NORTHWEST FOREST MUNICIPAL UTILITY DISTRICT

WATER AND SEWER USE ORDER

AN ORDER RELATING TO CLASSES OF USERS; WATER AND SEWER CHARGES; PROVIDING FOR PERIODIC REVIEW OF WATER AND SEWER RATES; ESTABLISHING BILLING PROCEDURES; REQUIRING THE CONNECTION OF EXISTING SERVICE TO THE WATER AND SEWER SYSTEM OF THE DISTRICT; PROVIDING STANDARDS FOR NEW CONNECTIONS BEGINNING AS OF THE EFFECTIVE DATE OF THIS ORDER; PROHIBITING DISCHARGE OF UNACCEPTABLE SUBSTANCES; SETTING STANDARDS FOR SERVICE CONNECTIONS AND EXTENSIONS; PROVIDING FOR THE VALIDITY AND SEVERABILITY OF PROVISIONS OF THE ORDER; AND PROVIDING FOR ENFORCEMENT HEREOF

WHEREAS, the Northwest Forest Municipal Utility District (the "District") has provided facilities for the distribution of potable water to residential users within its boundaries;

WHEREAS, the District has also provided facilities for collection and transport of sewage to promote health, safety, and convenience of its residential customers and to safeguard the water resources within the District;

WHEREAS, such water and sewer facilities are designed, constructed, and operated for the purpose of providing water and sanitary sewage service for domestic sewage only, without industrial wastes, and without excessive amounts of storm drainage or ground water;

WHEREAS, proper protection and operation of the sanitary sewer collection and transportation facilities may require exclusion or regulated discharge of waste matter other than domestic sewage, as well as exclusion of storm drainage or ground water; and

WHEREAS, existing orders and regulations for water and sanitary sewer use must be supplemented in order to meet requirements of the United States Environmental Protection Agency (the "EPA"), the Texas Commission on Environmental Quality (the "TCEQ") and the Public Utility Commission of Texas (the "PUCT").

SECTION 1 – DEFINITIONS

The meaning of terms used in this Order shall be as follows:

- a) <u>District</u>. The Northwest Forest Municipal Utility District, a special purpose district created by the Texas Commission on Environmental Quality (formerly the Texas Natural Resource Conservation Commission).
- b) <u>District's Sewer System</u>. The sanitary sewer collection and transportation facilities constructed and operated by the District and any sanitary sewer system or sewer extensions which may be built within the District in the future.
- c) <u>District's Water System</u>. The water distribution facilities operated or to be constructed by the District as currently operating and any water system extensions which may be built within the District in the future.
- d) <u>Maintenance Tax</u>. Any tax levied by the District on real and/or personal property within the District based upon the maintenance tax election heretofore held within the District and at such rates and charges as may be determined in accordance with State law.
- e) <u>Non-permanent Residential Structure</u>. Any structure to be inhabited as a residential structure does not comply with any deed restriction or land use restriction applicable to any section of the Northwest Forest Municipal Utility District, and this includes but is not limited to temporary mobile homes, motor homes, recreational vehicles, portable buildings or other temporary residential structures.

SECTION 2 – CLASSES OF USERS

All users of the District's water and sewer services shall be grouped into the following classes:

- a) <u>Resident users</u>, consisting of residential users located within the District or private users located outside the District.
- b) <u>Other users</u>, consisting of any residential users located outside the District and not subject to maintenance taxes.

All water and sewer charges shall be assessed in such a manner that each class of users pay its proportionate share of any debt service and operation and maintenance for water and sewer service. Other classes of users shall be added in the future, if necessary.

All residential may be grouped into sub-classes according to the meter size provided to their residence.

SECTION 3 – WATER AND SEWER CHARGES

In addition to the levying and collection of maintenance tax by District on all real and personal property within the District, each residential user shall pay monthly service charges. The following rates per month shall be the monthly rates charged for water and sanitary sewer services furnished to residential customers within for a 3,000 gallon minimum usage outside the District.

Water Rates.	
Meter Size	Minimum Inside District
$\leq \frac{3}{4}$ "	\$10.55 (3,000 gallons)
	\$3.50 per 1,000 gallons over 3,000 gallons
Meter Size	Minimum Outside District

TO BE DETERMINED BY THE DISTRICT

b) <u>Sewer Rates</u>.

a)

Meter Size

Minimum Inside District

\$23.65

\$2.47 per 1,000 gallons over 3,000 gallons

Meter Size Minimum Outside District

TO BE DETERMINED BY THE DISTRICT

c) <u>Wholesale Water Service</u>. Wholesale water service shall be at rates negotiated between the District and wholesale users.

SECTION 4 – TAP CHARGES

The District shall provide water taps in accordance with the following fee schedule:

Water Meter Size Fee

 $\leq \frac{3}{4}$ " \$600.00

SECTION 5 – OTHER CHARGES AND FEES

- 1. The service charge for service transfer within the District shall be \$30.00 for each customer. A service charge of \$30.00 is required for turning on customer water or for disconnection for leaks.
- 2. A charge of \$25.00 is required for insufficient fund checks.

- 3. A delinquent charge will be added, if the bill is not paid on or before the last day of each month. The delinquent charge shall be \$25.00.
- 4. A re-connection fee of \$60.00 will be charged before service can be restored to any customer who has been disconnected for any valid reason including the customers request for disconnection of service or for failure to pay user charges.
- 5. If service is disconnected and a customer or its agent or representative reconnects service without approval of the District, a fee of \$60.00 will be charged to the customer who has been disconnected for any valid reason including customer request for disconnection of service or failure to pay user charges and any costs for damages to District equipment or facilities. The charging of this fee shall not limit any lawful rights of the District to seek civil or criminal action against a customer who has unlawfully re-established service.

SECTION 6 – SERVICE DEPOSITS

Each person requesting service from the District shall establish with the District a service deposit in the amount of \$100.00 which shall be paid to the District in cash, and the District shall deposit it in a non-interest bearing service deposit account to be held on behalf of the customer.

Notwithstanding the right of the District to establish such other deposits as it may deem appropriate for residential customers, any customer who is renting or leasing a residential unit where service has been requested shall be required to establish a deposit of \$250.00 and shall be subject to refund on the same provisions as set forth in the preceding paragraph for property owner/customers within the District.

The District has determined that no interest shall be paid on any deposits to be established by District customers.

SECTION 7 – PERIODIC REVIEW OF RATES

The District shall review the water and sewer rates not less than once annually on the basis of expenditures incurred in providing services. Expenditures shall be calculated separately for the following services;

- a) Water service, including supply and distribution;
- b) Sewer service, including collection and transportation; and
- c) Debt service for water and sewer facilities, if any.

Calculated expenditures for water and sewer services shall include:

- a) Direct operation and maintenance expense;
- b) Allowances for replacement of major system components;
- c) Allowances for vehicle replacement;

d) Administration and billing expenses.

Water rates shall be determined on the basis of calculated expenditures required for water supply and distribution. Sewer rates shall be determined on the basis of calculated expenditures for its sewage collection and transportation system. In each case, allowances shall be made for contingencies and for excess or deficient revenues collected during the preceding year.

All water and sewer charges prescribed in Section III of this Order (including debt service)(if any) shall be adjusted on the basis of this review. These charges shall be established so that each class of users pays all operation and maintenance for water and sewer service, attributable to that class of users.

All water and sewer charges may be apportioned on the basis of estimated flows.

SECTION 8 – BILLING PROCEDURES

The District shall issue an itemized monthly bill to each water and/or sewer customer, indicating the amount due for water and sewer service. To non-resident customers, the District shall issue an itemized monthly bill to each water and/or sewer customer, indicating the amount due for water service and sewer service. The entire bill shall be payable to the District on or before the last day of each month. Payment of water charges shall not be accepted without payment also of sewer charges.

Maintenance taxes shall be assessed annually. Each tax notice shall include the tax rate for the water system and sewer system operation and maintenance.

SECTION 9 – DISCONNECTION OF SERVICE

The District may disconnect service to any customer for any of the following reasons:

- a) Written request of the customer.
- b) Failure to pay all water and sewer charges within sixty (60) calendar days after the date of issuance of the bill.
- c) Existence of a known hazardous condition that could adversely affect the District or the customer at whose property an adverse condition has been found.
- d) Service established through meter bypassing, unauthorized connection, or unauthorized re-connection.
- e) Tampering with water meter or other District facilities.
- f) Extending, connecting or maintaining water and/or sanitary sewer service to a nonpermanent residential structure except for service authorized through a temporary construction permit.

- g) Any occupation of a residential or other structure that has not been duly permitted by the Jefferson County Floodplain Administration (as hereinafter identified) or any attempt to occupy a residential or other structure without proper connection to the water and sewer system of the District.
- h) Attempting to occupy and utilize any non-permanent or permanent residential structure within the District after use of water service and/or sanitary sewer service from private non-District provided sources.
- i) Any and all other violations of this Order.

If disconnection is solely due to failure of a customer to pay monthly charges or upon the failure of a customer to pay other charges, the District will:

- a) Give at least ten (10) calendar days notice prior to disconnection.
- b) Have District personnel available to collect delinquent bills and to make reconnection by the next normal working day after the delinquent amount and reconnection fees are paid.

SECTION 10 – USE OF COLLECTED FUNDS

All water and sewer revenues collected by the District shall be placed in a separate fund(s) for water system operation and maintenance and sewer operation and maintenance, as designated in Section III of this Order. Any such fund shall be spent only for its designated purpose. The District shall maintain such accounting procedures and control of expenditures as necessary to ensure that all funds are spent as designated.

SECTION 11 – LEGAL REQUIREMENTS

In addition to the rules and regulations herein above stated, all water service within the District shall be subject to the following additional legal requirements:

- a) <u>Water Conservation and Drought Contingency Plan</u>. All use of water within the District shall be subject to the Water Conservation and Drought Contingency Plan as adopted by the City of Beaumont, Texas and affirmed by the Board of Directors of the District, and as such Water Conservation and Drought Contingency Plan may hereafter be amended or modified.
- b) <u>Plumbing Codes</u>. All water usage within the District and all water service facilities connecting residential users to District facilities and all plumbing fixtures in residential facilities shall be in compliance with plumbing codes as adopted by the District and as may otherwise be adopted by any and all other local, state and federal authorities having jurisdiction over such facilities. Plumbing fixtures shall be installed in compliance with all requirements of the TCEQ and the Texas Health Department, and all facilities shall exclude lead and copper piping as previously prohibited by action of the Board of Directors of the District.

- c) <u>Backflow Preventative Devices</u>. If a residential or other user installs a sprinkler system or pools with automatic backfilling devices, backflow preventers shall be installed by a licensed plumber in accordance with any and all regulations of the District and the TCEQ.
- d) <u>Private Wells</u>. Private water wells may not be used for public consumption of water within the District; however, if a property owner drills a well for non-consumption purposes, such must be done in accordance with all the rules and regulations of the TCEQ and/or PUCT. Further, such wells shall be installed with an air separation between water well lines and District facilities. No discharge of well water into the District's sanitary sewer collection system is permitted. Further, any such wells will need to be in compliance with any other regulations including any restrictions placed upon such facilities by plat or deed restrictions or by other local, state or federal laws or regulations. If a private well will be installed, any residential customers must install a backflow preventer in the service line prior to or contemporaneous with the installation of the private water well.
- e) <u>Water Extensions</u>. The cost of the installation of water lines beyond the existing service lines of the District as of the effective date of this Order to any residential user or any undeveloped area within the District shall be the sole responsibility of the property owner and/or developer requesting services. Further, such installation of water distribution lines shall be installed by the property owner and/or developer requesting service to such specifications and subject to such inspections as may be required by the District.
- f) <u>No Service to Temporary Residential Structures</u>. Except for FEMA trailers or other mobile residential living units placed on property for property owners performing repairs due to federal and/or state disaster declarations, no service from the District's water system shall be permitted to be connected to any non-permanent residential structures located on any property within the District. The District acknowledges that due to deed restrictions and /or land use restrictions applicable to properties within the District, such non-permanent residential structures are not allowed. Concurrently, no sewer service shall be allowed to be connected by service line to the District. The District may discontinue water service and/or sewer service to any non-permanent residential structure to which the District finds that water and/or sewer service has been extended by providing not less than thirty (30) days prior written notice to any customer to discontinue water and/or sewer service to a non-permanent residential structure within the District.
- g) <u>Service to secondary structures on property</u>. Any secondary structures located on the same lot or property which contain living quarters shall have an independent water and sewer tap. The secondary tap fee shall be installed at the prevailing rate for installation of new taps.

SECTION 12 – EXCLUDED FLOW AND WASTE

- a) No waste material which is not biologically degradable will be permitted to discharge into the District's facilities, including mud and debris accumulated during installation.
- b) No industrial wastes other than domestic sewage shall be discharged into the District's sewer system unless approved in writing by the Board of Directors. No toxic wastes, wastes which would damage the collection and transportation facilities, or wastes which would interfere with the waste treatment process shall be discharged into the District's sewer system.
- c) Industrial wastes shall not be diluted by unnecessary use of process water, or by adding unpolluted water, before discharging into the District's sewer system. No unpolluted cooling water shall be discharged into the District's sewer system.
- c) No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's sewer system.
- e) No ground water drains, foundation drains, or other subsurface drains shall be connected into the District's sewer system.
- f) Swimming pool drains are not allowed to be tied into the District's sewer lines. All discharge lines shall be installed as to not create a nuisance to or damage to adjacent properties and should be routed so that the discharge line terminates in the roadside drainage ditch at the customer's property adjacent to the street or road.
- g) No effluent drains from existing and/or abandoned septic tanks or field lines will be permitted to remain in service.

SECTION 13 – CONNECTION OF WATER LINES

a) Applications for water service connections shall be filed with the District upon application forms made available from the District. All applicants for water service shall include a sewer connection to the District in accordance with Section 14, paragraph (a) and/or other applicable sections of this Order

SECTION 14 – CONNECTION OF SEWER LINES

- a) Applications for sewer service connections shall be filed with the District upon application forms made available from the District.
- b) No physical connection of a residential building to the District's sanitary sewer system shall be made by a property owner, and such physical connection may only be made by the District, its agents or employees.

SECTION 15 – STANDARDS FOR SERVICE LINES

The following regulations govern the installation of service lines to residential buildings within the District:

- a) After the effective date of this Order, all new residential or other connections to the District's sewer system shall be made in accordance with Section 14 of this Agreement.
- b) The following types of piping and fitting material are approved for constructing service lines from the foundation of a residence or other building to the sewer system of the District:
 - 1) Service pipe extending from the foundation of a residential building to the Grinder Pump Station shall be Polyvinyl Chloride (PVC) Pipe, SDR 40, as defined in ASTM D-3034, push-on type with factory premolded gasketed joints. All fittings shall be PVC schedule 40 solvent weld joints.
 - 2) Minimum size of service lines should be as follows:

Residential - 3 inches' minimum diameter

3) Minimum grades for services lines shall be as follows:

3" or 4" pipe - one foot drop per hundred feet (1%) 6" pipe - six inches drop per hundred feet (0.5%) 8" pipe - four inches drop per hundred feet (0.33%)

4) Maximum grades for service lines shall be as follows:

3" or 4" pipe - two and one-half feet drop per hundred feet (2.5%) 6" pipe - one and one-half feet drop per hundred feet (1.5%) 8" pipe - one foot drop per hundred feet (1%)

- 5) Service lines shall be constructed to true alignment and grade and warped and sagging lines will not be permitted.
- 6) Maximum depth of service lines exiting the slab: Service lines shall not exit the slab at a depth greater than 36" measured from the finish slab elevation to the center of the service line.
- c) The building tie-on connection shall be made directly to the stub-out from the residence plumbing at the foundation on all waste outlets. Water-tight adapters of a type compatible with the materials being joined shall be used at the point of connection of the service line to the residence or other building plumbing. No cement grout materials shall be permitted.

- d) All residential or other drains and sewers leading to the District's sewer system shall be maintained so as to exclude any ground or service water from entering the sewer system. The District shall require the owner of these facilities to immediately correct at his own cost and expense any leaks or other conditions allowing the entry of ground water into the sewer system. This provision shall apply whether such leaks or conditions existed prior to the effective date of this Order or occur at a later date.
- e) To the extent not specified herein, all plumbing required to provide water and/or sanitary sewer service to residential or other connections to the District's utility system shall be with facilities and equipment which are in compliance with the most current revision to the 2015 National Standard Plumbing Code ("NSPC"). The current revision of the Standard Plumbing Code and its succeeding revisions (the "Code") is hereby adopted and declared to be operative as the plumbing code of the District, again, save and accept the portions that may be modified or amended by specific provisions of this Order.
- f) If any residential or other service fails to comply with the terms of this Order or with any other customer service agreements or orders of the District, the District shall, at its option, either terminate utility service to such non-compliant service or properly install, test and maintain an appropriate backflow prevention device at a service connection. Any and all expenses associated with the enforcement of this Order shall be billed to the residential customer.

SECTION 16 – SEWER EXTENSIONS

The cost of the installation of additional sanitary sewer lines beyond the existing service lines of the District to newly developed areas within the District shall be the responsibility of the property owner and/or developer of property requesting service from the District except as herein specified:

- a) The District shall not be responsible for any cost or installation of new sewer system collection lines beyond the lines installed as of the date of this Order.
- b) Other than the installation of the sewer collection lines referenced in this Section, all service lines, collection lines and sanitary sewer facilities to collect and transmit sanitary sewer to the sanitary sewer system of the District shall be installed by the property owner or developer requesting service and to such specifications and subject to such inspections as may be required by the District.
- c) Any newly constructed sewer lines and facilities shall be tested at the expense of the property owner or developer requesting service by means of low pressure air testing or infiltration/exfiltration testing. No sewer extensions shall be incorporated into the District's sewer system until they have been tested and found acceptable. These provisions shall apply to all service extensions whether constructed at the expense of the District, a property owner or developer.

SECTION 17 – VALIDITY

All orders or parts of orders in conflict herewith are hereby repealed. If any section or provision of this Order, or the application of same to any person or set of circumstances is invalidated or rendered unenforceable by a court of competent jurisdiction, such judgment shall not affect the validity of any remaining parts of the Order which can be given effect without the invalidated part or parts, or their application to other persons or sets of circumstances.

This Order shall take precedence over any agreements or any portions of agreements between the District and one or more users.

SECTION 18 – PENALTIES

- a) If any person violates any provisions of this Order, and thereby violates a state or federal statute or injunction, the District may seek prosecution of that person in the appropriate state or federal court and may seek such penalties as are prescribed by that statute or injunction.
- b) The District may disconnect water and/or sewer service to any user discharging prohibited wastes according to Section 12.
- c) If any person violates any provision of this Order, and the violation is not punishable in state or federal courts, the District may seek an injunction for specific action and/or damages in the appropriate state or federal court.
- d) Water service will not be provided by the District until all requirements for service connections have been met.

SECTION 19 – EFFECTIVE DATE

This Order shall be in force and effect on October 1, 2021, subject to recording and publication as provided by law.

PASSED AND APPROVED THIS _____ day of _____, 2021.

Northwest Forest Municipal Utility District

(District Seal)

President – Board of Directors

ATTEST:

Secretary – Board of Directors