

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Nottingham Country Municipal Utility District, hereby certify as follows:

1. The Board of Directors of Nottingham Country Municipal Utility District convened in regular session on June 16, 2014 outside the boundaries of the District, and the roll was called of the members of the Board:

Ray Pavlovich	President
Ronald E. Hudson	Vice President
Vaughan Brown	Secretary
John "Jay" Wheeler	Assistant Vice President
Alan R. Wiggins	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

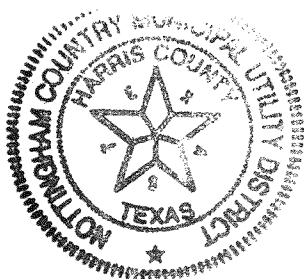
AMENDED RATE ORDER

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 June 16, 2014.

(SEAL)




Secretary, Board of Directors

AMENDED RATE ORDER

THE STATE OF TEXAS §
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WHEREAS, Nottingham Country Municipal Utility District (the "District") owns a water and sewer system designed to serve present and future inhabitants within the District; and

WHEREAS, it is necessary that fees, charges and conditions be amended for service from the District's water and sewer system, and rules and regulations be adopted for sanitary and pollution control of the areas in proximity to the District's public water supply wells; and

WHEREAS, the Board of Directors has carefully considered the matter and is of the opinion that the following conditions should be amended for service from the District's water and sewer system, and that rules and regulations be adopted for sanitary and pollution control of the areas in proximity to the District's public water supply wells; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF NOTTINGHAM COUNTRY MUNICIPAL UTILITY DISTRICT THAT:

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

- A. "Single Family Residential User" - means a user of the District's water and sewer system which consists of one residence designed for use and occupancy by a single family unit.
- B. "Commercial and Other Users" - means any user of the District's water and sewer system other than a Single Family Residential User, Multi-Family User, Non-Taxable User or Irrigation User including, but not limited to, commercial establishments, recreational facilities, clubs, but excluding multi-family dwelling units.
- C. "Multi-Family User" - means any user of the District's water and sewer system other than a Single Family Residential User, Commercial and Other Users, Non-Taxable User or Irrigation User which consists of multi-family dwelling units, including, but not limited to, apartments.

- D. "Non-Taxable User" - means a user of the District's water and sewer system that is exempt from ad valorem taxation by the District under the Property Tax Code, including, but not limited to, churches and schools.
- E. "Irrigation User" - means any user of the District's water system solely for irrigation purposes.

Section 2: Standby Charges. All standby fees which were accrued and unpaid as of September 1, 1991 shall continue in full force and effect and shall continue to accrue penalty and interest as provided herein. All accrued standby fees shall be paid as part of the tap fee.

Section 3: Platting Requirement. Prior to initially connecting to the District's water, sewer or drainage systems, a Single-Family Residential User, Commercial and Other Users, Multi-Family User or Non-Taxable User shall submit to the District's operator proof that the user's property has been platted in accordance with the subdivision ordinances of the City of Houston. Acceptable proof of platting includes a copy of the recorded plat, or a certificate from the City of Houston that the property has been platted or that the property is legally exempt from the platting process.

Section 4: Tap Fees.

- A. Single Family Residential User Water Tap. Prior to connection to the District's water system, a tap fee in the following amount shall be paid to the District:

- (1) In the case of a 3/4 inch water meter, the tap fee shall be \$975.00.
- (2) In the case of a 1 inch water meter, the tap fee shall be \$1,250.00.
- (3) In the case of a 1½ inch water meter, the tap fee shall be \$1,675.00.

All Single-Family Residential Users shall have at a minimum a 3/4-inch meter. All Single-Family Residential Users with 3½ or more bathrooms shall have a 1-inch meter.

- B. Commercial and Other Users Water Tap. Prior to connection to the District's water system, a tap fee in the amount of three (3) times the operator's actual charges to the District for installing the tap and meter, including the concrete and landscaping costs, shall be paid to the District.

- C. Multi-Family User Water Tap. Prior to connection to the District's water system, a tap fee in the amount of three (3) times the operator's actual charges to the District for installing the tap and meter, including the concrete and landscaping costs, shall be paid to the District.
- D. Non-Taxable Users
- (1) Non-Taxable Users shall pay a tap fee equal to the District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets 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 of Directors) (the "Installation Costs").
 - (2) The District's operator, together with the District's consultants, will produce an estimate of the Installation Costs, which will then be approved by the Board of Directors and be sent to the user. The user shall pay the estimated Installation Costs prior to installation of the tap. If the actual Installation Costs are greater than the estimated Installation Costs paid by the user, the difference must be paid by the user before the District will provide service to the user. If the actual Installation Costs are less than the estimated Installation Costs paid by the user, a refund for the difference shall be issued to the user.
- E. Irrigation Users. Prior to connection to the District's water system for service to esplanades, a tap fee of the operator's actual charge shall be paid to the District to cover the cost of installing the water tap(s) and meter(s), including the concrete and landscaping costs. All connections to the District's water system shall be made by the District's operator or its subcontractor. Meters shall be required for water taps to serve esplanades.
- F. The District's operator shall make all taps to the District's water system and install all water meters.

Section 5: Sewer Connections. All connections to the District's sewer system shall be made in accordance with the District's "Rules and Regulations Governing Sewer

House Lines and Sewer Connections", as the same may be amended from time to time. All connections 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 such inspection, water service will be terminated until the line is uncovered and so inspected. Water service shall not commence until the connection has been installed in accordance with such Rules and Regulations. An inspection fee of \$50.00 shall be paid to the District for making said inspections on Single Family Residential User and a \$100.00 fee shall be paid to the District for making each inspection on Commercial and Other Users, Multi-Family Users and Non-Taxable Users.

Section 6: Construction Standards for Water Service. As of November 19, 1990, any new construction or new installation of interior or exterior water lines, including sprinkler systems, (the "Water Lines") shall conform to the District's standards in this Amended Rate Order. The following materials shall be acceptable for installation or construction of Water Lines: copper pipe, polyvinylchloride (PVC) pipe or any other generally accepted material that is approved in writing by the District's operator. In no event shall galvanized steel pipe be used for District Water Lines. If new Water Lines 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 galvanized steel or any other nonconforming pipes. Prior to such new construction or installation, the builder, plumber, or any individual or company responsible for the installation of Water Lines shall certify in writing to the District's operator, his compliance with this section by signing the Certificate of Compliance attached hereto as Exhibit "A."

Section 7: Service Lines. All service lines shall be constructed according to the following criteria from the Uniform Plumbing Code:

- A. All piping passing under or through walls shall be protected from breakage. All piping passing through or under cinders or other corrosive materials shall be protected from external corrosion in an approved manner. Approved provisions shall be made for expansion of hot water piping. Voids around piping passing through concrete floors on the ground shall be appropriately sealed.
- B. All piping in connection with a plumbing system shall be so installed that piping or connections will not be subject to undue strains or stresses, and provisions shall be made for expansion, contraction, and structural settlement. No piping shall be directly embedded in concrete or masonry. No structural member shall be seriously weakened or impaired by cutting, notching or otherwise.

- C. All trenches deeper than the footing of any building or structure and paralleling the same must be at least forty-five (45) degrees therefrom, unless permission be otherwise granted by the District.
- D. Tunneling and driving may be done in yards, courts, or driveways of any building site. Where sufficient depth is available to permit, tunnels may be used between open cut trenches. Tunnels shall have a clear height of two (2) feet (0.6 m) above the pipe and shall be limited in length to one-half (1/2) the depth of the trench, with a maximum length of eight (8) feet (2.4 m). When pipes are driven, the drive pipe shall be at least one (1) size larger than the pipe to be laid.
- E. All excavations shall be completely backfilled as soon after inspection as practicable. Adequate precaution shall be taken to insure proper compactness of backfill around piping without damage to such piping. Trenches shall be backfilled in thin layers to twelve (12) inches (0.3 m) above the top of the piping with clean earth which shall not contain stones, boulders, cinder fill, or other materials which would damage or break the piping or cause corrosive action. Mechanical devices such as bulldozers, graders, etc., may then be used to complete backfill to grade. Fill shall be properly compacted. Suitable precautions shall be taken to insure permanent stability for pipe laid in filled or made ground.
- F. All water piping shall be adequately supported to the satisfaction of the District. Burred ends shall be reamed to the full bore of the pipe or tube. Changes in direction shall be made by the appropriate use of fittings, except that changes in direction in copper tubing may be made with bends, provided that such bends are made with bending equipment which does not deform or create a loss in the cross-sectional area of the tubing. Provisions shall be made for expansion in hot water piping. All piping, equipment, appurtenances, and devices shall be installed in a workman-like manner in conformity with the provisions and intent of the Code. All water service yard piping shall be at least twelve (12) inches (0.3 m) below the average local frost depth. The minimum cover shall be twelve (12) inches (0.3 m) below finish grade.
- G. Water pipes shall not be run or laid in the same trench as building sewer or drainage piping constructed of clay or materials which are not approved for use within a building unless both of the following conditions are met:
 - (1) The bottom of the water pipe, at all points, shall be at least twelve (12) inches (0.3 m) above the top of the sewer or drain line.

- (2) The water pipe shall be placed on a solid shelf excavated at one side of the common trench with a minimum clear horizontal distance of at least twelve (12) inches (0.3 m) from the sewer or drain line.

Section 8: Swimming Pool Inspections and Fee. Every User who plans to construct or install a swimming pool within the District shall notify the District's operator in writing prior to commencing construction of the pool. Upon notification by the User of the intention to construct or install a swimming pool, the User shall pay an inspection fee of \$50.00. After the notification is received, the District's operator shall ensure that all drains and backwash from the swimming pool are installed and connected to the District's sanitary sewer system as it relates to swimming pools and that the proper backflow prevention devices required by the District are installed. After the drains have been installed, the User shall notify the District's operator, who shall make an inspection of all swimming pool drains to verify that the proper connection is made, before service is authorized for said swimming pool.

Section 9: Grease Traps. The District shall require the owner of any establishment that discharges certain types of waste into the District's sanitary sewer system to install a trap to prevent the entry of the discharge into the system and a sampling well to allow for periodic sampling of the discharge from the establishment. Discharges requiring a trap and sampling well include, but are not limited to, grease, oil, sand, or flammable waste. Other discharges requiring a trap and sampling well shall be determined by the District's operator and engineer on a case-by-case basis based on the operator's and engineer's conclusion that the discharge in question will harm the District's facilities if allowed to enter the District's system.

Any person responsible for a discharge requiring a trap and sampling well shall provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, and maintain the trap in effective operating condition. For restaurants and similar developments, the District will require as a minimum one trap and one sampling well per restaurant. Each trap and sampling well required to be installed hereunder shall be subject to initial inspection and approval by a District representative; the fee for this initial inspection shall be \$75.00.

It shall be the responsibility of the owner of the property to maintain and service the trap(s). All traps shall be cleaned a minimum of once a month. Any time an owner files a "Liquid Waste Manifest" form with the City of Houston Health and Human Services Department, a copy of the form shall be sent to the District.

The District's operator may inspect the traps and may take samples and flow measurements from the sampling wells with no limit as to the frequency of the tests. A surcharge of \$40 per month will be added to the District's commercial sanitary sewer rates for each trap installed; provided, however, a dry cleaning business which performs dry cleaning on site within the District shall pay a surcharge of \$100 per month in addition to the District's commercial sanitary sewer rates for each tap installed. The surcharge will cover the cost of routine inspection, sampling, and testing. If a trap is found in violation of this Rate Order during a routine inspection, reinspection, sampling, and testing at the District's sole discretion as to time and frequency will be billed to the owner of the property as follows:

Reinspection	\$50 each trip
Sampling	\$25 each time
Lab analysis	Cost + 15%

The District has the right, in its sole discretion, to require the owner to pretreat discharge at the owner's expense.

Section 10: Regulatory Assessment. As required by the Texas Water Code, each user of the District's water and sanitary sewer system is hereby assessed a charge of one-half of one percent of the District's charge for water and sewer service. This assessment is included in the rate schedules listed below and will be forwarded to the Texas Natural Resource Conservation Commission for use in paying costs and expenses incurred in its regulation of water districts.

Section 11: Transfer Fees. A fee of \$5.00 shall be charged by the District to all users opening an account to cover the expense to the District for the transfer of water and sewer service from one user to the subsequent user.

Section 12: Water Rates.

- A. Builder Connections. During construction and prior to initial occupancy, a builder shall be charged a flat monthly rate for water and sewer service of \$25.00.
- B. Single Family Residential User Connections. After initial occupancy, each Single Family Residential User, other than esplanades, within the District shall be charged for water service from the District on a monthly basis according to the water used corresponding with the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$16.00 (minimum monthly charge)	0-8,000 gallons

\$ 1.60 per 1,000 gallons	8,001-20,000 gallons
\$ 1.90 per 1,000 gallons	Over 20,000 gallons

- C. Commercial and Other Users and Non-Taxable User Connections. Each Commercial and Other Users and Non-Taxable User within the District shall be charged the amount shown in the capacity reservation as set forth in the utility commitment letter or the actual usage, whichever is greater, at the rates set forth above for Single Family Residential User connections.
- D. Multi-Family User. Each Multi-Family User within the District shall be charged an amount equal to the number of units multiplied by the minimum rate of a Single Family Residential User or the actual usage, whichever is greater.
- E. Esplanades and Irrigation Users. Water service will be provided to the public esplanades within the District and to Irrigation Users for irrigation purposes and shall be charged for water service from the District on a monthly basis according to the water used corresponding with the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$16.00 (minimum monthly charge)	0-8,000 gallons
\$ 1.60 per 1,000 gallons	8,001-20,000 gallons
\$ 1.90 per 1,000 gallons	Over 20,000 gallons

There shall be no sewer charge for irrigation meters.

Section 13: Sewer Charges.

- A. Single Family Residential User. Each Single Family Residential User within the District shall be charged for sewer service from the District on a monthly basis for a flat rate of \$16.00.
- B. Commercial and Other Users and Non-Taxable User Connections. Each Commercial and Other Users and Non-Taxable User within the District shall be charged for sewer service from the District on a monthly basis according to the sewer used corresponding with the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$16.00 (minimum monthly charge)	0-15,000 gallons
\$ 1.60 per 1,000 gallons	15,001-20,000 gallons

\$ 1.90 per 1,000 gallons

Over 20,000 gallons

The amount of sewer discharged shall be determined by the total amount of water billed to such user.

- C. Multi-Family User. Each Multi-Family User within the District shall be charged an amount equal to the number of units multiplied by the rate of a Single Family Residential User.

Section 14. Commercial and Other Users; Utility Commitment Letters.

(A) Procedure. Any Commercial or Other User desiring water and sewer service shall present a written request to the Board of Directors stating the amount of water and sewer capacity desired, identifying the tract for which service is desired including a scale plat thereof, describing the improvements to be constructed thereon, and shall also present schematic drawings of the proposed improvements. The Board may approve a request if it determines that allocation of the requested water and sewer capacity is in the best interests of the District, that the District has available and uncommitted the amount of capacity requested, and the allocation of such capacity will not adversely affect the District's ability to provide reasonable amounts of water and sewer capacity to other land within the District. The Board may require grease traps, sampling wells, lint traps and/or other measures designed to protect the District's System.

The Board shall not issue a utility commitment letter unless it determines that all District ad valorem taxes due on the tract have been paid in full. As consideration for the issuance of the commitment letter, the requesting party shall pay the appropriate tap fee.

(B) Surcharge for Service. In fairness to all Users of land 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 sewage to determine if Users are exceeding the amount of capacity committed to serve their land or buildings. As one method of enforcement, the District has determined to reserve the right to impose a surcharge on any User who uses water or discharges sewage in excess of the amount reserved to such User or tract. 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 in excess of one hundred ten percent (110%) of the amount of capacity reserved to the tract by any utility commitment letter.

Section 15: West Harris County Regional Water Authority ("WHCRWA") Fee.

The WHCRWA assesses a fee upon the District for each 1,000 gallons of groundwater withdrawn by the District in a calendar quarter. Each user of District

water for any purpose, whether builder, single family residential, non-single family residential, or any other type of user, shall be charged, in addition to the water rates set forth above, a separate amount equal to 110% of the amount assessed by the WHCRWA to the District for each 1,000 gallons of water delivered to such user in a billing cycle rounded to the nearest whole penny. The effective date of this charge is October 23, 2010.

Section 16: Builder Deposit and Inspection Fees.

- A. Builder Deposit. A non-interest bearing deposit in the amount of \$1,500.00 shall be required of each builder prior to the District's Operator making any water taps for said builder. The deposit shall be paid by the builder when the request for the first water tap is made. The deposit described herein may be applied by the District to the cost of repair of any damage caused to the District's property by a builder or builder's agent or subcontractor. If at any time the deposit falls below \$1,500.00 due to the payment of any charges or backcharges to the District, it shall be the builder's responsibility to reinstate the original amount of the deposit prior to the District's Operator making any additional water taps for said builder. The District will refund the deposit within 30 days after the approval of the builder's final water and sewer connection by the District's Operator.
- B. Pre-Facility Inspection. Prior to starting any work on property within the District, all builders or contractors for property owners within the District must contact the operator to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the operator will make necessary repairs or locate and make the facilities visible at the expense of the District. A copy of the inspection report will be given to the builder's or contractor's representative. After the inspection and any necessary work is completed, the builder or contractor will then be responsible for paying the costs of all damages, adjustments, relocations and repairs of District facilities found during the Final Site Survey. The cost for each inspection is \$50.00 and is payable with the tap fee.
- C. Facility Inspection. After construction has been completed on the property, but before service is transferred to a user, the District's operator will conduct a Final Site Survey to reinspect the water tap, meter and all other District facilities on the property for a fee in the amount of \$50.00. (The fee shall be collected at the time the tap fee is paid). The property owner, builder or contractor will be held responsible for any damages or adjustments to District facilities and the cost of repairing, adjusting or relocating the facilities (the "Backcharges") before service shall be initiated

to a user. If any reinspections of the facilities are required to ensure that the District's facilities are repaired, relocated or adjusted, a fee in the amount shown of \$50.00 shall be charged for each such reinspection before service will be transferred to a subsequent user. Payment of the Backcharges, or any inspection or reinspection fees, shall be made on or before the 30th day after the date of the invoice for said charges. The District may withhold the provision of service to the property or to other property owned by any user, property owner, builder or contractor who has failed to timely pay for the Backcharges or to request or pay any inspection or reinspection fee, (including the pre-facility inspection) including specifically the provision of additional taps; provided, however, the District shall follow the notification procedures set forth in this Rate Order prior to withholding the provision of service.

Section 17: Maintenance and Repair. It shall be the responsibility of each user to maintain the water and sewer lines from the point of connection to the District's water and sewer system to the building served.

Section 18: Monthly Bills and Termination. Charges for services performed shall be billed monthly. All bills shall be payable on the 20th day after the date of the statement for said charges. Unless payment of the monthly bill is received on or before the 20th day after the date of said statement or unless payment of any Backcharges is received on or before the 30th day after the date of the invoice, such account shall be considered delinquent and a one time late charge equal to ten percent (10%) of the unpaid balance shall be charged. The District may, in its discretion, disconnect service for failure to pay all charges and Backcharges, including any late charge, by the 50th day after the due date; provided, however, that prior to disconnecting services, the District shall send written notice by United States first class mail to the user or entity at the appropriate address and provide the user or entity with an opportunity to contest, explain or correct the charges, services, or disconnection, at a meeting of the Board of Directors of the District. The written notice shall inform the user or entity of the amount of the delinquent payment, the date service will be disconnected or additional service withheld if payment is not made, the date, time and place of the next scheduled meeting of the Board of Directors, and of the opportunity to contest, explain or correct the charges, services, or disconnection, by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown on the notice. The date specified for disconnection shall be ten (10) days after the date of the next scheduled meeting of the Board of Directors as shown in the notice and the date for withholding additional service shall be the date of that Board meeting. The notice shall be deposited, postpaid, in a post office or official depository under the care and custody of the United States Postal Service at least ten (10) days prior to the date of the scheduled meeting of the Board of Directors. A written statement by the District's operator that the notice was so mailed and a certificate of mailing by the United States

Postal Service shall be prima facie evidence of delivery of same. If the user or entity appears before the Board in person or in writing, the Board shall hear and consider the matter and inform the user or entity of the Board's determination by sending written notice by United States first class mail to the user or entity at the appropriate address.

Users are entitled to a one-time, no-fault waiver of late charges. If a user believes that a late charge has been imposed improperly, the user may request a one-time waiver of the late charge with the user's appearance in person or in writing. Upon a proper request, the Board will grant the no-fault waiver. After receiving the no-fault waiver receipt of the late charge, the user shall not be eligible for another waiver of late charges.

If service to a user is disconnected for any cause, there shall be charged a reconnection fee of \$50.00 before service is again commenced to such user.

Section 19: Returned Check Charge. The District will charge a \$25.00 fee to any user for each check given to the District for payment that must be returned for any reason or for insufficient funds at time of an automatic clearing house debit. Payments attempted to be made by a check which is returned or insufficient funds shall be considered delinquent unless cash or certified funds are presented to the District for payment within the time period required by Section 12.

Section 20 Extra Charges for Checks. The District accepts checks as payment for all amounts due to the District. However, should the District's bank charge a fee for collection on a check, such fee will be charged to the User.

Section 21: Additional Payment Options. Any User may pay the monthly water and sewer bill via the payment options provided through the District and its operator including but not limited to, online check and credit card payments, check and credit card payments processed over the telephone, and payment through various area retail locations. Certain payment options are made available through service providers who may charge Users a convenience fee in connection with some payment options. 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 any such convenience fee shall subject the User to termination of service in accordance with this Order. If any User payment is refused or returned by the processing financial institution, the District will charge the User a return item fee of \$25.00. Acceptable payment methods for delinquent accounts may be restricted as specified elsewhere in this Order.

Section 22: Easements. Before service is begun to any user or, once begun but before reconnection is made, the person requesting such service shall grant an easement of ingress and egress to and from the meter for such maintenance and repairs as the District may, in its judgment, deem necessary.

Section 23: No Free Service. No free service shall be granted to any user for services furnished by the District's water and sewer system including any user which is a charitable or eleemosynary institution, a political subdivision or municipal corporation. All charges for water and sewer service shall be made as required herein.

Section 24: Required Service. No service shall be given from the District's water and sewer system unless such user agrees to take both water and sewer service, except for irrigation connections.

Section 25: No Guarantee of Specific Quantity or Pressure of Water. The District does not guarantee any User any specific quantity or pressure of water for any purpose whatsoever, and all Users understand and agree that the District is not liable for failure or refusal to furnish any particular amount or pressure of water to any User at any time.

Section 26: Plumbing Regulations; Prohibition against Cross-Connections and Unacceptable Plumbing Practices; Penalty for Violation. Pursuant to Chapter 290 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all users of the District's potable water distribution system.

- A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, or prior to having service reconnected to any building after termination of water service, a user must execute a Service Agreement in the form attached to this Rate Order as Exhibit "B".
- B. Plumbing Fixtures. A user is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located.
- C. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow prevention device in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

- D. Backflow Prevention Assemblies. All sprinkler systems, spas and pools must have backflow prevention assemblies installed by the user at the user's sole cost and expense. In addition, the District, in its sole discretion, may require a Commercial and Other Users, Multi-Family User and Non-Taxable User to install a backflow prevention assembly at any meter(s) servicing such a user's property. The District, in its sole discretion, also may require any user to install other backflow prevention assemblies at any fixture in order to prevent contamination of the District's potable water distribution system or if the user's plumbing system poses a high health hazard. A high health hazard is defined by the TNRCC as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply." If the District determines that a user must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located, and must be tested and certified at least annually by a recognized backflow prevention assembly tester. A list of certified backflow prevention assembly inspectors can be obtained from the local office of the TNRCC.

The user is responsible for insuring that all backflow prevention assemblies are tested upon installation by a recognized backflow prevention assembly tester. This test may be performed by the District's operator or its subcontractor or by a recognized backflow prevention assembly tester. If the District's operator or subcontractor performs the test, the cost will be \$50.00 per inspection for Single Family Residential Users and \$125.00 per inspection for Commercial and Other Users, Multi-Family Users and Non-Taxable Users, which is due and payable prior to the test. The user is solely responsible for the cost of this test. If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the user. In that event, service will not be restored until the backflow prevention assembly has been installed and tested and a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "C" has been provided to the District's operator.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's public water system, the user must install

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

In the event any repairs are necessary, the owner shall have the option of using the District's operator or a recognized backflow prevention assembly tester.

- E. Customer Service Inspections. A customer service inspection is required prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected, or (iii) continues service to a user when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist. The cost of such customer service inspection will be the sole responsibility of the user. This customer service inspection must be performed by the District's operator; the cost will be \$75.00 per inspection for Single Family Residential Users, \$125.00 per inspection for Commercial and Other Users and will be determined on an individual basis for other users. All fees relating to the customer service inspection shall be paid by the user prior to the inspection, and if the inspection is made in connection with new construction, the fee will be collected with the tap fee.

Prior to initiating service to new construction or buildings containing new plumbing fixtures, the user must provide the District's operator with a signed and dated "Customer Service Inspection Certification" in the form attached to this Rate Order as Exhibit "D". The District's operator will retain such inspection certifications for a minimum of ten (10) years. If the District's operator does not perform the initial customer service inspection, the user will need to obtain a final inspection certificate from the District's operator prior to receiving service. In connection with this final plumbing inspection, the user shall allow its property to be inspected by the District's operator or its subcontractors during normal business hours for possible cross-connections and other unacceptable plumbing

practices which violate this Rate Order. The cost of this final plumbing inspection shall be \$75.00 for Single Family Residential Users, \$125.00 for Commercial and Other Users and will be determined on an individual basis for other users. The cost of this final inspection shall be paid by the user prior to the final plumbing inspection. Thereafter, the District's operator or its subcontractors may, at the discretion of the District and/or the District's operator, periodically inspect a user's plumbing system during normal business hours for the purpose of identifying possible cross-connections and other unacceptable plumbing practices which violate this Rate Order.

- F. Prohibition Against Cross-Connections. No cross-connection between the District's potable water distribution system and a private water system is permitted. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly must be properly installed and such assembly must be annually inspected and tested by a certified backflow prevention device tester. A list of certified backflow prevention device testers may be obtained from the local office of the TNRCC. By accepting service from the District, all users agree to allow such annual inspection and testing of backflow prevention assemblies to take place during normal business hours. If any user refuses to allow such annual inspection and testing, service to such user will be discontinued until such inspection and testing is completed.

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

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

working days of the testing or maintenance. If the user fails to correct the noted unacceptable plumbing practice, the District may immediately terminate water service or, at the user's sole cost and expense, eliminate the cross-connection or correct the unacceptable plumbing practice.

- H. Penalty for Violation. The failure of a user to comply with the terms of this Section will be considered a violation of this Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in Section 18 of this Rate Order, immediately terminate service or, at the user's sole cost and expense, install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the user.

Section 27: Penalties for Violation. Any person, corporation or other entity who:

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

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

This penalty shall be in addition to the other penalties, fees and charges provided by this Amended Rate Order and 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.

Section 28: No Meters. No meter shall be provided to any builder who refuses to pay for any damages incurred by the builder to District facilities or District property while constructing within the District.

Section 29: Quality of Sewage.

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

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

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

In accordance with the preceding sentences, the District has determined that dry cleaning facilities and commercial laundry facilities pose special risks to the District's sanitary sewer system and the environment, and as such, the District shall require all such dry cleaning facilities and commercial laundry facilities to enter into a Wastewater Services Contract for Commercial Cleaners. A copy of the Wastewater Services Contract is attached as Exhibit "E."

- C. National Categorical Pretreatment Standard. If a user is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental Protection Agency under Section 307 of the federal Clean Water Act, the user is prohibited from discharging pollutants into the District's sanitary sewer system in violation of applicable categorical pretreatment standards.
- D. District Testing; Pretreatment. The District shall have the right to sample and test any user's discharge at the discretion of the District's operator, with no limit as to the frequency of the tests, and to charge the user for the District's cost of such sampling and testing. The District also shall have the right to require pretreatment, at the user's expense, of any discharge of non-domestic waste if the District determines in its sole discretion that pretreatment of such waste is necessary to protect the District's sanitary sewer system or the environment, even if pretreatment is not otherwise required pursuant to subsection C above.

Section 30: Prohibited Discharge. No discharges shall be made into the District's storm sewer system, other than storm sewer water run-off. All waste discharged into the District's sanitary sewer system shall conform to the requirements hereof and shall consist only of waste amenable to biological treatment or other processes employed by the District from time to time. No person may discharge into the District's sanitary sewer system any waste which by itself or by interaction with any other waste may:

- A. Injure or interfere with the processes or physical properties or facilities of the District's sanitary sewer system;
- B. Constitute a hazard to humans or animals;

C. Create a hazard in receiving waters of the effluent of the sanitary sewer system; or

D. Cause the District to be unable to comply with the terms of any discharge permit.

Discharges prohibited by the foregoing parameters include, but are not limited to, materials which exert or cause: excessive discoloration or concentrations of suspended solids, or chlorine demands in excess of the ability of the sanitary sewer system to adequately treat and dispose of such waste in compliance with applicable regulatory requirements. Prohibited discharges also include, but are not limited to, the following materials which, if present in sufficient quantities, may cause or result in a violation of the foregoing parameters: ashes, cinders, sand, mud, grass clippings, straw, shavings, metal, glass, rags, tar, plastic, wood or wood products, oil, grease, garbage (other than properly shredded garbage), paper or paper products, chemicals, paint residues, or bulk solids.)

Section 31: Rules and Regulations Regarding Sanitary and Pollution Control. The District hereby adopts the Rules and Regulations Regarding Sanitary and Pollution Control of the Areas in Proximity to the District's Public Water Supply Wells that are set forth in Exhibit "F" attached to this Rate Order.

Section 32: Superseding Orders. This Order supersedes all prior orders, resolutions and other actions of the Board concerning fees and charges for water and sewer services.

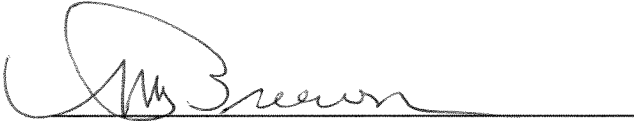
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PASSED AND APPROVED this 16th day of June, 2014.



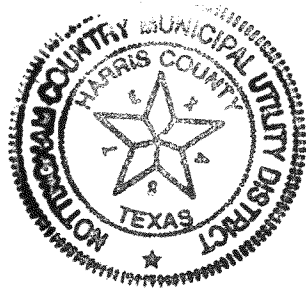
President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)



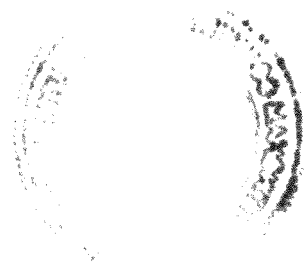


EXHIBIT "A"
CERTIFICATE OF COMPLIANCE
WITH CONSTRUCTION STANDARDS FOR WATER SERVICE
IN NOTTINGHAM COUNTRY MUNICIPAL UTILITY DISTRICT

On November 19, 1990, Nottingham Country Municipal Utility District amended its Rate Order as follows:

Section 6: Construction Standards for Water Service. As of November 19, 1990, any new construction or new installation of interior or exterior water lines, including sprinkler systems, (the "Water Lines") shall conform to the District's standards in this Amended Rate Order. The following materials shall be acceptable for installation or construction of Water Lines: copper pipe, polyvinylchloride (PVC) pipe or any other generally accepted material that is approved in writing by the District's operator. In no event shall galvanized steel pipe be used for District Water Lines. If new Water Lines 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 galvanized steel or any other nonconforming pipes.

I certify as the builder, plumber, or any individual or company responsible for the installation of interior or exterior water lines in Nottingham Country Municipal Utility District, that I understand, and have complied with the District's Construction Standards for Water Service in Section 6 of the District's Rate Order, as it reads above.

Name

Company

Date

EXHIBIT "B"
SERVICE AGREEMENT

I. **PURPOSE.** The [NAME OF WATER SYSTEM] ("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 customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must sign this 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 a weighted average of 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

E. No solder or flux which contains more than 0.2 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 [NAME OF WATER SYSTEM] (the "District") and [NAME OF CUSTOMER] (the "Customer").

A. The District will maintain a copy of this agreement as long as Customer and/or the premises is connected to the District's water system.

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

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

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

E. Customer 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. Customer 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 customer for failure or refusal to furnish any particular amount or pressure of water to Customer at any time.

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

CUSTOMER'S SIGNATURE: _____

DATE: _____

ADDRESS: _____

EXHIBIT "C"**Backflow Prevention Assembly Test and Maintenance Report**

The following form must be completed for each assembly tested. A signed and dated original must be submitted to the public water supplier for recordkeeping purposes.

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

NAME OF PWS: _____

PWS I.D. #: _____

LOCATION OF SERVICE: _____

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

☐ Not needed at this address

TYPE OF ASSEMBLY

☐ Reduced Pressure Principle

☐ Pressure Vacuum Breaker

☐ Double Check Valve

☐ Atmosphere Vacuum Breaker

Manufacturer: _____

Size: _____

Model Number: _____

Located At: _____

Serial

Number: _____

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

The above is certified to be true.

Firm name: _____

Certified Tester: _____

Firm Address: _____ Cert. Tester No.: _____

Date: _____

EXHIBIT "D"**Customer Service Inspection Certification**

Name of PWS: _____

PWS I.D. #: _____

Location of Service: _____

I, _____, upon inspection of the private plumbing facilities connected to the aforementioned public water supply do hereby certify that, to the best of my knowledge:

	Compliance	Non-Compliance
(1) No direct connection between the public water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes.	<input type="checkbox"/>	<input type="checkbox"/>
(2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester.	<input type="checkbox"/>	<input type="checkbox"/>
(3) No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.	<input type="checkbox"/>	<input type="checkbox"/>
(4) No pipe or pipe fitting which contains more than a weighted average of 0.25% lead exists in private plumbing facilities installed on or after January 1, 2014.	<input type="checkbox"/>	<input type="checkbox"/>
(5) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988.	<input type="checkbox"/>	<input type="checkbox"/>
(6) No plumbing fixture is installed which is not in compliance with a state approved plumbing code.	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Service Lines:	Lead <input type="checkbox"/>	Copper <input type="checkbox"/>	PVC <input type="checkbox"/>	Other <input type="checkbox"/>
Solder:	Lead <input type="checkbox"/>	Lead Free <input type="checkbox"/>	Solvent Weld <input type="checkbox"/>	Other <input type="checkbox"/>

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

Signature of Inspector	Registration Number
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Title	Type of Registration
-------	----------------------

Date	License Expiration Date
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EXHIBIT "E"
WASTEWATER SERVICES CONTRACT FOR COMMERCIAL CLEANERS

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

WHEREAS, Nottingham Country Municipal Utility District, Harris County, Texas (the "District") provides water, sewer and drainage service to residential and commercial establishments within the District's jurisdiction;

WHEREAS, _____ (the "Cleaner") operates a commercial dry cleaning facility and/or commercial laundry at _____ (the "Facility") within the District's service area and desires to receive sewage treatment services from the District;

WHEREAS, the use of perchloroethylene, also known as tetrachloroethene, tetrachloroethylene, perc, and PCE, is prevalent in the commercial dry cleaning and commercial laundry business;

WHEREAS, perchloroethylene is a hazardous substance under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601-9675, and regulations promulgated pursuant to CERCLA;

WHEREAS, the Cleaner may use other organic solvents, detergents and/or stain and spot removers, including but not limited to 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, that may be hazardous substances pursuant to CERCLA and regulations promulgated thereto;

WHEREAS, perchloroethylene and other organic solvents, detergents and/or stain and spot removers may deteriorate or contribute toward the deterioration of pipes, pipe fittings, joints, and the sealants around such pipes, pipe fittings, and joints in the District's sanitary sewer system in a manner which causes such substances to be released into the environment;

WHEREAS, perchloroethylene and other organic solvents, detergents and/or stain and spot removers are toxic or otherwise injurious to human health and the environment when released into the environment;

WHEREAS, perchloroethylene and other organic solvents, detergents and/or stain and spot removers are persistent when released into the environment, and as such are expensive to contain and remove once released into the environment; and

WHEREAS, the District has determined not to allow discharges of any wastewater into the District's sanitary sewer system from commercial dry cleaning and commercial laundry facilities to prevent harm to the District's facilities and the environment, unless such commercial dry cleaning and commercial laundry facilities agree by contract to strict controls on the use and discharge of perchloroethylene and other organic solvents, detergents and/or stain and spot removers;

NOW, THEREFORE, THIS CONTRACT is entered into by and among the District and the Cleaner this ____ day of _____, 2____.

For and in consideration of the mutual promises and benefits set forth herein, the District and the Cleaner agree to the following:

1. Wastewater Services. The District agrees to receive into its sanitary sewer system wastewater discharged from operations at the Cleaner, subject to the terms of this Contract and the District rate order, as currently existing or hereinafter amended (the "Rate Order"). The Cleaner is hereby notified that it is also subject to all subsequent modifications, revisions, and/or amendments to the Rate Order that may be adopted by the District after the date first written above.
2. Compliance With Laws and Regulations. The Cleaner shall operate in compliance with all applicable federal, state and local laws and regulations, including but not limited to the National Perchloroethylene Air Emission Standards for Dry Cleaning Facilities, 40 C.F.R. Part 63, Subpart M; all applicable requirements set forth in and promulgated pursuant to the Clean Water Act, 33 U.S.C. §§ 1251-1387; all applicable requirements set forth in and promulgated pursuant to the Safe Water Drinking Act, 42 U.S.C. §§ 300f to 300j-26; all applicable requirements set forth in and promulgated pursuant to the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901-6992k; all applicable requirements set forth in and promulgated pursuant to CERCLA, 42 U.S.C. §§ 9601-9675; all applicable requirements set forth in and promulgated pursuant to the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§ 11001-11050; all applicable requirements set forth in and promulgated pursuant to the Texas Solid Waste Disposal Act ("TSWDA"), Texas Health & Safety Code §§ 361.001-.754; and all applicable requirements set forth in and promulgated pursuant to any section within the Texas Water Code.
3. Maximum Contaminant Levels. The Cleaner (and any other person or entity associated with the Facility) is prohibited from discharging any wastewater containing any organic solvent, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels,

into the District's sanitary sewer system in excess of the Maximum Contaminant Levels ("MCLs") established in 40 C.F.R. § 141.61. The Cleaner warrants and represents that it has checked all drains and pipes at the Facility and that no drain or pipe that may receive wastewater in excess of any MCL established in 40 C.F.R. § 141.61 discharges directly or indirectly into the District's sanitary sewer system. In the event any wastewater containing organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, are discharged into the District's sanitary sewer system that exceed or may exceed the MCLs established in 40 C.F.R. § 141.61, the Cleaner shall immediately notify the District so that the District may take steps to control and/or contain the discharge with minimal disruptions to the wastewater treatment facility that will receive the discharge.

4. Stain/Spot Treatment. The Cleaner (and any other person or entity associated with the Facility) shall not pretreat any clothing with perchloroethylene prior to introducing such clothing into equipment, such as commercial washing machines, that discharge wastewater directly or indirectly into the District's sanitary sewer system. To the extent the Cleaner or any other person or entity uses any other stain/spot remover or other substance to pretreat clothing prior to introducing such clothing into equipment discharging directly or indirectly into the District's sanitary sewer system, the Cleaner shall verify that the wastewater discharged into the District's sanitary system does not contain any constituent of such stain/spot remover or other substance in excess of the MCLs established in 40 C.F.R. § 141.61.
5. Spills. The Facility shall have no floor drains near the area where organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, are used that lead to the District's sanitary sewer or storm water drain. The Cleaner shall have absorbent cotton blankets, or other suitable cleanup and containment materials, available at the Facility for use in the event of a spill of any organic solvent, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels.
6. Storage Area. All organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride,

trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, shall be stored in a separate area. The floor in the organic solvent storage area should be leak-proof, such as a floor constructed of stainless steel, fiberglass, or concrete with a thick coating of epoxy applied frequently enough to completely cover the floor area at all times, and designed to contain 110% of any organic solvent contained in any single container, tank, or dry cleaning equipment that contains organic solvent.

7. Storage Containers. The Cleaner (and any other person or entity associated with the Facility) shall keep all organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, and all waste materials potentially contaminated with such organic solvents in leak-proof, tightly covered containers and stored in the organic solvent storage area. All spent cartridge filters shall be placed inside leak-proof, tightly covered containers and stored in the organic solvent storage area.
8. Secondary Containment. All dry cleaning machines, washers, dryers, or other equipment that use, contain or store organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, or any water contaminated by such organic solvents, shall be placed in an area surrounded by a containment curb or similar secondary containment structure designed to contain spills or leaks. The containment curb or similar secondary containment structure shall be non-porous, constructed of materials such as fiberglass, steel, or concrete with a thick coating of epoxy applied frequently enough to completely cover the containment area at all times, and designed to contain at least 110% of the contents of any single tank, container, or equipment that may contain organic solvents, including but not limited to perchloroethylene, 1,1,1-trichloroethane, trichloroethylene, methylene chloride, trichlorofluoroethane, stain/spot removers containing chlorinated and/or aromatic hydrocarbons, amonic detergents, and emulsifying, dispersing and pH controlling agents used for the removal of fats, oils, greases, paints and enamels, or water contaminated by such organic solvents.
9. Hazardous Waste. The Facility shall not be used as a hazardous waste treatment, storage, and disposal facility. No hazardous waste, whether generated by the Cleaner at the Facility, by the Cleaner at another facility, or by any third party, shall be transported to the Facility or to any facility receiving water or sewer

services from the District. Further, all hazardous waste generated at the Facility, including but not limited to still residues from solvent distillation, spent filter cartridges, cooked powder residue, separator water, and any other contact water contaminated with organic solvent, shall be stored at the Facility only for such time as is necessary to accumulate sufficient quantities for transportation to a permitted hazardous waste treatment, storage, and disposal facility. Under no circumstances shall any hazardous waste be accumulated at the Facility for a length of time such that the Facility becomes subject to the requirements for hazardous waste treatment, storage, and disposal facilities.

10. EPA Identification Number. If it has not already done so, the Cleaner shall obtain an EPA identification number from the U.S. Environmental Protection Agency ("EPA") pursuant to 40 C.F.R. § 262.12 for the Facility notwithstanding any regulatory exemption or exception, including the provisions for conditionally exempt small quantity generators. The Cleaner shall comply with the manifest requirements in 40 C.F.R. Part 262 when transporting or arranging for the transportation of hazardous waste from the Facility, and the Cleaner shall use the EPA identification number that identifies the Facility in all such manifests.
11. Waste Disposal. The Cleaner shall arrange for the transportation of hazardous waste generated at the Facility, including but not limited to still residues from solvent distillation, spent filter cartridges, cooked powder residue, separator water, and any other contact water contaminated with organic solvent, only with a transporter who complies with all applicable requirements for the handling and transportation of hazardous waste. The Cleaner shall transport or arrange for the transportation of hazardous waste generated at the Facility, including but not limited to still residues from solvent distillation, spent filter cartridges, cooked powder residue, separator water, and any other contact water contaminated with organic solvent, only to a permitted hazardous waste treatment, storage, and disposal facility who complies with all applicable federal, state, and local requirements set forth in and promulgated pursuant to RCRA, 42 U.S.C. §§ 6901-6992k, and TSWDA, Texas Health & Safety Code §§ 361.001-361.754. The Cleaner shall be obligated to make all reasonable inquiries regarding any hazardous waste transporter or hazardous waste treatment, storage, and disposal facility in order to verify compliance with all applicable federal, state, and local requirements. At a minimum, such inquiry shall include verification that each transporter has an EPA identification number and each hazardous waste treatment, storage, and disposal facility has an EPA identification number and a valid permit for hazardous waste treatment, storage, and disposal.
12. Operation and Maintenance. All dry cleaning and laundry equipment at the Facility shall be operated and maintained according to the manufacturer's instructions, including all instructions set forth in the operator's manual provided by the manufacturer and supplied with the dry cleaning and/or laundry

equipment. The Cleaner shall keep a copy of the operator's manual at the Facility and shall make each person employed by the Cleaner aware of the location of the operator's manual.

13. Inspections. The Cleaner shall allow reasonable access on prior written request by the District to allow the District's representative to inspect the Facility for compliance with this Contract. Failure to provide access for such inspection shall be a violation of this Contract and sufficient grounds for the termination of water, sewer, and drainage services.
14. Wastewater Sampling. The District's representative shall be allowed to sample and analyze the wastewater discharged from the Cleaner into the District's sanitary sewer system to ensure compliance with this Contract, the Rate Order, and any applicable federal, state, or local law or regulation. The Cleaner shall provide reasonable access to the District's representative for purposes of sampling the Cleaner's wastewater discharge, and the Cleaner shall pay the District's reasonable costs for such sampling and analysis necessary to ensure compliance with this Contract, the Rate Order, and any applicable federal, state, or local law or regulation. Such sampling shall be no more frequent than once per month unless the analysis of any prior sample indicates a violation or potential violation of this Contract, the Rate Order, or any applicable federal, state, or local law or regulation, in which case subsequent samples shall be no more frequent than necessary to ensure continuous compliance with this Contract, the Rate Order, and any applicable federal, state, or local law or regulation.
15. Remedies. The District may terminate services provided under this Contract, at the Cleaner's sole cost and expense, including a reasonable fee for terminating service, court costs, attorneys' fees, and any other cost related to enforcing this Contract and terminating service, for a violation of any provision set forth in this Contract. The District may also impose fines and penalties authorized in the Rate Order or take any other action authorized in the Rate Order or under law for any violation of this Contract or the Rate Order, and, notwithstanding any provision in the Rate Order to the contrary, the Cleaner is liable for all costs related to enforcing the terms or conditions of this Contract or the Rate Order, including court costs and attorneys' fees.
16. Insurance.
 - A. The Cleaner shall maintain at its own expense environmental pollution insurance in the form of a pollution legal liability select policy or other environmental pollution insurance policy in full compliance with this paragraph and satisfactory to the District ("Mandatory Insurance"). The Mandatory Insurance shall provide coverage, with limits of not less than \$1,000,000 (ONE MILLION DOLLARS) annual aggregate limit on a claims

made basis, for the following: (i) the Cleaner's own pollution cleanup costs, including any costs or expenses for the investigation of, removal of, remediation of, or the rendering nonhazardous or less hazardous of, any environmental pollution conditions (whether pre-existing or new) resulting from the discharge, dispersal, release, or escape of pollutants into the environment or into the sewage treatment system of the District; (ii) any pollution cleanup costs by the District, including any costs or expenses for the investigation of, removal of, remediation of, or the rendering nonhazardous or less hazardous of, any environmental pollution conditions (whether pre-existing or new) resulting from the discharge, dispersal, release, or escape of the Cleaner's pollutants into the environment or into the sewage treatment system of the District; (iii) any governmental pollution cleanup costs that may result if the Cleaner or the District fails to perform any necessary cleanup, including any governmental costs or expenses for the investigation of, removal of, remediation of, or the rendering nonhazardous or less hazardous of, any environmental pollution conditions (whether pre-existing or new) resulting from the discharge, dispersal, release, or escape of the Cleaner's pollutants into the environment or into the sewage treatment system of the District; (iv) any property damage to tangible property of the District, including any damage to the sewage treatment system of the District; (v) any restoration costs for restoring the sewage treatment system of the District after cleanup of the pollution, or restoring the property or environment damaged by the pollution or the pollution cleanup, including any affected surface vegetation or soils, subsurface soils, surface water, or groundwater; (vi) any business interruption losses incurred by the District as a result of the pollution or pollution cleanup; (vii) any legal expense or defense costs that may be incurred by the District; (viii) any third-party claims for the cleanup of pollution conditions against the Cleaner or the District; (ix) any third-party claims for bodily injury resulting from the pollution conditions against the Cleaner or the District; and (x) any third-party claims for property damage resulting from the pollution conditions against the Cleaner or the District. Voluntary cleanups by the Cleaner or the District shall be specifically covered under the Mandatory Insurance. The Mandatory Insurance shall allow the Cleaner and the District to self-report pollution and recover cleanup costs either or both may incur after reporting the pollution voluntarily. Exclusions shall not be written that remove or limit the coverage intended by this paragraph.

- B. The District shall be named as an additional insured with waiver of subrogation rights on all insurance coverage provided by the Cleaner except where the District may decline same in advance and in writing.
- C. The Mandatory Insurance shall be maintained without a reduction in or narrowing of coverage during the period the District provides services

under this Contract and for at least 4 years following the termination of services provided under this Contract. The Mandatory Insurance shall provide coverage for the acts and omissions of the Cleaner and its agents, employees, contractors and subcontractors. The Mandatory Insurance shall require that the District be provided with thirty (30) days advance written notice of cancellation, reduction, change or renewal of each such policy. Proof of insurance satisfactory to the District, including proof that the District has been named as an additional insured as provided in paragraph B, shall be provided by the Cleaner at execution of this Contract and attached to this Contract as Exhibit "B."

- D. The Mandatory Insurance shall provide that the District shall not be subject to the "other insurance" condition or other policy terms which conflict with this Contract. It is the intent of this Contract that the Mandatory Insurance, including the interest of the District as an additional insured, shall be primary insurance and not contributory with other insurance which the District may have in effect.
- E. The Mandatory Insurance shall be provided by financially responsible insurance carriers licensed to do business in the state of Texas and rated by AMBest Rating Service as A- or better.
- F. The Cleaner's failure to maintain the Mandatory Insurance shall be a basis for termination of services to be provided by the District under this Contract.

17. **INDEMNITY.**

- A. **AS PART OF THE CONSIDERATION FOR THE RIGHT TO DISCHARGE WASTEWATER FROM COMMERCIAL DRY CLEANER AND/OR COMMERCIAL LAUNDRY ACTIVITIES INTO THE SANITARY SEWER SYSTEM OF THE DISTRICT, THE CLEANER HAS AGREED TO AND DOES HEREBY FULLY AND COMPLETELY INDEMNIFY AND HOLD THE DISTRICT, EACH ANY EVERY MEMBER OF THE BOARD OF DIRECTORS OF THE DISTRICT, CONSULTANTS RETAINED BY THE DISTRICT TO CARRY OUT THIS CONTRACT OR OTHERWISE TO ASSIST IN PROVIDING WASTEWATER SERVICES TO THE CLEANER, CONTRACTORS OR EMPLOYEES RETAINED OR HIRED BY THE DISTRICT TO CARRY OUT THIS CONTRACT OR OTHERWISE TO ASSIST IN PROVIDING WASTEWATER SERVICES TO THE CLEANER, AND ANY OTHER AGENT OR REPRESENTATIVE OF THE DISTRICT WHO CARRIES OUT THIS CONTRACT ON BEHALF OF THE DISTRICT OR WHO ASSISTS THE DISTRICT IN PROVIDING WASTEWATER SERVICES TO THE CLEANER (COLLECTIVELY, THE**

"DISTRICT AND ITS AGENTS") HARMLESS FROM EVERY CLAIM, ACTUAL LOSS, DAMAGE, INJURY, COST, EXPENSE, JUDGMENT, OR LIABILITY SUSTAINED OR INCURRED BY, OR BROUGHT AGAINST THE DISTRICT AND ITS AGENTS, OF EVERY KIND OR CHARACTER WHATSOEVER, IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, DIRECT OR INDIRECT, FOR BODILY INJURY, DEBT, PROPERTY DAMAGE, ECONOMIC LOSS AND/OR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH THE DISCHARGE OF WASTEWATER FROM COMMERCIAL DRY CLEANER AND/OR COMMERCIAL LAUNDRY OPERATIONS INTO THE SANITARY SEWER SYSTEM OF THE DISTRICT. THIS INDEMNITY AND HOLD HARMLESS AGREEMENT RUNNING IN FAVOR OF THE DISTRICT AND ITS AGENTS IS SPECIFICALLY INTENDED TO COVER ALL COSTS OF ANY FUTURE CLAIMS OR LITIGATION, INCLUDING COURT COSTS, ATTORNEYS' FEES, AND/OR OTHER DEFENSE COSTS, AND EXPRESSLY INCLUDES ANY AND ALL CLAIMS THAT MAY BE BROUGHT BY PRIVATE PERSONS OR GOVERNMENTAL AGENCIES UNDER CERCLA (42 U.S.C. §§ 9601-9675), RCRA (42 U.S.C. §§ 6901-6922K), TSWDA (TEXAS HEALTH & SAFETY CODE §§ 361.001-.754), OR ANY OTHER FEDERAL OR STATE STATUTORY CAUSE OF ACTION. FURTHERMORE, THIS INDEMNITY AND HOLD HARMLESS AGREEMENT RUNNING IN FAVOR OF THE DISTRICT AND ITS AGENTS IS SPECIFICALLY INTENDED TO OPERATE AND BE APPLICABLE EVEN IF IT IS ALLEGED, CHARGED, OR PROVEN THAT ALL OR SOME OF THE FACTS, INCIDENTS OR EVENTS COMPLAINED OF OR ALL OR SOME OF THE DAMAGES SOUGHT WERE SOLELY AND COMPLETELY CAUSED BY THE FAULT OR SOLE OR CONCURRENT NEGLIGENCE (INCLUDING GROSS NEGLIGENCE) OF THE DISTRICT, THE DISTRICT AND ITS AGENTS, OR ANY PERSON, ENTITY OR PORTION COMPRISING THE DISTRICT AND ITS AGENTS OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER AN AFFIRMATIVE ACT OR AN OMISSION, INCLUDING WITHOUT LIMITATION ALL TYPES OF NEGLIGENT CONDUCT (INCLUDING GROSS NEGLIGENCE) IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS. FINALLY, IT IS AGREED THAT NO STATUTE OF LIMITATIONS PERIOD OR PERIOD OF LACHES SHALL BEGIN TO RUN AGAINST THIS INDEMNITY AND HOLD HARMLESS AGREEMENT UNTIL EACH CLAIM, DEMAND, OR CAUSE OF ACTION FOR WHICH HOLD HARMLESS OR INDEMNITY PROTECTION IS SOUGHT HAS BEEN ASSERTED AGAINST THE PARTY OR PARTIES SEEKING TO INVOKE THE PROTECTION OF THIS INDEMNITY AND HOLD HARMLESS AGREEMENT AND UNTIL SUCH PARTY HAS

RECEIVED WRITTEN NOTIFICATION OF SUCH CLAIM, DEMAND, OR CAUSE OF ACTION.

- B. THESE CONTRACTUAL PROVISIONS RELIEVE ONE PARTY FOR RESPONSIBILITY IT OTHERWISE WOULD HAVE UNDER THE LAW FOR DAMAGES OR OTHER LIABILITY ARISING OUT OF THIS CONTRACT.
 - C. THE PARTIES HAVE NEGOTIATED IN GOOD FAITH TO ELIMINATE UNKNOWN AND ARBITRARY ASPECTS OF THEIR RELATIONSHIP AND TO ALLOCATE THE RISK OF LOSS IN A MANNER THAT IS COMMENSURATE WITH THE EXPECTED BENEFITS. THE PARTIES HAVE ATTEMPTED TO STATE THEIR AGREEMENT CLEARLY AND EXPRESSLY WITHIN THE FOUR CORNERS OF THIS CONTRACT. THE PARTIES AGREE THAT ALL PROVISIONS OF THIS CONTRACT ARE INTENDED TO APPLY EVEN IF THEY HAVE THE RESULT OF RELIEVING ONE PARTY FROM RESPONSIBILITY IT WOULD OTHERWISE HAVE UNDER THE LAW FOR ITS CONDUCT, INCLUDING ITS SOLE OR CONCURRENT NEGLIGENCE (INCLUDING GROSS NEGLIGENCE), OR FOR ANY DAMAGES OR LIABILITY THAT WOULD OTHERWISE BE IMPOSED BY THE LAW IN CONNECTION WITH EITHER PARTY'S CONDUCT. EACH PARTY AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE ENFORCEABILITY OF ANY PROVISION OF THIS CONTRACT UNDER THE "EXPRESS NEGLIGENCE" RULE AND EACH PARTY AGREES AND COVENANTS THAT IF A PROVISION OF THIS CONTRACT IS NEVERTHELESS DEEMED BY A COURT TO BE SUBJECT TO THE "EXPRESS NEGLIGENCE" RULE AND THAT IF THE PROVISION IS AMBIGUOUS, SUCH PROVISION WILL NOT BE DECLARED UNENFORCEABLE. INSTEAD, SUCH AMBIGUOUS PROVISION SHALL BE ENFORCED IN ACCORDANCE WITH THE COMMERCIAL AND ECONOMIC TERMS OF THE PARTIES' OVERALL AGREEMENT AND, TO THAT END, AND TO THAT END ONLY, ORAL TESTIMONY AND OTHER WRITING SHALL BE CONSIDERED BY THE COURT OR JURY TO DETERMINE THE INTENT OF THE PARTIES WITH RESPECT TO SUCH PROVISION.
18. Non-assignment. The Cleaner shall not assign or delegate this Contract to any person or entity, and the Cleaner shall be responsible for all duties and obligations set forth in this Contract notwithstanding any acts by third parties or intervening events.
19. Severability. In the event that any one or more of the provisions contained in this Contract or in any other instrument referred to herein, including but not limited to the Rate Order, shall, for any reason, be held to be invalid, illegal, or

unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract or any other such instrument.

20. Amendments, Waiver. This Contract may not be amended except in a writing specifically referring to the Contract and signed by the District and the Cleaner. Notwithstanding this paragraph, the Rate Order may be amended as provided in paragraph 1. Any right created under this Contract may not be waived, except in a writing specifically referring to this Contract and signed by the party waiving the right. The failure of a party to enforce strictly any provision of this Contract shall not be deemed to act as a waiver of any provision, including the provision not so enforced.
21. Merger. This Contract and all exhibits attached hereto constitute the entire understanding between the parties and supersede any prior negotiations, discussions, agreements, and understandings between the parties with respect to the subject of this Contract.

AGREED TO AND ACCEPTED as of the date first written above.

NOTTINGHAM COUNTRY MUNICIPAL
UTILITY DISTRICT

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

Nottingham Country Municipal Utility District
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attn: _____

THE CLEANER

By: _____
Name: _____
Title: _____
Address: _____

EXHIBIT "F"

RULES AND REGULATIONS REGARDING SANITARY AND POLLUTION CONTROL OF THE AREAS IN PROXIMITY TO THE DISTRICT'S PUBLIC WATER SUPPLY WELLS

WHEREAS, Nottingham Country Municipal Utility District (the "District") has been created for, among other purposes, the protection, preservation, and restoration of the purity and sanitary condition of water within the State; and

WHEREAS, the District has the functions, powers, authority, rights, and duties that will permit accomplishment of the purposes for which it was created or the purposes authorized by the constitution, the Texas Water Code, or any other law; and

WHEREAS, the District has authority to adopt reasonable rules and regulations to preserve the sanitary condition of all water controlled by the District, and to provide and regulate a safe and adequate fresh water distribution system; and

WHEREAS, the District owns and operates water supply facilities within the District, and will construct, own and operate additional water supply facilities within the District, including Water Well No. 1 and an additional water well (collectively, the "District's Water Wells"), which provide or will provide potable water to the residents of the District; and

WHEREAS, because maintenance of sanitary conditions around the District's Water Wells is vital to the protection of the water supply of the District's Water Wells and to the protection of the health and safety of the residents of the District, the Board deems it necessary and proper to establish rules and regulations governing the control of sanitary conditions around the District's Water Wells; NOW, THEREFORE,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE DISTRICT:

Section 1. Purpose.

A. These Rules and Regulations forth uniform requirements for the uses and the construction of facilities in or on land within one hundred fifty feet (150') of the District's Water Wells for the purposes of preserving the sanitary condition of water controlled by the District, to provide and regulate a safe and adequate fresh water distribution system, to protect the water supply of the District's Water Wells by means of sanitary control, and to enable the District to comply with all applicable state and local regulations.

B. The objective of these Rules and Regulations is to prevent certain uses and the construction of facilities in or on land surrounding the District's Water Wells, which might create a danger of pollution to the water produced from such District's Water Wells.

Section 2. Definitions.

Unless the context requires otherwise, the following terms and phrases, as used in these Rules and Regulations, shall have the meanings hereinafter designated:

- A. "Board" shall mean the board of directors of the District.
- B. "District" shall mean Nottingham Country Municipal Utility District, located in Harris County, Texas.
- C. "District's Water Wells" shall mean the water wells owned and operated by the District and to be owned and operated by the District, which are or will be located at 19630 Stone Lodge, Katy, Texas.
- D. "Owner" shall mean that Person or Persons currently holding title to property, be it improved or unimproved, residential, non-residential, or tax-exempt.
- E. "Person" shall mean any individual, partnership, co-partnership, firm, company, corporation, association, joint stock company, trust, estate, governmental entity, or any other legal entity, or its legal representatives, agents, successors, or assigns.
- F. "Rules and Regulations" shall mean these Rules and Regulations Regarding Sanitary and Pollution Control of the Area in Proximity to the District's Public Water Supply Wells.

Section 3. Prohibited Activities.

The following activities are prohibited within the designated areas of land surrounding the District's Water Wells:

- A. Construction and/or operation of underground petroleum and/or chemical storage tanks and liquid transmission pipelines, stock pens, feedlots, dump grounds, privies, cesspools, septic tanks, sewage treatment drain fields, absorption beds, evapotranspiration beds, improperly constructed water wells of any depth, and all other construction or operation that could create an unsanitary condition is prohibited within, upon, or across all areas of land within a 150-foot radius of the District's Water Wells. For the purposes of this Order, "improperly constructed water wells" are those that do not meet the surface and subsurface construction standards for a public water supply well.
- B. Construction of tile or concrete sanitary sewers, sewer appurtenances, septic tanks, storm sewers, and cemeteries is specifically prohibited within, upon, or across any area of land within a 50-foot radius of the District's Water Wells.

C. Construction of homes or buildings upon any area of land within a 150-foot radius of the District's Water Wells is permitted, provided the restrictions described in paragraphs A and B above are met.

D. Normal farming and ranching operations are not prohibited by this Order; provided, however, livestock shall not be allowed within a 50-foot radius of the District's Water Wells.

Section 4. Right of Entry.

District employees, or other representatives of the District, bearing proper credentials and identification, shall be permitted to immediately enter upon any premises located within a 150-foot radius of any District Water Well as shown on **Exhibit A** attached hereto and made a part hereof, to conduct any inspection or observations necessary to enforce this Order.

Section 5. Penalties.

A. Persons found to be in violation of these Rules and Regulations shall be notified by the District in writing. A person who violates any of the provisions of these Rules and Regulations shall be subject to a penalty of up to \$5,000 for each violation. Each day that a violation of any provisions hereof continues shall be considered a separate violation. Such penalties shall be in addition to any other penalties 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. A court of competent jurisdiction may enjoin continued violations hereof.

B. The Owner shall reimburse the District for any and all expenses incurred by the District in the enforcement of the provisions of these Rules and Regulations, including without limitation reasonable fees for attorneys, expert witnesses, and other costs incurred by the District.

C. No water or sewer tap will be permitted for any tract or parcel of land until such land is in full compliance with these Rules and Regulations.

Section 6. Superseding Regulation or Statute.

Whenever any applicable statute, regulation, or permit of any state, federal, or other agency, having jurisdiction over the subject matter of these Rules and Regulations, is in conflict herewith, the stricter requirement shall apply, unless mandated otherwise.

Section 7. Severability.

In the event any clause, phrase, provision, sentence, or part of these Rules and Regulations or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate these Rules and Regulations as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the Board declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 8. Authority, Publication and Effective Date.

A. These Rules and Regulations are adopted pursuant to Sections 49.004, 49.221, and 54.205 of the Texas Water Code.

B. Pursuant to Section 54.207 of the Texas Water Code, a substantive statement of these Rules and Regulations and penalty for their violation as set out herein, shall be published once a week for two consecutive weeks in one or more newspapers with general circulation in the area in which the District is located. Such substantive statement may be condensed as far as possible to intelligently explain the purpose to be accomplished or the act forbidden by the rules. This notice will advise that breach of the rules will subject the violator to a penalty and that the full text of the rules are on file in the principal office of the District where they may be read by any interested party.

C. The penalty for violation of these Rules and Regulations shall become effective and enforceable five (5) days after the publication of notice hereof pursuant to Section 54.207 of the Texas Water Code. Five (5) days after publication, the published Rules and Regulations shall be in effect and ignorance shall not be a defense to the prosecution for the enforcement of any penalty provided herein, all as set forth in Section 54.208 of the Texas Water Code. The Owner of property within the District upon which activities which are subject to these Rules and Regulations are in progress as of the effective date hereof shall immediately cease and desist such activities until compliance with the terms hereof is achieved.

Attachment:

Exhibit A – Descriptions of 150-Foot Distance from the District's Water Wells