot guarantee a specific quantity or pressure of water. In no case is the District liable for the failure to furnish water or any particular amount or pressure of water.

Section 9.4: Surcharge for Service. In fairness to all Users within the District, and to honor its contractual obligations and commitments, the District has the right to monitor the use of water and the discharge of Wastewater to determine if Users are exceeding the amount of water or wastewater capacity committed to serve their land or buildings. As one method of enforcement, the District has the right to impose a surcharge on any User who uses water or discharges Wastewater in excess of the amount reserved. Accordingly, in addition to the other charges specified herein, the District has the right to impose an additional charge of \$0.05 per gallon of water used or Wastewater discharged in excess of one hundred ten percent (110%) of the amount of water or Wastewater capacity reserved.

Section 9.5: Required Service. No service shall be given from the District's System unless the User agrees to take all District services, including water, wastewater, storm sewer and drainage, recreational and, in the case of Single Family Residential Users, garbage, except in those instances where the Board determines that all such services are not available or necessary.

Section 9.6: Septic System and Private Water Supply.

- A. Septic Systems. The construction and operation of septic systems, holding tanks or hauling system within the District is prohibited.
- B. Private Water Supply. The construction and operation of a private water supply within the District is prohibited except on prior written consent of the Board, on terms and conditions deemed acceptable to the Board, and satisfactory arrangements are made with all regulatory agencies with jurisdiction over private water wells.

Section 9.7: No Free Service; No Out-of-District Service. No free service will be granted for services furnished by the District's System. In order to receive service, a User must be located within the boundaries of the District or must be annexed into the District's boundaries, unless the Board determines in its sole discretion that out-of-District service is warranted.

Section 9.8: Appeal. Any determination by the District's Operator or Engineer or authorized agent of the District or any dispute regarding the terms and provisions of this Order may be appealed to the Board, which shall conduct a hearing on the matter. All appeals shall either be submitted by the User in writing or presented by the User 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 pursuant to this Rate Order, the User shall pay all amounts, including service charges, penalties and other charges, due and payable to the District. Any amounts which are paid by the User and subsequently determined by the Board not to have been due shall be refunded to the User or credited against future bills, at the discretion of the District. The District's Operator and/or attorney shall provide the User with information regarding appeals and hearing procedures, upon the User's request.

Section 9.9: Amendments. The Board has the right to change, alter or amend any rate or provision of this Rate Order.

Section 9.10: Severability. The provisions of this Rate Order are severable, and if any provision or part of this Rate Order or the application thereof to any Person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Rate Order and application of such provision or part of this Rate Order shall not be affected thereby.

ARTICLE 10 FACILITIES

Section 10.1: Park General Use Guidelines and Rules. The District has adopted General Use Guidelines and Rules regarding the use of District parks and recreational facilities. Violations of these guidelines and rules will be considered a violation of this Rate Order and will subject the offender to the Penalties contained herein. The Guidelines and Rules are attached as Exhibit H.

Section 10.2: Damage to or Tampering With District Facilities. No Person other than a duly authorized agent of the District can open any meter box or repair, alter, adjust, remove, make connections or additions to District Facilities or restore service following termination. Any Person who damages any of the District's Facilities, property or easements must pay the District's cost for making the repairs. If the District's Facilities, property or easements are damaged by a User or contractor hired by a property owner or User, the owner or User is responsible for paying the District's repair costs. 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

without prior notice, and to assess against the Person such costs, including attorney's fees, and such Penalties as are provided for violation of this Rate Order, in addition to those charges necessary to repair the portion of the System so damaged.

Section 10.3: Facilities. Pursuant to Section 49.217 of the Water Code, the unauthorized operation of any motor vehicle, as defined in Section 49.217, on a drainage ditch, or on land adjacent to a canal, ditch, pipeline, pumping plant, storm water facility, or other facility used for the transmission, storage, treatment or distribution of water, Wastewater, or storm water owned or controlled by the District, is a Class C misdemeanor, except subsequent offenses are a Class B misdemeanor. In addition to the penalties provided in Section 49.217 and the Penalties established in this Rate Order, any Person who operates a motor vehicle in violation of this Section shall pay the District the cost of repairing any damage done to the District's Facilities, property or easements; such costs are considered Backcharges. The District reserves the right to discontinue service to a Person who fails to pay the District any charges for the repair of such damages.

Section 10.4: Prohibition on Dumping. The unauthorized dumping of trash, sediment, dirt, and all other Unauthorized Materials in or on District Facilities, property, easements and rights-of-way is prohibited. A Person who violates or hires persons who violate this Section is subject to the Penalties established in the Rate Order. In addition, the District may remove the Unauthorized Materials and backcharge the Person who dumped or hired the persons who dumped such materials the cost of removing such materials; such costs are considered Backcharges. The District reserves the right to discontinue service to a Person who fails to pay the District any charges under this Section.

ARTICLE 11 PENALTIES

Section 11.1: Penalties for Violation.

Any Person who:

1. violates any provision of this Rate Order;
2. makes unauthorized use of District services or Facilities;
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;
4. uses or permits the use of any septic tank or holding tank within the District;
5. constructs facilities or buildings that are not included in the approved plans for development approved under this Rate Order;

6. reconnects to the District's System after termination of service by the District without having paid all outstanding charges due to the District;
7. violates the District's Parks General Use Guidelines and Rules, Drought Contingency Plan, or Water Conservation Plan;
8. swims in any District drainage/detention facility;
9. purposely enters into or on any District property, improvements, right-of-way, or drainage/detention Facilities without authorization;
10. engages in the unauthorized use of a motorized vehicle or other mechanism potentially destructive of vegetation or other District property in or on any District property, improvements, right-of-way, or drainage/detention facilities; or
11. steals, destroys, or damages any District landscaping, property, improvements, right-of-way, or drainage/detention facilities or commits any act constituting, malicious mischief or vandalism thereof;

is subject to termination of service in accordance with the procedures set forth in Section 8.1 and a Penalty of up to \$10,000.00 for each breach of each one of the foregoing provisions. Each day that a breach continues is considered a separate breach. The amount of any Penalty levied by the District pursuant to this Article 11 will be established by the Board after reasonable notice to the violator and a hearing relative to such matter before the Board. If the District prevails in any suit to enforce its rules or any provision of this Rate Order, 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.

These Penalties shall be in addition to the other penalties, fees and charges provided by the laws of the State of Texas and in addition to any other legal rights and remedies of the District as may be allowed by law.

ARTICLE 12 SUPERSEDING ORDER

This Order supersedes all prior orders, resolutions, and other actions of the Board concerning fees and charges for water and sewer service, including specifically the Rate Order adopted on May 7, 2021.

PASSED and ADOPTED this 14th day of May, 2025.


President, Board of Directors

ATTEST:


Secretary, Board of Directors

(SEAL)



LIST OF EXHIBITS

Exhibit A	—	Drought Contingency Plan
Exhibit B	—	Checklists for Services and for Connection to the District's System and Associated Fees
Exhibit C	—	Service Application and Agreement
Exhibit D	—	User Water and Sewer Rates
Exhibit E	—	Checklist, Sample and Fees for Utility Commitment Letter
Exhibit F	—	Plumbing and Sewer Rules
Exhibit G	—	Rental Meter Contract
Exhibit H	—	Park General Use Guidelines and Rules

EXHIBIT A DROUGHT CONTINGENCY PLAN

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN; PROVIDING FOR IMPLEMENTATION AND ENFORCEMENT THEREOF; PROVIDING PENALTIES FOR VIOLATIONS; AND CONTAINING OTHER PROVISIONS RELATED TO THE SUBJECT

WHEREAS, the Board of Directors (the "Board") of Harris County Municipal Utility District No. 278 (the "District"), has carefully considered the current water conditions in the District and area-wide and has determined that the adoption of this Amended and Restated Drought Contingency Plan (the "Plan") by the District is necessary to ensure that an adequate supply of water is maintained; and

WHEREAS, the Board of the District also desires to provide in the Plan for the possibility of a natural disaster or equipment failure; and

WHEREAS, the Board of the District has previously adopted a Drought Contingency Plan dated April 12, 2012 (the "Prior Plan"), and wishes to rescind the Prior Plan; and

WHEREAS, the Board of the District wishes to evidence its approval of this Plan and to adopt this Plan as the official policy of the District; NOW, THEREFORE,

BE IT ORDERED BY THE BOARD OF THE DISTRICT THAT:

Section 1: Approval of the Plan. The Board of the District hereby approves and adopts this Plan as set forth in this Order, and the provisions of such Plan shall be implemented immediately and enforced as a rule of the District.

Section 2: Education and Information. The District hereby institutes an educational program, to be implemented immediately, to promote the Plan by the general public which may include any of the following:

- A. Publications of articles in a newspaper or newsletter of general circulation in the District's service area, providing information regarding the Plan; and
- B. Direct distributions to all District residents and other users of water within the District, and all wholesale water customers of the District, if any, ("Users") explaining the Plan; and
- C. Direct distributions to Users of educational and informational material regarding the Plan; and

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D. Additional educational activities consisting of (i) publishing an article or articles in a local newspaper or newsletter of general circulation in the District's service area, providing tips or information on water saving techniques, or (ii) conducting an informational school program in a school attended by students within the District's service area, or (iii) conducting an educational program for Users at a public place within or accessible to residents of the District, or (iv) conducting or engaging in such other informational or educational activity designed to further the Plan as, in the discretion of the Board of Directors, may be consistent with the purposes and policies of this Plan, or (v) any combination of the foregoing.

Section 3: Coordination with Regional Water Planning Groups. The water service area of the District is located within the Region H Regional Water Planning Group and the District has provided a copy of the Plan to the Region H Regional Water Planning Group.

Section 4: The Drought Contingency Plan.

A. Public Involvement. The District has informed the public and wholesale water customers, if any, and affirmatively provided opportunity for input from the public and from wholesale water customers, if any, regarding the Plan. Such provision included notifying the public and wholesale water customers, if any, of the District's public meeting regarding the proposed Plan, notice of which was given pursuant to the Open Meetings Act.

B. Trigger Conditions. For the purpose of this Plan, the District hereby adopts the trigger conditions (the "Trigger Conditions") set forth below, which are based on a study and/or statistical analysis of the vulnerability of water sources under drought of record conditions. These Trigger Conditions are for the purpose of responding to, but not limited to, the following situations: (a) reduction in available water supply up to a repeat of the drought of record; (b) water production or distribution system limitations; (c) supply source contamination; or (d) water system outage due to the failure or damage of major water system components (e.g., pumps).

1. Stage I - Voluntary Water Conservation Conditions. This condition (herein, "Voluntary Water Conservation Conditions") exists when demand on the District's water supply facilities warrants the implementation of Voluntary Water Conservation Measures, as determined by the District's Board of Directors and operator by monitoring the District's water production information, surface water delivery, and any other appropriate information or factors.

2. Stage II - Mild Conditions. This condition (herein, "Mild Conditions") exists when demand on the District's water supply facilities reaches or exceeds seventy-five percent (75%) of the total production capacity of such facilities (groundwater and surface water) for three (3) consecutive days, as determined by the District's operator by monitoring the District's water production information, surface water delivery, and any other appropriate information or factors.

3. Stage III - Moderate Conditions. This condition (herein, "Moderate Conditions") exists when demand on the District's water supply facilities reaches or exceeds eighty-five percent (85%) of the total production capacity of such facilities (groundwater and surface water) for three (3) consecutive days, as determined by the District's operator by monitoring the District's water production information, surface water delivery, and any other appropriate information or factors.

4. Stage IV - Severe Conditions. This condition (herein, "Severe Conditions") exists when demand on the District's water supply facilities reaches or exceeds ninety percent (90%) of the total production capacity of such facilities (groundwater and surface water) for three (3) consecutive days, as determined by the District's operator by monitoring the District's water production information, surface water delivery, and any other appropriate information or factors.

C. Notice. Once one of the above Trigger Conditions has occurred, Users will be notified that such Trigger Condition has occurred and of the Response Measures (as defined below) to be taken. The process for notifying Users may include any of the following:

1. Mailing, at least 48 hours prior to the commencement of the required Response Measure, a written notice to each User;
2. Posting notice as soon as possible prior to the commencement of the required Response Measures on homeowners association webpages and/or Facebook pages, if applicable;
2. Posting of signs in the District;
3. Posting of notices at public places in the District;
4. Use of an email and telephone notification system; and/or

5. Dissemination of press releases to the local news media.

6. For wholesale water customers, if any, the District operator shall contact wholesale water customers by written notice, and/or by other means, prior to commencement of the required Response Measure.

Any notice issued shall contain if appropriate (i) the date the Response Measures will begin, (ii) the estimated date or event upon which the Response Measures will terminate, if known, (iii) a list of Response Measures to be implemented, and (iv) an explanation of penalties for violations of such Response Measures.

D. Emergency Management Program. The District hereby establishes and adopts the following measures ("Response Measures") for the respective Trigger Conditions. The Response Measures related to each Trigger Condition shall automatically become effective and shall be implemented by the District when such Trigger Condition occurs.

1. Voluntary Water Conservation Conditions (Stage I). In the event of Voluntary Water Conservation Conditions, water users will be asked to voluntarily reduce water usage and will be informed of specific steps that can be taken to reduce water use ("Voluntary Water Conservation Measures"), including but not limited to the following:

- a. outdoor watering by sprinklers only between the hours of 8:00 p.m. and 3:00 a.m.;
- b. limit non-essential water uses;
- c. check for leaks; and
- d. make sprinkler adjustments as needed to avoid watering sidewalks, driveways, and roadways.

2. Mild Conditions (Stage II). In the event of Mild Conditions, the District's targeted reduction in daily water demand shall be 10% as of the date of the Trigger Condition, and the following Response Measures shall be taken:

- a. Users will be asked to reduce water use and will be informed of specific steps that can be taken to reduce water use, including the Voluntary Water Conservation Measures listed above.

b. All outdoor water usage, including, but not limited to, lawn and garden watering, car washing, and window washing, shall be limited as follows:

(1) Only District residents and other users of water within the District with odd-numbered addresses may use water outdoors on Mondays, Wednesdays and Fridays and only District residents and other users of water within the District with even-numbered addresses may use water outdoors on Tuesdays, Thursdays and Saturdays. In the event no street address exists, only District residents and other users of water within the District living on the north and west side of a street may use water outdoors on Mondays, Wednesdays and Fridays and only District residents and other users of water within the District on the south and east side of a street may use water outdoors on Tuesdays, Thursdays and Saturdays. Those responsible for watering common areas such as esplanades and sports fields shall be limited to watering on Mondays, Thursdays and Sundays.

(2) Outdoor water use shall be permitted only during the hours of 8:00 p.m. to 3:00 a.m.

3. Moderate Conditions (Stage III). In the event of Moderate Conditions, the District's targeted reduction in daily water demand shall be 15% as of the date of the Trigger Condition, and the following Response Measures shall be taken:

a. All outdoor water use, including, but not limited to, lawn and garden watering, car washing, and window washing, must be conducted with a hand-held hose with a manual on-off nozzle and must be limited to the days and times set forth in the preceding section entitled "Mild Conditions."

b. The District shall recommend that the following public water uses by any of its Users not essential for public health and safety be curtailed:

- (1) Street washing;
- (2) Fire hydrant flushing; and
- (3) Filling of swimming pools.

c. The District's operator will initiate weekly contact with wholesale water customers, if any, to discuss water supply and/or demand conditions and the possibility of pro rata curtailment of water supplies if drought or emergency conditions worsen.

4. Severe Conditions (Stage IV). In the event of Severe Conditions, the District's targeted reduction in daily water demand shall be 25% as of the date of the Trigger Condition, and the following Response Measures shall be taken:

a. All outdoor use of water, including but not limited to lawn and garden watering, car washing, and window washing shall be prohibited.

b. A surcharge equal to 200% of the applicable rate for all water used in excess of 6,000 gallons/month, shall be imposed on all District residents and other users of water within the District, but will not be imposed on wholesale water customers, if any.

c. The Board of the District may prohibit water use by certain industrial or commercial Users which uses are not essential to the health and safety of the community so that remaining water is available for essential health and safety related uses.

d. The Board of the District may utilize alternative water sources and/or alternative delivery mechanisms with the prior approval of the executive director of the Texas Commission on Environmental Quality as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

e. The District is authorized to ration water to District residents and other users of water within the District on a pro rata basis, and to initiate allocation of water supplies to its wholesale water customers, if any, on a pro rata basis, in accordance with Texas Water Code, Section 11.039.

E. Termination of Trigger Conditions Notification. When a Trigger Condition occurs, the District shall enforce the Drought Response Measures applicable to such Trigger Condition for a minimum of three (3) days after the last day the demand on the District's water supply facilities reaches or exceeds the limits of such Trigger Condition. After such three (3) day period, the Board,

in its discretion, may consider whether the targeted reduction in daily water demand has been met and may determine to continue any applicable Drought Response Measures for an additional three (3) day period, regardless of whether the targeted reduction has been achieved. After the expiration of six (6) days, and assuming no other Trigger Conditions have occurred, the Drought Response Measures prescribed shall terminate and the District shall cease implementation and enforcement of such measures. The District will notify Users of the termination of the particular Drought Response Measures and may utilize the same manner of notification used to inform Users of the occurrence of the Trigger Condition and implementation of the Drought Response Measures.

Section 5: Emergency Contingency Plan. In the event of a fire, flood, hurricane, lightning strike, tornado, windstorm, or any other act of God, riot, terrorist act, or any other act of civil disobedience, an interruption or reduction of water supplied by the City of Houston (the "City"), receipt of notice from the City that the City has implemented drought response stages pursuant to its drought contingency plan, or any other occurrence which results in the inability of the District to provide potable water to Users (or the likelihood thereof), the Board, in its discretion, may, without prior notice, invoke all or any of the Drought Response Measures set forth in this Plan as "Emergency Response Measures". The Board may establish any of the penalties set forth in the "Penalties" Section of this Order, below, for violations of the Emergency Response Measures.

Section 6: Implementation. Without limitation to specific actions stated in this Plan to be taken by the District's operator, the District's operator will administer and enforce this Plan, and will oversee and be responsible for the execution and implementation of all elements of this Plan (or, if the District employs its own peace officers pursuant to Texas Water Code §49.216, such peace officers will be responsible for enforcement of this Plan). The operator shall keep adequate records for plan verification. The District's operator shall report to the Board of the District, at meetings of the Board, regarding actions taken and which need to be taken under this Plan. Without limiting the foregoing, the District's operator shall advise the President of the Board (or if the President is unavailable to receive notification, another member of the Board) as soon as reasonably practicable when a particular Trigger Condition has been reached under this Plan and when a particular drought or emergency condition no longer exists.

Section 7: Penalties. The following penalties shall apply to anyone violating the terms of this Plan or the Response Measures or Emergency Response Measures adopted pursuant hereto:

- A. First Violation. Any person or entity who violates this Plan shall receive written notification of such violation by door hanger and

U.S. mail, which notice shall set forth (i) the date of the violation, (ii) the nature of the violation, (iii) the Response Measures then in effect, and (iv) the penalties applicable for any further violations of this Plan; provided, however, that if such person or entity has ever previously violated this Plan, the penalties set forth in Section (B) below, may, in the discretion of the Board, be imposed.

B. Subsequent Violations.

1. Disconnection for Noncompliance. If any person or entity violates any provision of this Plan more than one time (which violation shall constitute an unauthorized use of District services and/or facilities), then in addition to any other remedies, penalties, sanctions and enforcement procedures provided for herein, the District shall have the right to terminate water service to such person or entity after notice is provided and any other applicable procedural requirements in the District's rate order are satisfied.

2. Monetary Penalties for Noncompliance. If any person or entity violates any provision of this Plan more than one time (which violation shall constitute an unauthorized use of District services and/or facilities), then, in addition to disconnection as provided in Subsection (B1) of this Section, the Board of the District, after providing required notice, may impose a penalty of up to \$10,000.00 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.

Section 8: Variances. The District may, in writing, grant a temporary variance to rationing or pro rata water allocation policies adopted pursuant to this Plan, or a temporary variance to a provision in the Plan, if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the public health, welfare, or safety and if one or more of the following conditions are met:

- (a) 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.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with the District within 5 days after pro rata allocation has been

invoked. All petitions for variances shall be reviewed by the District and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) For District residents and other users of water within the District, a 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 Plan or rationing of water adopted by the District pursuant to this Plan.
- (c) For wholesale water customers, if any, a detailed statement with supporting data and information as to how the pro rata allocation of water under the policies and procedures established in the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- (d) Description of the relief requested.
- (e) Period of time for which the variance is sought.
- (f) Alternative measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (g) Other pertinent information.

Variances granted by the District shall be subject to the following conditions unless waived or modified by the District or its designee:

- (a) Variances granted shall include a timetable for compliance.
- (b) 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.

Section 9: Coordination with City of Houston (the "City").

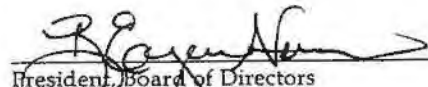
- (a) The District shall consult with the City, where necessary, in order to respond appropriately to the City's drought contingency plan.
- (b) Notwithstanding anything to the contrary set forth above, if the City (i) implements drought response stages pursuant to its drought contingency plan, and (ii) provides notice to the District in accordance with any procedures set forth in the City's drought contingency plan, then the District (i) will implement the stage of this Plan that contains restrictions at least as stringent as those implemented by the City, and (ii) may terminate such response upon receipt of notice that the City has terminated its drought response stages.

Section 10: Remedies Cumulative. All rights, remedies, sanctions, penalties and enforcement procedures provided for in this Order are cumulative. In addition, the District shall have and may exercise and enforce any and all rights and remedies provided by law or in equity.

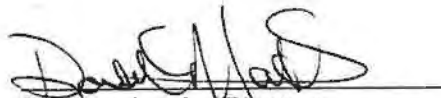
Section 11: Notice to Texas Commission on Environmental Quality. The District's operator shall notify the executive director of the Texas Commission on Environmental Quality within five (5) business days of the implementation of any mandatory provisions of this Plan.

Section 12: Wholesale Customer Contracts. If the District enters into or renews any wholesale water contracts after adoption of the Plan, said contracts shall include a provision that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code, Section 11.039.

PASSED AND APPROVED this 24th day of April, 2017.


President, Board of Directors

ATTEST:


Secretary, Board of Directors

(SEAL)



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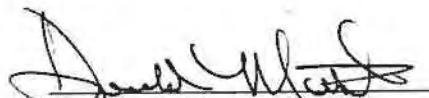
CERTIFICATION

I, the undersigned officer of the Board of Directors of Harris County Municipal Utility District No. 278, do hereby certify that the foregoing is a true and correct copy of the Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject approved by the Board of Directors of said District on April 24, 2017, and said rates and rules are currently in effect.

Witness my hand and seal of the District the 24th day of April, 2017.

(SEAL)




Secretary, Board of Directors

654574

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Municipal Utility District No. 278, hereby certify as follows:

1. The Board of Directors of Harris County Municipal Utility District No. 278 convened in special session on the 24th day of April, 2017, outside the boundaries of the District, and the roll was called of the members of the Board:

B. Eugene Newsom	President
Tommie Ruth Allen	Vice President
Donald E. Matlock	Secretary
Keith Sims	Assistant Vice President
Shantai Warren	Assistant Secretary

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

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN;
PROVIDING FOR IMPLEMENTATION AND ENFORCEMENT THEREOF; PROVIDING
PENALTIES FOR VIOLATIONS; AND CONTAINING OTHER PROVISIONS RELATED TO
THE SUBJECT

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

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

SIGNED AND SEALED on the 24th day of April, 2017.

(SEAL)

654374




Secretary, Board of Directors

EXHIBIT B
CHECKLISTS FOR SERVICE AND
FOR CONNECTION TO SYSTEM AND ASSOCIATED FEES

No physical connection, including temporary construction connections, to the District's Water, Wastewater, or Drainage System shall be made until:

1.	The application for service has been completed and accepted by the District and the User has signed the Customer Service Agreement.
2.	Engineering drawings (3 sets with 1 electronic copy) signed and sealed by a Registered Professional Engineer of the State of Texas, including a site utility plan for the storm sewer, water distribution and sanitary sewer service connections from the proposed development to the existing District's Facilities, have been submitted to and approved by the District's Engineer.
3.	A Utility Commitment Letter for Commercial Users per <u>Exhibit E</u> , has been properly issued and appropriate fees paid.
4.	All permits required by any other governmental entity with jurisdiction have been obtained.
5.	The Operator receives proof from its tax assessor/collector that all District taxes on the property which are due have been paid.
6.	The Operator receives a copy of the Harris County recorded plat.
7.	The tap fee is paid.
8.	The Operator receives a signed Wastewater Services Agreement, if needed.
9.	The User provides evidence that the design of the property meets applicable development standards and guidelines.

CHECKLIST OF ALL INSPECTIONS

1.	Sewer Connection Inspections. All connections to the District's Wastewater System must be per the District's Plumbing and Sewer Rules attached as <u>Exhibit E</u> . The Operator must inspect all sewer connections prior to being covered in the ground. If a sewer connection is made and covered without inspection, water service will not be allowed until an approved sewer connection inspection has passed. A new inspection fee must be paid for required reconnections until the inspection passes.
2.	Pre-Facility Inspections. All Commercial Users must contact the Operator prior to starting any work to do an inspection to verify the location of any part of the District System on the property. If the Operator sees any damaged Facilities, the Operator will make necessary repairs at the expense of the District. A copy of the inspection will be given to the Commercial User.
3.	Post-Facility Inspections. After the Commercial User completes construction, the Commercial User must contact the Operator to perform a final inspection to note the condition and location of all District Facilities. The Commercial User must pay for the cost of any Backcharges to repair any District Facilities which have been damaged or covered during construction. If any reinspection is required, another inspection fee must be paid. Water service will not be initiated nor transferred to a subsequent User until the final inspection has passed.
4.	Grease Trap Inspections. The Operator will inspect each grease trap monthly. If the Operator is required to reinspect the grease trap to get a passing inspection, another inspection fee shall be charged until the grease trap passes inspection. Any repairs needed to pass inspection are the User's cost.
5.	Customer Service Inspections. The Operator must make a customer service inspection prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected, or (iii) continues service to a User when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist pursuant to the plumbing rules.
6.	Customer Service Inspection Certifications. Before the District will provide water and Wastewater service to any new improvement or continue service to existing Users with new construction or buildings containing new plumbing fixtures, the Operator must perform a Customer Service Inspection in order to issue a Customer Service Inspection Certification.
7.	Swimming Pool/Spa Inspections. Every User who plans to construct or install a swimming pool and/or spa must notify the Operator in writing prior to commencing construction. Upon notification, the Operator shall provide the application and the User shall pay for the inspection. The Operator will ensure that all drains from the swimming pool and/or spa are connected to the District's Wastewater System and that proper drains and backflow prevention devices are installed before service is authorized for said swimming pool and/or spa.

FEES:

1. TAP FEES

Each Person desiring water service connection to the Water System or Wastewater System shall pay an amount equal to the City of Houston's then current water impact fees for the number of service units to be supplied as calculated by the District's Operator using the then current City of Houston Impact Fee Service Unit Equivalent Table in addition to the following fees. All such fees shall be collected from the applicant by the District's Operator before physical connection is made to the Water System or Wastewater System (which fees shall include the meter and meter box and installation thereof).

A. Single Family Residential Users and Single-Family Residential Builders

For a 5/8 inch water meter, the tap fee per lot shall be: \$ 1,365

For a 3/4 inch water meter, the tap fee per lot shall be: \$ 1,680

For a 1 inch water meter, the tap fee per lot shall be: \$2,050

In the case of a water meter larger than 1 inch, a tap fee equal to three (3) times the District's actual cost of installing the tap, meter, and necessary service lines shall be paid to the District.

B. Commercial Users (except single-family residential Builders) and Irrigation Users shall pay a tap fee equal to three (3) times the District's actual cost of installing the tap, meter, and necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscape, property or other improvements affected by the installation (the "Installation Costs"). The Operator will provide the User an estimate for the Installation Costs. The User shall pay the Installation Costs prior to the installation of the tap. If the actual Installation Costs are greater than the estimated Installation Costs paid by the User, the difference must be paid by the User before the District will provide service. If the actual Installation Costs are less than the estimated Installation Costs paid by the User, the District will issue a refund for the difference to the User.

C. Public Space Users

Irrigation taps will be set for homeowner associations and other Public Space Users at the District's cost plus 10%.

D. Non-Taxable Users

Non-Taxable Users shall pay a tap fee equal to District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets, landscape, property or other improvements affected by the installation (as determined by the District's Operator) plus the User's pro rata share of the District's actual cost of the facilities necessary to provide District services to the Non-Taxable User that are financed or to be fully or partially financed by the District's tax bonds (as determined by the District's consultants and approved by the Board) (the "Installation Costs").

E. Fire Lines

For any User that is required to construct a fire line, prior to connection to the District's System, a tap fee for water service shall be paid to the District equal to the District's actual cost of installing the tap plus the costs of the necessary service line connected to the District's meter or the meter vault assembly, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (as determined by the District's consultants and approved by the Board) ((the "Installation Costs") . The District's Operator will notify the User of the Installation Costs. All fire lines shall be required to have a meter or a detector check meter vault assembly, which shall be provided and installed by the District at the District's cost.

2. SEWER CONNECTION INSPECTION FEE

Residential	\$ 75.00 per connection
Residential Reinspection	\$150.00 per connection
Commercial	\$125.00 per connection
Commercial Reinspection	\$250.00 per connection

3. PRE- FACILITY INSPECTION FEE \$ 75.00

Reinspection Fee	\$ 100.00
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4. POST-FACILITY INSPECTION FEE \$ 75.00

Reinspection Fee	\$ 100.00
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5. GREASE TRAP INSPECTION FEE

Installation Inspection	\$ 75.00
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	Monthly Rate	\$100.00
	Reinspection Rate	\$150.00
6.	<u>CUSTOMER SERVICE INSPECTION FEE</u>	
	Residential	\$ 100.00
	Commercial	\$175.00
7.	<u>DAMAGE-RELATED INSPECTION FEE</u>	\$ 100.00
8.	<u>COMMERCIAL INTERNAL FACILITIES INSPECTION FEE</u>	\$750/acre
9.	<u>BACKFLOW PREVENTION DEVICE TEST</u>	
	Residential	\$100.00
	Commercial	\$200.00
10.	<u>SWIMMING POOL INSPECTION FEE</u>	
	Residential	\$100.00
	Commercial	\$150.00
11.	<u>WATER SOFTENER INSPECTION FEE</u>	\$ 75.00
12.	<u>CUSTOMER APPLICATION FEE</u>	\$ 25.00
13.	<u>SECURITY DEPOSIT</u>	
	<u>Residential Owner</u>	
	\$75.00 first deposit per Equivalent Connection and \$25.00 per single family residential Equivalent Connection following each disconnection.	
	<u>Residential Renter/Apartment Unit</u>	
	\$125.00 first deposit per Equivalent Connection and \$25.00 per single family residential Equivalent Connection following each disconnection.	
	<u>Commercial User Deposit</u>	
	A deposit equal to 200% of the estimated total monthly service charges to such Customer, as determined by the District's Engineer utilizing City criteria regarding usage, or \$250.00, whichever is greater.	
	<u>Temporary Water Service</u>	\$1,500
	<u>Builder Damage Deposit</u>	\$4,000 per Builder

14.	<u>FEE FOR NOTICE OF DELINQUENCY</u>	\$20.00
15.	<u>DISCONNECTION FEE</u>	\$50.00
16.	<u>RECONNECTION FEE</u>	\$50.00
17.	<u>METER REMOVAL FEE</u>	\$50.00
18.	<u>METER REINSTALLATION FEE</u>	\$50.00
19.	<u>SERVICE DISCONNECTION AT CUSTOMER'S REQUEST</u>	\$40.00
	If on a weekend, holiday or prior to 8am or after 4pm on a weekday	\$60.00
20.	<u>SERVICE RESTORATION AT CUSTOMER'S REQUEST</u>	\$40.00
	If on a weekend, holiday or prior to 8am or after 4pm on a weekday	\$60.00
21.	<u>FEE FOR RETURNED CHECK/PAYMENT</u>	\$30.00
22.	<u>TRANSFER FEE</u>	\$30.00
23.	<u>ENGINEERING DESIGN REVIEW FEES</u>	
	<u>Residential</u>	
	Fee per platted subdivision section	\$5,000.00
	<u>Commercial</u>	
	Development of leased space within existing structure	\$2,000.00
	Development of site with less than three acres	\$3,000.00
	Development of site with at least three acres but less than five acres	\$4,000.00
	Development of site with five or more acres	\$5,000.00

EXHIBIT C
SERVICE APPLICATION AND AGREEMENT



Application for Utility Service

Municipal Utility District: _____
(Please submit this application with payment; made payable to the District to request water service)

Type of Service: Residential Commercial Irrigation # of Meters
Meter Size: 5/8" 3/4" 1" 2" Other

Please provide Field Contact Personnel for Irrigation Meters _____

Service Address _____ Lot _____ Block _____ Section _____

Subdivision Name _____

Billing Information for Monthly Water Bill

Name of Applicant/Builder _____ C/O _____

Mailing Address _____ City, State, & Zip Code _____

Telephone No. _____ E-mail Address _____

Applicant Signature _____ Printed Name _____

Licensed Plumber Information

Certificate of Compliance with Prohibition on Use of Specified Materials in Connections to Municipal Utility District Water Systems

I, a duly licensed plumber in the State of Texas responsible for the installation of interior and exterior waterlines for the above address, certify that I understand and have complied with the District's Construction Standards for Water Service in the District's Rate Order. Specifically, each and every pipe and pipe fitting used for the improvement contains no more than 0.2 percent lead when used with respect to solder and flux; and not more than a weighted average of 0.25 percent lead when used with respect to the wetted surfaces of pipes, pipe fittings, plumbing fittings, and fixtures. The only acceptable materials for installation or construction of waterlines shall be polyvinyl chloride (PVC) or copper. If new waterlines are installed that do not conform to the District's standards, the district will not be liable for any damage that is caused by or related to the nonconforming pipes. I am aware that there are significant penalties for false certification, including the possibility of fine(s).

Plumbing Company _____ Texas License _____

Plumbers Signature _____ Printed Name _____

Telephone No _____ Date _____

- ▲ Applicant must attach 2 Plot Plans - showing proposed location of building or construction.
- ▲ Applicant acknowledges responsibility for all required inspections. Account will not be transferred to permanent customer's account until all inspections are complete.
- ▲ Applicant must make all checks payable to the appropriate Municipal Utility District.
- ▲ Applicant acknowledges that failure to comply with the District's rules and regulations governing the District Facilities will result in fines or penalties and as may be imposed by the Board of Directors of this District.

OFFICE USE ONLY:

TAP# _____ LOC# _____ # of APP's _____ Blanket Deposit \$ _____ Account Deposit \$ _____

W- _____ S- _____ Prc- _____ Post- _____ CSI- _____ BKF- _____

6420 Reading Road, Rosenberg, TX 77471 |
Main: 832-490-1610 | Fax: 832-490-1502
Website: www.sienv.com | Email: builderservices@sienv.com

SERVICE AGREEMENT

I. PURPOSE. The Harris County Municipal Utility District No. 278 ("District") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each User 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 User must sign this agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this agreement.

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

- A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
- B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
- C. No connection which allows water to be returned to the public drinking water supply is permitted.
- D. No pipe or pipe fitting which contains more than .25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
- E. No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the District and [NAME OF USER] (the "User").

- A. The District will maintain a copy of this agreement as long as User and/or the premises are connected to the District's Water System.
- B. User 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. The inspections shall be conducted during the District's normal business hours.

- C. The District shall notify User in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
- D. User shall immediately correct any unacceptable plumbing practice on his/her premises.
- E. User shall, at his/her 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. User understands and agrees that the District does not guarantee any specific quantity or pressure of water for any purpose whatsoever and that the District is not liable to User for failure or refusal to furnish any particular amount or pressure of water to User at any time.

IV. ENFORCEMENT. If User fails to comply with the terms of the Service Agreement, the District shall, at its option, 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 User.

USER'S SIGNATURE: _____

ADDRESS: _____ DATE: _____

EXHIBIT D
USER WATER AND SEWER RATES

After the meter is installed, all Users shall be charged monthly for water and sewer in accordance with the below schedules.

WATER RATES

Single Family Residential, Commercial and Non-Taxable Users

Each Single Family Residential User, Commercial and Non-Taxable User shall be charged monthly for water for each Equivalent Connection (as determined by the District) in accordance with the following schedule:

Minimum base water charge per Equivalent Connection regardless of usage. The first 1,000 gallons of metered water usage for each User shall be included in the User's base fee.*	\$25.70 for Single Family Residential Users \$20.85 for Commercial and Non-Taxable Users
For each 1,000 gallons of water metered from 1,001 gallons to 5,000 gallons	\$1.25 per 1,000 gallons
For each 1,000 gallons of water metered from 5,001 gallons to 10,000 gallons	\$2.25 per 1,000 gallons
For each 1,000 gallons of water metered from 10,001 gallons to 20,000 gallons	\$3.25 per 1,000 gallons
For each 1,000 gallons of water metered over 20,000 gallons	\$4.25 per 1,000 gallons

* The water base charge includes the first 1,000 gallons of water usage per User. By example if the User has been allocated 10 Equivalent Connections, the base rate will be \$257.00 and will include 1,000 gallons usage. Each 1,000 above the 1,000 gallons included in the User's base rate will be billed in accordance with the above tiered rate schedule.

Irrigation User: Irrigation Users are charged the same water rates reflected above.

Public Space Users: Public Space Users are charged the same water rates reflected above.

Temporary Water Users: Water charges for approved temporary water meters shall be charged \$75 for costs of installation, plus three times the rates specified above per 1,000 gallons delivered through the meter.

City of Houston Groundwater Reduction Plan Fee: All Users shall be billed a monthly fee of \$3.15 per 1,000 gallons of metered water to offset the groundwater reduction plan fee charged by the City of Houston. This fee is in addition to the water rates set forth above.

WASTEWATER RATES

The wastewater charges include a per Equivalent Connection base charge as well as charges based on water usage. The charges for all Users are:

Single Family Residential Users and Non-Taxable Users

\$35.85 monthly flat rate for Single Family Residential Users

\$30.85 monthly flat rate for Non-Taxable Users

Commercial Users

Each Commercial User shall be charged monthly for water for each Equivalent Connection (as determined by the District) in accordance with the following schedule:

Minimum base sewer charge per Equivalent Connection. The first 1,000 gallons of metered water usage for each User shall be included in the User's base fee.*	\$20.00
For each 1,000 gallons of water metered over 1,000 gallons	\$1.25 per 1,000 gallons

*The sewer base charge includes the first 1,000 gallons of usage (based on amount of water used) per User. By example if a User has been allocated 10 Equivalent Connections, the base rate will be \$200.00 and will include 1,000 gallons usage. For each additional 1,000 gallons usage per User, the volume charges are:

Minimum monthly

For each 1,000 gallons of water metered above 1,000 gallons: \$1.25 per 1,000 gallons

Public Space Users (as applicable):

\$30.00 monthly flat rate per connection

EXHIBIT E
CHECKLIST, SAMPLE AND
FEES FOR A UTILITY COMMITMENT LETTER

Commercial Users must provide the following information, as applicable, for approval by the District prior to issuance of a Utility Commitment Letter:

1.	Engineering drawings (3 sets with 1 electronic copy) signed and sealed by a Registered Professional Engineer of the State of Texas including a site utility plan for the storm sewer, water distribution and sanitary sewer service connections from the building and across the site to the existing District's Facilities. The design should include all associated easements, meters, backflow preventers and details for water (including irrigation), wastewater, paving and grading, detention/drainage facilities, storm water pollution prevention plan, storm water quality feature(s), materials to be used and the location, size, grade of lines and the points of connection to the District's System. Any modification of such plans after District approval shall require re-approval by the District's Engineer.
2.	The legal description of the land to be served by the District's System.
3.	A letter prepared by the design engineer or architect describing the proposed improvements and the estimated water, sewer and detention and drainage capacity required for such improvements.
4.	A description of the special measures taken in order to prevent any possible Waste not meeting the quality required by the District in accordance with Section 7 of this Rate Order from entering the District's Wastewater System.
5.	Pay Utility Commitment Letter Fee of \$7,500.

SAMPLE UTILITY COMMITMENT LETTER:

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278

c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

[date of commitment]

[User/requestor name/address]

Re: Water/Sewer Capacity reserved by Harris County Municipal Utility District No. 278 (the "District"), for approximately _____ acres within the District located at _____ ("Tract"), more fully described in Exhibit "A" attached hereto

Dear _____:

You have requested that the District reserve sewer treatment capacity in the amount of _____ equivalent single family residential connections (ESFCs) and water plant capacity in the amount of _____ ESFCs for the Tract, which amounts are sufficient according to you, to develop the Tract for _____. This number of ESFCs corresponds to an average day dry weather flow of _____ gpd of sewage treatment capacity and an average day demand of _____ gpd of water plant capacity. The Board of Directors of the District hereby agrees to reserve _____ ESFCs, or _____ gpd of sewage treatment plant capacity, and _____ ESFCs, or _____ gpd of water plant capacity, for the Tract, subject to all of the following terms and conditions:

1. This reservation of sewer treatment and water supply capacity shall be valid only in amounts not exceeding those indicated above. The District does not, however, guarantee that it will supply to the Tract any specific quantity or pressure of water for any purpose whatsoever, and you understand and agree that the District is not liable for any failure or refusal to furnish any particular amount or pressure of water to the Tract at any time. Furthermore, this reservation shall be subject to all of the other terms and conditions of this reservation letter and shall be valid only for the Tract and not for any area outside of the Tract.

2. Should your use exceed the amount of capacity reserved herein, you agree that the District, at its sole option, may impose a surcharge on such excess usage as provided in the District's Amended Rate Order in effect at the time such excess amount is used or terminate this Agreement. Furthermore, this reservation shall be valid only for the Tract and not for any area outside of the Tract.

3. You represented to the District that the land use for the Tract will be for development of _____ (the "Improvements"). You have represented to the District that you are purchasing the Tract for such use. This reservation of water supply and

sewer treatment capacity shall be valid only upon your purchase of the Tract for that land use, and does not include any other buildings which are planned on the property.

4. You must obtain approval from the District's Board of Directors of the schematic drawings of the Improvements proposed for the Tract.

5. You must commence substantial construction of the Improvements on the Tract within one year from the date hereof (i.e., by _____) and thereafter proceed with diligence to completion or this reservation shall automatically terminate and the capacity amounts reserved by this letter shall automatically revert to the District free and clear of this reservation and may be used by the District to serve areas outside of the Tract.

6. If not previously platted, you must prepare a plat of the Tract in accordance with City of Houston (the "City") subdivision requirements and receive City approval of the plat and file and record said plat with Harris County prior to receipt of water and/or sanitary sewer service from the District. Prior to submittal of plans to the District, all required water and sewer utility easements must be conveyed.

7. All plans and specifications for water, sanitary sewer and drainage facilities to serve the Tract must be reviewed and approved by the City, Harris County, Harris County Flood Control District, the District, and all other regulatory authorities having jurisdiction prior to commencement of construction of such facilities. Any required development or building permits shall be presented to the District prior to starting construction.

8. You must pay for all engineering and construction costs and any other costs involved in providing internal water, sanitary sewer, and storm sewer utilities to the Tract and in working with the City's and the District's engineers on such design and construction. You will be responsible for maintaining the private, internal utilities to the Tract, and there will be no reimbursement from the District for such costs.

9. You must provide the District's Engineer with an architect's or engineer's certificate stating the water capacity and sewage treatment capacity required to serve each structure or building proposed to be built on the Tract.

10. You must obtain the District's Engineer's approval of the certificate of required capacity and submit same to the District's Operator prior to any tap being made or, if being served from an existing tap, service being commenced.

11. Prior to connection of the Tract to the District's system, you must provide the District's Operator with a certificate from the District's Tax Assessor/Collector that all District taxes on the property have been paid.

12. All sewage discharges from the Tract must be solely domestic in nature and must comply with all of the District's and the City's orders, ordinances, rules, and regulations, and with any amendments hereafter to such orders, ordinances, rules, and regulations. Discharge of industrial or chemical waste, sewage in septic condition, or

any other waste other than ordinary domestic waste is prohibited, and the District reserves the right at any time to require all customers to install grease traps and/or sampling wells at their expense and/or to pretreat their wastewater discharge at their own expense if the District's Engineer or Operator determines that such procedures are necessary.

13. Prior to connection of the Tract to the District's water system, you must pay, for each meter, a tap fee to the District and any other fees or charges required by the District in accordance with the District's Amended Rate Order and all other orders or ordinances of the District in effect at the time of the connection. In addition, you will be required to pay for the water meter and meter installation for the Tract and all costs incurred in connecting to the District's existing water system, which shall be made by the District's Operator and which facilities shall be owned by the District. Any future repairs or replacements of the meter shall be at your sole cost. The District shall have sole discretion to determine size, location, and quantity of meters. Depending on the business purposes and functions of future tenants, the District may require that you and/or future tenant(s) enter into a Wastewater Services Contract or Contract(s). If requested by the District, the execution of such Wastewater Services Contract(s) may be required as a condition for continued District water and sewer service.

14. The connection of the Tract to the District's sanitary sewer system shall be made in accordance with the District's Amended Rate Order, a copy of which is attached as Exhibit "B". The connection to the District's sewer system shall be inspected by a representative of the District prior to being covered in the ground. In the event a connection is made and covered without inspection by a representative of the District, water service at such location shall be terminated. In addition, you will be required to pay for all costs incurred in connecting to the District's existing sanitary sewer system.

15. The District's obligation to provide service is conditional upon your installation of sufficient grease traps, sampling wells or other devices to prevent substances which are incompatible with the treatment of domestic sewage from being discharged into the District's sanitary sewer system.

16. No restaurants or food service businesses shall be allowed within the Tract without a dedicated kitchen waste line connected to a grease trap and a sampling well which comply with District specifications and are approved by the District's Engineer and Operator.

17. You must pay the applicable rates for water and sewer service to the Tract based on type of use, as provided in the District's Amended Rate Order or ordinance governing water and sanitary sewer service. The applicable rates are those in effect in the District's Amended Rate Order, or other order governing rates for water and sewer services, at the time service is provided to the Tract, which rates may be modified by the District in its sole discretion from time to time.

18. This reservation is not transferable or assignable to any other person, entity or organization whatsoever (whether affiliated with you or not, and including

transfer by operation of law) without the prior written consent of the Board of Directors of the District.

19. If, at full development of the Tract, it is determined by the District's Engineer that the water and sewer capacities reserved by this letter exceed the actual usage of the Tract, the reservation of the excess capacities shall automatically terminate and the excess capacities shall automatically revert to the District free and clear of this reservation and may be used by the District to serve areas outside of the Tract. If it is determined by the District's Engineer that the actual usage of the Tract exceeds the water and sewer capacities reserved by this letter, the District reserves the right to increase your connection count accordingly for purposes of Rate Order billing.

20. You must provide documentation that Harris County and the Harris County Flood Control District have approved the construction plans.

21. All irrigation systems and fire sprinkler systems must have a testable backflow prevention assembly approved by the District's Operator. Additional plans for extensions to these systems must be submitted to the District's Engineer for review.

22. This reservation is subject to the rules, regulations, policies and charges lawfully established from time to time by the District for providing water and sanitary sewer service to similar users.

23. The reservation of capacity described herein shall not be effective until the District has received a fully executed original of this utility commitment letter from you.

24. Because the District relies on ad valorem property taxes to pay debt service on outstanding bonds and a portion of its operation and maintenance expenses, you must reasonably maintain the Tract to a standard acceptable to the District in keeping with existing standards within the District, including but not limited to mowing, weed control, maintenance of landscaping, and control of litter in and around the Tract. If you fail to maintain the Tract, then the District shall have the right to terminate water and/or sewer service to the Tract in accordance with procedures for termination of service established in the District's Amended Rate Order.

The District looks forward to dealing with you in the development of the Tract.

IN WITNESS WHEREOF, the District has approved this reservation at a Board meeting on _____.

HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 278

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

_____ AGREES TO ALL OF THE ABOVE TERMS AND CONDITIONS concerning water supply and sewage treatment capacity reserved by the District for the Tract within the District and concerning development of the Tract.

[NAME]

By: _____

Name: _____

Title: _____

cc: District Engineer
District Operator

Attachments:

- Exhibit A - Description of the Tract
- Exhibit B - Amended Rate Order and Regulations Regarding Water and Sewer Lines and Connections

EXHIBIT F
PLUMBING AND SEWER RULES

1. Prohibition Against Water Contamination: No direct connection between the District's Water System and a private water supply or a potential source of contamination is permitted. Potential sources of contamination must be isolated from the District's Water System by the installation of an air-gap or an appropriate backflow prevention device in accordance with the City's plumbing code. Backflow prevention devices must be annually inspected and tested by the Operator. If any User refuses to allow an annual inspection or testing, service will be discontinued until a passing inspection and testing are completed. No connection which allows water to be returned to the District's System is permitted. This includes any device pursuant to which water is removed from the System, circulated through a User's system for condensing, cooling and heating of fluids or industrial processes, including but not limited to a heat exchange system, and routed back to the District's System. In addition, all pressure relief valves and thermal expansion devices must be in accordance with the City's plumbing code.

All sprinkler system, fountains, spas and swimming pools must have backflow prevention assemblies installed above ground by the User at the User's expense. In addition, the District requires all Commercial Users to install a backflow prevention assembly at all meters servicing such User's property. The District may require a User to install other backflow prevention assemblies at any fixture in order to prevent contamination of the District's Water System or if the User's plumbing system poses a high health hazard. A high health hazard is defined by the TCEQ as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply." If the Operator determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with the City's plumbing code, and must be tested and certified at least annually by the Operator. The annual cost of this test is set forth in Exhibit B. The User is responsible for the cost of this test. If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District may immediately terminate service to the User until the assembly is installed. Service will not be restored until the backflow prevention assembly has been installed and satisfactorily tested by the Operator.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's Water System, the User must install the backflow prevention assembly within five (5) working days after receipt of notice from the District that installation is required. The User must arrange for the Operator to perform a backflow prevention assembly test within three (3) working days of the installation of the backflow

prevention assembly and must pay the fee set forth in Exhibit B. If the User fails to notify the Operator to test the device, the District may terminate service to the User until the Operator is sure a proper backflow prevention assembly device is installed and operational.

2. Prohibition on Use of Specified Plumbing Materials. A User is not permitted to install any plumbing fixture that is not in compliance with the City of Houston's plumbing code. Further, the use of the following plumbing materials are prohibited in any and all improvements connected to the District's Water System:

- (a) Any pipe or pipe fitting which contains more than .25% lead; and
- (b) Any solder or flux which contains more than 0.2% lead.

3. Service Lines. A service line is the line from the foundation of the house or commercial building to the District lines. Only one service line connection to the District's Wastewater System and to the District's Water System is permitted for each residence or commercial building. Service lines must be constructed to true alignment and grade. Warped or sagging lines are not permitted.

Only the following types of pipe and fitting materials are approved for constructing service lines. Pipe and fittings in each individual service line will be of identical material.

(a) Schedule 40 conforming to ASTM, D-1785 and installed as per Section II of these specifications.

(b) Six-inch lines and over; polyvinyl chloride (PVC) pressure rated pipe SDR 26 or SDR 21 conforming to ASTM D 3034 with rubber gasket joints conforming to ASTM, F-477 and installed as per Section II of these specifications.

(c) Ductile-iron pipe conforming to ANSI A21.51 with rubber gasket joints ANSI A21.11, and installed according to manufacturer's recommendations.

(d) Minimum sizes of service lines shall be as follows:

- (i) Residential -- 4 inches in diameter.
- (ii) Commercial -- 6 inches in diameter.

(e) Minimum grades for service lines shall be as follows:

- (i) 4 inch pipe -- one foot drop per hundred feet (1%).
- (ii) 6 inch pipe -- six inches drop per hundred feet (0.5%).
- (iii) 8 inch pipe -- four inches drop per hundred feet (0.33%).

- (f) Maximum grades for service lines shall be as follows:
 - (i) 4 inch pipe – two and one-half feet drop per hundred feet (2.5%).
 - (ii) 6 inch pipe – one and one-half feet drop per hundred feet (1.5%).
 - (iii) 8 inch pipe -- one foot drop per hundred feet (.40%).

4. Connection of Building Sewer Outlet to Service Lines.

- (a) Building tie-on connections must be made directly to the stub-out from the building plumbing at the foundation on all Waste outlets.
- (b) Water-tight adapters of a type compatible with the materials being joined will be used at the point of connection of the service line to the building plumbing. No cement grout materials are permitted.
- (c) Existing “wye” and stack connections must be utilized for connection of the service line to the sewer main unless an exception is permitted by the District’s Operator.
- (d) The physical connection to the sewer main shall be made by use of an adapter of a type compatible with materials being joined. The connection shall be watertight. Portion to be cut out from sewer main shall be circular and available for inspection.
- (e) No connection shall be made into a manhole without approval from the Operator.
- (f) No sewer lines shall be laid within nine (9) feet of a water line unless the sewer pipe and its couplings shall have a pressure rating of not less than one hundred fifty (150) pounds per square inch (psi).

5. Service Line Fittings and Cleanouts.

- (a) No bends or turns at any point will be greater than 45 degrees.
- (b) Each horizontal 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) Cleanout will be made with air-tight mechanical plug.

- (e) Backfilling of service lines must be done within 24 hours of inspection. Trench backfill material must be clean and free of debris and compacted in one foot lifts to prevent future trench settlement.

6. Grease, Lint, and Sand Traps.

- (a) Grease traps will be required for establishments where food is prepared and served on premises.
- (b) Washateria operations shall require a lint trap.
- (c) Air space above the water line must be vented with four-inch soil pipe if the trap is located inside a building.
- (d) All shopping centers shall provide a grease trap and a sampling well.
- (e) All health care facilities shall provide an acid dilution basin and a sampling well.

7. Storm drainage connections. Storm water shall be prevented from infiltrating into the District's Wastewater System. No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's Wastewater System.

8. Inspection Requests. When the service line is complete, and prior to backfilling the pipe trench, the applicant for sewer service shall request an inspection of the installation and shall pay the applicable fee set forth in **Exhibit B**. Requests for inspections shall be made to the Operator 24 hours at least in advance of the inspection.

EXHIBIT G
RENTAL METER CONTRACT



BP# _____

Order # _____

Rental Contract# _____

Delivery# _____

RENTAL METER CONTRACT

*** Water District ***

6420 Reading Rd
Rosenberg, Texas 77471
(832) 490-1500

Date Issued _____

E-MAIL _____

Contractor/Builder Name _____

Office Name & Number _____

Billing Address _____

Field Contact Name & Phone Number _____

City, State, Zip Code _____

Job Location _____

Job Description _____

Deposit Amount _____

Deposit Check No. _____

Monthly Rental Fee _____

Meter Serial No. _____

Meter Reading and Condition _____

Meter Size and Type _____

Contractor/Builder Signature _____

Printed Name _____

SE (For the District) _____

TERMS OF CONTRACT

The Contractor issued this permit has paid the required deposit and is authorized to use water for construction purposes only in the aforementioned Utility District only. The water meter issued on this permit will be subject to a monthly rental charge per the attached schedule; this charge will not be prorated. In addition, actual water usage will be charged monthly in accordance with the rates established by the Utility District. The Contractor is responsible for any loss or damages to the meter and/or fire hydrant being used under this permit.

NOTE: Any outstanding charges will be deducted from the deposit prior to refund unless paid in full at end of contract. Applicable sales tax will be included on all rentals.

NOTE: the contractor agrees to provide the location of the meter so that SE can perform a monthly reading.

Failure to report relocation of the meter may result in forfeiture of deposit _____ (Initial)

CONTRACTOR: WILL ENSURE THAT NO DIRECT CONNECTION BETWEEN THE PUBLIC DRINKING WATER SUPPLY AND A POTENTIAL SOURCE OF CONTAMINATION EXISTS. POTENTIAL SOURCES OF CONTAMINATION WILL BE ISOLATED FROM THE PUBLIC WATER SYSTEM USING AN AIR GAP OR APPROPRIATE BACKFLOW PREVENTION DEVICE IN ACCORDANCE WITH STATE PLUMBING REGULATIONS. THIS IS THE RESPONSIBILITY OF THE CONTRACTOR: FAILURE TO COMPLY WILL RESULT IN LOSS OF DEPOSIT AND CONFISCATION OF THE METER. THIS PERMIT MUST REMAIN AT THE USAGE LOCATION FOR INSPECTION BY UTILITY DISTRICT PERSONNEL. FAILURE TO SHOW PERMIT WILL RESULT IN LOSS OF DEPOSIT AND CONFISCATION OF THE METER.

Return Date _____

Meter Reading and Condition _____

Other Equipment _____

Returned by (Signature) _____

Printed Name _____

Received by _____

Comments: _____

Return Delivery # _____

When reporting meter issues please include rental meter serial number:

Email builderservices@sienv.com
Fax (832) 490-1501
Phone (832) 490-1610

Meter Deposit Schedule

2" meter \$1,500.00 **Please make checks payable to Si Environmental*

Meter Rental Per Month

2" meter \$100.00 *Per month plus any charges for water usage from District's Rate Order
based on Commercial Rates.*

Water District Deposit

* Depending on the Water District, a deposit may be applied to your first bill

EXHIBIT H
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 278
PARK GENERAL USE GUIDELINES AND RULES

(Adopted April 24, 2017)

Within any of the District's recreational facilities, it shall be unlawful for any person to do any of the following acts, except as may be otherwise provided:

1. Use motorized vehicles or water craft.
2. Carry or discharge any firecrackers, rockets, torpedoes, other fireworks, air guns, bows, arrows, blowguns, darts or slingshots.
3. Skateboard.
4. Allow children under the age of twelve to enter the facilities without adult supervision.
5. Swim, wade, float, or bath in a District facility.
6. Hitch, fasten, lead, drive or let loose any kind of animal or fowl; provided that this shall not apply to dogs or house cats when led by cord or chain not more than six feet long.
7. Owners not picking up animal waste.
8. Engage in fishing in any District pond, lake, drainage ditch or other recreational facility.
9. Horseback ride through any District recreational facility.
10. Damage, cut, break, injure, deface or disturb any tree, shrub, plant, rock, monument, fence, bench, picnic table or other structure, apparatus or property.
11. Cut or remove any wood, turf, grass, soil, rock, sand, gravel, landscape material or fertilizer.
12. Bring in and or dispose of outside garbage.
13. Leave garbage, cans, bottles, papers or other refuse within the recreational facilities in places other than in trash receptacles provided therefore.
14. Light, build or maintain a fire or execute burning of any kind.
15. Carry glass bottles of any type.
16. Carry and/or consuming alcoholic beverages of any type.
17. Display or discharge a firearm in a District recreational facility unless the person is licensed to possess and carry a firearm under Government Code, Chapter 411, Subchapter H, and is in possession of and/or carrying the firearm in compliance with applicable law, including, but not limited to, applicable regulations adopted pursuant to Government Code, Chapter 411, Subchapter H.
18. Sell or offer for sale any food, drinks, confections, merchandise or services unless such person has a written agreement or permit issued by the District.
19. Camp overnight or use the recreation trail after dark.
20. Play or bet at or against any game that is played, conducted, dealt or carried on with cards, dice or other device, for money, chips, shells,

- credit or any other representative of value, or maintain or exhibit any gambling table or other instrument of gambling or gaming.
21. Use any threatening, abusive or insulting language or language otherwise constituting "fighting words."
 22. Commit any obscene, lewd or indecent act or create a nuisance of any kind.
 23. Disturb in any manner any picnic, meeting, service, concert, exercise or exhibition.
 24. Distribute, post, place or erect any advertising, handbill, circular, bill, notice, paper, sign, banner, flag or other advertising device.
 25. Practice, carry on, conduct or solicit for any trade, occupation, business or profession.
 26. Transmit any amplified sound through music, vibration, or speech projected by electronic equipment, including amplifiers or other devices in a manner that would disturb the peace, quiet, comfort or enjoyment of persons within any District recreational facility.
 27. Participate in any activity when the District believes such activity may create a danger to the public or may be considered a public nuisance. The Board of Directors of the District may designate particular locations within park areas for specific activities.
 28. Participate in any disorderly conduct, in any of the District's recreational facilities, as defined by Texas Penal Code, Section 42.01(2016), including but not limited to the use of any abusive, indecent, profane, or vulgar language or gestures that tend to incite an immediate breach of the peace; creating, by chemical means, a noxious and unreasonable odor; committing any lewd, indecent, or obscene act; or making unreasonable noise in a public place or in or near a private residence that you have no right to occupy.
 29. Use District facilities outside of the permitted hours. Permitted hours are from dawn to dusk unless otherwise designated by sign or written District permission.
 30. Use District facilities for any purpose other than the purpose for which it is designed or designated.

Any person, corporation or other entity violating these guidelines and rules may be subject to a fine of up to \$10,000 per violation or criminal penalties, including imprisonment, or both.