

PORTER SPECIAL UTILITY DISTRICT

22162 Water Well Road
Porter, Texas 77365



RULES and REGULATIONS

Adopted by the BOARD OF DIRECTORS
of the PORTER SPECIAL UTILITY DISTRICT

Amended on September 29, 2025

RULES and REGULATIONS

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SECTION 1.0 INTRODUCTION

1.1 ORGANIZATION

- A. The Porter Special Utility District (also referred to as "District," "Porter SUD," or "PSUD") is a governmental agency, a political subdivision of the State of Texas, created pursuant to Article XVI, Section 59, Texas Constitution, and operating under Chapters 49 and 65 of the Texas Water Code. The District provides water supply / water service to an area that is similar to that occupied by the unincorporated community of Porter, Texas.
- B. The Porter SUD is the sole provider of water for water supply purposes (residential, commercial, industrial, irrigation, etc.) Within CCN # 11473, whether such water source is non-potable or potable.
- C. Water supply service is provided to all applicants who comply with the provisions of these *Rules and Regulations (Rules)*, regardless of race, creed, color, national origin, age, gender, or marital status.
- D. The *Rules and Regulations* contained herein apply to the provision of water service by the Porter Special Utility District, and the conditions and requirements under which this service may be provided. Failure on the part of the customer, consumer, or applicant to observe and follow the Rules, regulations, and policies of the Porter SUD, including those outlined within these *Rules*, after due notice of such failure, gives the District immediate authority to deny or to discontinue the furnishing of water service, and to impose such fees and penalties as approved by the Board of Directors.

1.2 GOVERNANCE AND ADMINISTRATION OF THE DISTRICT

- A. The Porter Special Utility District is governed by a seven-member Board of Directors. The Board members are elected by qualified voters within the District's boundaries. The Board is responsible for the adoption of the District's Rules, regulations, and policies. The regular Board meeting of the Board of Directors is normally held once per month, and other special Board meetings may be set as deemed necessary by the Board.
- B. The Porter Special Utility District has adopted various other policies to cover the sundry aspects of the District, and such policies may be amended from time to time. These policies are on file for inspection in the office of the District.
- C. The Porter Special Utility District employs a General Manager to administer the day-to-day operations of the District, and he/she reports to the Board of Directors as a whole. The General Manager is responsible for overseeing Porter SUD operations and for supervising, hiring, evaluating, and terminating other District employees. All Porter SUD employees fall under the purview of the District's *personnel policies* (as amended).
- D. In addition to the regular employees of the District, consultants are hired by the Board of Directors, on an as-needed basis, to provide engineering, bookkeeping, auditing, and legal

services. The General Manager interfaces with these consultants on an as-needed basis.

1.3 LIMITATION OF LIABILITY

A. The Porter Special Utility District shall not be held liable for any damages - including without limitation: direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenues, as the result from failures or interruptions of water supply and water service occurring because of the maintenance, repair, or replacement or installation of facilities and appurtenances associated with the water supply or water distribution systems.

B. By acceptance of Porter SUD customer status, each customer accepts the *Rules and Regulations* and other policies of the Porter Special Utility District and consents to waiver of such liability as described in subsection 1.3.a.

1.4 INFORMATION DISCLOSURE AND CUSTOMER NOTICE PROVISIONS

A. The records of the Porter Special Utility District shall be kept in the District office in Porter, Texas. All information collected, assembled, or maintained by or for the District shall be disclosed to the public in accordance with the *Texas public information act*, as amended. The General Manager acts as the "record management officer" for the District.

B. An individual customer may request in writing that his/her address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state of Texas or a governing authority of the state, which is acting in an official capacity.

1.5 GRIEVANCE AND APPEAL PROCEDURES

A. A customer of the District may file a grievance or complaint to the General Manager by submitting a form designed for such a purpose and available in the Porter SUD office. All grievances and complaints shall first be submitted to the General Manager unless the grievance is against the General Manager. The General Manager shall have five (5) working days to respond to the customer's grievance or concern. If the customer is not satisfied with the response of the General Manager, or if the grievance is against the General Manager, then he/she may submit a grievance to the Board of Directors.

B. In conjunction with the regulations in subsection 1.5.a. A grievance shall be submitted to the Board of Directors via the appropriate grievance form available at the District office. The president of the Board of Directors shall review the submitted grievance and determine the best means by which the grievance or complaint may be resolved.

C. Based upon the decision of the Board president, the grievance may be heard by a committee of the Board or the full Board of Directors. If the grievance is heard by a committee, then such committee shall make a recommendation to the Board of Directors. The Board of Directors shall

make a decision based on the recommendations of the committee or on a hearing conducted, where the person making the grievance may address the Board. The Board's decision in the matter of the grievance shall be final.

1.6 LITIGATION

A. These *Rules and Regulations* shall be construed under and in accordance with the laws of the state of Texas. All obligations of the parties created under these *Rules* shall be performable in Montgomery County, Texas, and all payments to be made to the Porter Special Utility District shall be due and payable at the District's office in this county, at 22162 Water Well Road, Porter, Texas 77365. Montgomery County, Texas shall be the exclusive place of venue for any disputes arising under these *Rules and Regulations*.

B. In the event Porter SUD is required to retain an attorney to enforce these *Rules and Regulations* or collect payments owed under these *Rules*, the customer shall be responsible for all legal and court costs incurred by the District, including all reasonable attorney fees.

SECTION 2.0 DEFINITIONS

ACTIVE SERVICE: Service status of any Porter SUD Customer receiving authorized water service under the provisions of these *Rules and Regulations*.

ANNEXATION: Process by which land is added to and incorporated within the boundaries of the Porter Special Utility District.

APPLICANT: Person, Partnership, cooperative Corporation, Corporation, agency, public or private organization of any character, or any other entity applying for service with the Porter Special Utility District.

BILLING CYCLE: A cycle of approximately one month in duration, whereas the District reads each water meter and bills the Customer according to the water usage incurred during that period, along with all other related charges and fees. The water meter reading period commences on the 14th of each month and ends on the 24th of each month.

BOARD OF DIRECTORS: The Governing Body of the Porter Special Utility District elected by the qualified voters of the District.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN): The authorization granted under Chapter 13 of the Texas Water Code for Porter Special Utility District to provide water utility service within a defined territory. The CCN for Porter SUD is # 11473, and the territory defined in this CCN shall be the Certificated Service Area for the District.

CONTRIBUTION IN AID OF CONSTRUCTION: Developer and Customer Contributions which consist of cash or property donated to Porter SUD for plant and facilities construction.

CONNECTION: Physical means by which a customer is provided water service from the District's water supply system.

CROSS-CONNECTION: Any physical arrangement where a public water system is connected, either directly or indirectly (actual or potential), to a non-potable water supply or a water supply of unknown or questionable quality.

CUSTOMER: An Entity (Individual or Group or Company or Organization) provided potable water from the water system of the Porter Special Utility District. Customers are normally classified as "Residential" or "Non-Residential."

- **Residential Customer:** A customer not involved in any monetary gain because of business transactions at this service location and for whom the structure receiving service acts primarily as a place of domicile.
- **Non-Residential (Commercial) Customer:** A customer involved in monetary gain because of business transactions at this service location and for whom the structure(s) receiving service acts primarily as a place of business. This designation may also apply to apartment complexes and not-for-profit organizations such as churches and governmental agencies.

DELINQUENT BILL: Bills submitted by the District are due and payable upon receipt. The bill becomes delinquent if payment is not received on or before the 15th of the month.

DELINQUENT SERVICE DEPOSIT: A Deposit assessed against a Customer who has failed to pay his or her bill in a timely manner and who has had service disconnected because of delinquent payment.

The Delinquent Service Deposit will be assessed against the Customer in an amount equal to twenty-five percent (25%) of the current Deposit for the meter size of that Customer's service. This delinquent service deposit will be applied against all unpaid charges and fees of the Customer. The Delinquent Service Deposit is refundable in accordance with the regulations of these *Rules*.

DEPOSIT: Also known as "Meter Deposit" or "Customer Deposit." Monetary Deposit required by the District to secure payment for District services. The deposit is refundable in conjunction with the regulations of these *Rules and Regulations*.

DEVELOPMENT AREA: The Area, specified by legal description, which the Developer or Facilities Originator will develop and for which the facilities constructed by either the Developer or Facilities Originator will provide a means of water production, and/or water storage, and/or water distribution.

DEVELOPER: Person, Persons, Corporation, or other Entity, whether one or more, who seek to make improvements on a certain Tract(s) of land, with such land normally being subdivided, so that this land may be sold for personal habitation or for commercial use.

DISCONNECTION OF SERVICE: The locking of the curb or angle stop or removal of the water meter to prevent the use of water by the Customer or other Consumer. Disconnection normally refers to termination of water service due to the failure of the Customer to pay his or her bill for water service, fees, and/or other charges.

DISCONTINUANCE OF SERVICE: This term normally refers to the Customer's termination of service other than in a delinquent payment situation.

DISTRICT: Porter Special Utility District (or "Porter SUD" or "PSUD").

EASEMENT: A private dedicated area or corridor (right-of-way) for the installation of water mains and water system facilities and which allows access to such mains and facilities for future maintenance, replacement, and additional installations.

EQUIVALENT DWELLING UNIT (EDU) or EQUIVALENT CONNECTION (EC): Water service provided through a standard connection of the District, with a 5/8" x 3/4" water meter being equal to one (1) EDU or one (1) EC. Larger water meters supply a larger water flow and have a larger EDU (EC) number.

FACILITIES ORIGINATOR: The Developer (Person, Persons, Corporation, or other Entity) that seeks to provide water system facilities for a specific parcel or parcels of land, for commercial or residential development of such land. In some cases, the District may be classified as the Facilities Originator.

FINAL PLAT: A complete and exact plan for the subdivision of a tract of lots into lots for marketing purposes, which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning, and specifications of the facilities of such subdivision, including the City of Houston and the Montgomery County Commissioners Court. The Porter Special Utility District shall determine if a plat submitted for the purposes of these *Rules* shall qualify as a final plat.

GENERAL MANAGER: The Board of Directors employs a Manager to oversee the management of the day-to-day operations of the Porter Special Utility District, with authority to manage the District's activities and operations, subject to the orders of the Board as a whole.

HAZARDOUS CONDITION: A condition which jeopardizes the health and welfare of the Customers/Consumers of the District, or the Porter SUD employees, as determined by the District or regulatory authority.

IMPACT FEE: This is an "up front" fee paid when a new connection is added to the Porter SUD water system or when an existing connection is upgraded to a larger size. Such a fee is required as a financing mechanism for construction of future facilities that are needed because of the increase in water system capacity necessary for new or expanded service connections.

LIQUIDATED SERVICE: A Service which has been canceled due to delinquent charges exceeding the Deposit or for other reasons as specified in the *Rules and Regulations*. Water Service shall not be provided to any person whose Service has been liquidated until a new Deposit has been paid and all other applicable requirements for service as outlined in the *PSUD Rules and Regulations* have been satisfied.

MASTER METER MULTIPLE UNIT: An authorized water connection to the District's water system, consisting of one tap and appropriately sized meter utilized for two or more dwellings, businesses, or buildings. The meter and service lines must be sufficient size to service the Customer's water demand and as specified in the Service Agreement.

MINIMUM MONTHLY CHARGE: The monthly charge assessed each Customer utilizing an active water service of the District, and which is used to collect the Fixed Costs of the Porter SUD operations. The minimum monthly charge is based on the size of the Customer's water meter and the amount of water that can be supplied by that meter.

MANUFACTURED HOME RENTAL COMMUNITY: Property on which mobile homes, manufactured homes, recreational vehicles, or parking spaces for the same, are rented to the general public primarily for non-transient use and for which rental is paid at intervals of one month or longer.

PERSON: Any natural person, partnership, cooperative cooperation, association, private corporation, agency, or public or private organization of any character.

PLUMBING CODE: The Code adopted by the Board of Directors (Uniform Plumbing Code), which regulates all plumbing work within the service area boundaries of the District.

PROJECT DEVELOPMENT AGREEMENT (PDA): The Agreement (Contract) between a Developer connecting to the District's system and the Porter Special Utility District. The PDA lists the requirements and responsibilities of each party, primarily in association with the Rules and Regulations of Section 3.0 of the *Rules and Regulations* ("Project Development Policy").

RENTER: A consumer (customer) who rents or leases property and who may otherwise be termed a tenant.

RE-SERVICE: The provision of service to an Applicant at a location for which service previously existed, and with costs of such re-servicing to be based on reasonable expenses.

RULES AND REGULATIONS: The District's published rates, fees, and conditions of service and associated policies and requirements. A copy of the "Rules and Regulations" is available upon appropriate payment of the reproduction cost.

SERVICE: The provision of a water supply via the facilities of the District and through a District- owned meter. Also referred to as "Standard Service" and "Non-Standard Service."

- **Standard Service:** The primary type of service provided through the facilities of the District for the majority of Residential and Commercial Customers.

- **Non-Standard Service:** All services that does not fall under the category of "Standard Service" provided by the District, including intermittent Commercial/Residential Service, Temporary Service, Fire Sprinkler Systems, Bulk Water Sales, etc.

SERVICE APPLICATION AND AGREEMENT: A written agreement between the Customer/Applicant and the District listing the service requirements and responsibilities of each party.

SUBDIVISION: An area of land (Development Area) that has been subdivided into lots for sale or lease.

SUBSEQUENT USER: A person or persons or corporation or other entity, other than the "Facilities Originator," that seeks a connection to the facilities constructed by the Facilities Originator.

SUBSEQUENT USER FEE: A Fee charged to a Subsequent User(s) for connection to the facilities constructed by the Facilities Originator, with such fee to act as a reimbursement for a portion of the cost of such facilities

SURRENDERED SERVICE: A service connection in which water service has been discontinued upon request of the Customer and all indebtedness due to the District has been paid in full.

SYSTEM: The water system of the Porter Special Utility District, including the water production and water storage facilities and the water distribution system and its appurtenances, and which produces, stores, and distributes potable water to those Customers served by the District.

TEMPORARY SERVICE: The service classification assigned to an applicant that is in the process of facilities construction, or other similar activity (road construction, drilling, livestock, etc.). Temporary Service may be converted to permanent service in accordance with the policies of these *Rules*.

TRANSFERREE: An Applicant receiving a PSUD Water Service by legal means from a person or entity desiring to forfeit and transfer current rights of Service to another person or entity.

TRANSFERROR: A Customer who transfers Water Service by legal means to another person or entity desiring to qualify for service at a property for which the Service is currently active.

VOLUME CHARGE: A charge per 1,000 gallons of water consumed that covers the variable costs of the District as related to the provision of water service to District customers.

WATER METER: A mechanical device utilized to measure the flow of water through a residential or commercial service. All water meters purchased by the District meet the Standards of the American Water Works Association (AWWA).

SECTION 3.0 PROJECT DEVELOPMENT POLICY

3.1 INTRODUCTION

A. The Porter Special Utility District has a legal right to provide potable water to all properties within the boundaries of the District, in conjunction with the property owner or customer fulfilling all the requirements of these *Rules and Regulations* and all other policies of the District. All properties that are adjacent to a water supply line of the District must obtain water supply from the Porter Special Utility District.

B. The Porter SUD is the sole water provider within certificate of convenience (CCN) #11473 and shall have full control over both potable and non-potable water if such water source is used for water supply purposes (residential, commercial, irrigation, industrial, public, etc.).

C. Property owners (also referred to as developers) of undeveloped tracts of land (land on which water facilities have not been installed) located within the boundaries of the District, are required to connect to the Porter SUD water system. Upon initiating preliminary plans to either subdivide or otherwise build residential and/or commercial structures on their land, these owners shall contact Porter SUD about obtaining water service. They shall comply with the requirements contained herein, and they shall also comply with all other policies and requirements of the District.

D. The Porter Special Utility District is located within Montgomery County, Texas and lies within the extra territorial jurisdiction of the City of Houston and the City of Conroe. All subdivision planning and plating must be handled in accordance with the policies and procedures of Montgomery County, the City of Houston or the City of Conroe, and the Porter Special Utility District. The developer should first contact the District's General Manager upon contemplation of development within the District boundaries, or within an area that is requesting service from the District. Montgomery County and the City of Houston or the City of Conroe should be contacted at the appropriate stage of the project development.

E. The regulations and policies of this section (section 3.0 of the PSUD *Rules and Regulations*) shall apply to wholesale water customers of the Porter Special Utility District to the extent that there is no conflict with section 8.0 of these "Rules and Regulations." section 8.0 of the Porter SUD *Rules* outlines the policies and requirements associated with wholesale water customers.

3.2 BASIS FOR CALCULATION OF PROJECT WATER DEMANDS

A. The standard water service within the District is a one-inch water service line and 5 / 8" x 3 / 4" water meter. This standard service shall be utilized as the basis for calculation of project water demands, unless otherwise determined by the District's General Manager or consulting engineer.

B. All services with standard water meters (5 / 8" x 3 / 4") shall be considered as one equivalent dwelling unit (1-EDU) [or one equivalent connection (1 EC)], with larger services listed at corresponding higher EDUs (ECs).

METER SIZE	EQUIVALENT DWELLING UNIT (EDU)	MAXIMUM RATED CAPACITY (GPM)	CONTINUOUS FLOW (GPM)
¾"	1.0	20	10
1"	2.5	50	25
1 ½"	5.0	100	50
2"	8.0	160	80
3"	15.0	300	150
4"	30.0	600	300
6"	63.0	1250	625
8"	90.0	1800	900

MAXIMUM MULTI-FAMILY CONNECTIONS				
Meter Size	Mobile Home Park or Townhomes	RV Park	Apartment or Condo	Food Truck
¾"	1.0	3.3	2.1	3.3
1"	2.5	8.3	5.2	8.3
1 ½"	5.0	16.7	10.5	16.7
2"	8.0	26.7	16.8	26.7
3"	15.0	50.0	31.5	50.0
4"	30.0	100.0	63.0	100.0
6"	63.0	210.0	132.3	210.0
8"	90.0	300.0	189.0	300.0

C. The District's average water usage and maximum water usage in gallons per day per connection is calculated on an annual basis.

3.3 MINIMUM WATER SYSTEM REQUIREMENTS

A. At a minimum, the system must be designed to maintain a minimum pressure of 35 psi at all points within the distribution system network at flow rates of at least 2.0 gallons per minute per EDU, and the system must also be designed to maintain a minimum pressure of 20 psi under combined fire and drinking water flow conditions.

B. Residential housing units shall be provided with a one-inch (1") water service line at a minimum. Depending on the demand of the house/sprinkler system, either a ¾" meter or 1" meter will be installed. Larger service lines and meters will be determined by the customer and the Porter SUD, based upon the water demand of the unit. The water meter size shall determine the associated fees and charges that will be made to the customer.

C. Commercial units shall be provided with the appropriately sized water service line and water meter as determined by the business process to be utilized within the commercial unit and as submitted by the customer, with final determination to be made by the Porter SUD.

D. In order to deliver appropriate flows and maintain adequate pressures, the standard water main shall be no less than six inches (6") in diameter. Six-inch water mains with no connecting feeders (6" or larger) shall be upgraded to 8" water mains. Dead-end water mains of one thousand feet (1,000 ft.) Of length or greater shall be at least 8" in diameter. Water main size may be reduced on dead-ends that will never be extended or looped and in cul-de-sacs, and mains shall be sized so that flows and water quality will not be

jeopardized. Transmission mains shall be a minimum of twelve inches (12") in diameter.

E. Water system design and system construction shall be made in such a manner that no water connection from the drinking water system shall be interconnected with a non-potable system, unapproved system, or a system of questionable quality. If the elimination of such interconnection cannot be assured or if a potential connection exists, then the District's public drinking water supply shall be protected by an air-gap separation, or if this measure is not practical, protection of the drinking water system shall be maintained through the use of an approved back flow prevention device. The District's policy pertaining to cross-connection control shall prevail in matters relating to the protection of the District's water system from cross-connections and potential cross-connections.

F. The above-listed items are not all-inclusive and additional water system requirements may be mandated by the Texas Commission on Environmental Quality (TCEQ), the City of Houston or the City of Conroe, and the Porter Special Utility District, and shall be applicable to potential and/or existing customers receiving services provided by the District.

3.4 OVERSIZING OF PROJECT IMPROVEMENTS

A. Oversizing, as used in this section, refers to the amount of additional pipe length and/or pipe size, pumps, fittings, and other related appurtenances and facilities determined by the District to be required to provide water service to all properties abutting, adjacent to, or beyond the development area, and in addition, any oversizing of existing District facilities (pipe length/pipe capacity, pumps, fitting, and appurtenances) that would be necessary to maintain current District services to existing customers at a level that would not impair the health and welfare of District customers and would meet all TCEQ regulations.

B. The developer (facilities originator) who originally constructed the oversized facilities (pipe length/pipe capacity, pumps, fittings, etc.) Shall pay all costs associated with the construction of facilities within his/her development area, including all costs associated with the oversizing of these facilities or other facilities as required by the District. The facilities originator shall construct or have constructed all oversized facilities within the development area and /or outside the development area, along with constructions of other facilities within the development area, at his/her own expense as prescribed in the District's "Project Development Agreement" (PDA).

C. The facilities originator shall be reimbursed by the Porter Special Utility District for the oversizing costs, with such "Oversizing Reimbursements" (ORs) to be determined by the General Manager or the PSUD engineer and specifically described in the PDA signed by the developer and the District.

D. The facilities originator (developer) shall be paid a "tap reimbursement" by the Porter Special Utility District for taps installed by the developer in the development area if such costs of taps are fully borne by the developer. Tap reimbursements shall be paid from "tap fees" collected by the Porter SUD, shall not exceed the tap fee amount, and shall not include costs incurred by the District in setting the meter and fittings at the tap (AMR meter, labor, fittings, etc.). The Porter SUD General Manager shall calculate the amount of tap reimbursement to be made to the developer (facilities originator).

3.5 SUBSEQUENT USER FEES

A. Other developers and customers (subsequent users) that connect to the oversized facilities and make use of the additional pipe length/capacity, pumps, fittings, etc., that are in excess of that necessary to supply the development area of the facilities originator, shall reimburse the District for the ORs paid to the facilities originator by the District, and this reimbursement by the subsequent user shall be known as the "Subsequent User Fee" (SUF), and shall be paid by the subsequent user prior to the user's connection to the oversized facilities.

B. The Subsequent User Fee shall be paid in conjunction with other associated fees and charges collected by the District. The subsequent user fee, for water facilities, shall be calculated on the basis of the number of EDUs (equivalent connections) that are assigned to the development area compared to the total number of EDUs that are contained in the oversized facilities. The subsequent user fee shall be assessed at the time that the connection is requested by or on behalf of the subsequent user and shall be determined on a cost-per-edu basis, as calculated in the manner hereinafter described.

C. To be considered as "oversizing" of facilities, as outlined in this section, the designation of the oversized facilities must be clearly stated by the District's General Manager in a statement attached to the "project development agreement" between the District and the developer.

D. The cost calculations for the subsequent user fee shall be completed in the following manner:

1. The facilities originator shall pay the entire cost, including engineering, site development, installation and construction and all associated costs of the oversized facilities. The PSUD oversizing reimbursement shall only be made on the oversized amount of the facilities and would not normally include the cost of the installation unless such installation is above that of the standard installation cost.
2. The facilities originator shall submit a schedule of the cost of the oversized facilities to the District's General Manager, in such detail as the Porter SUD shall deem necessary to ascertain and confirm such cost. Such a schedule, when approved by the General Manager or engineer, shall comprise the cost of the facilities from which the oversizing reimbursement, the cost-per-edu, and the subsequent user fee may be calculated.
3. The cost-per-edu shall be established in the following manner;
 - The total capacity of the oversized facilities in gallons per minute shall be determined by the Porter Special Utility District using the standard District calculation method.
 - Applicable fire flow shall be subtracted from the total flow capacity.
 - The remaining gallons per minute (gpm) shall be translated into EDUs, with two gallons per minute equivalent to one edu.
 - The total number of EDUs (remaining gallons per minute), as determined above, shall be divided into the total oversizing reimbursement of the oversized facilities, the result of which shall be the cost-per-edu (subsequent user fee).

E. The subsequent user shall be required to pay a subsequent user fee equal to the total number of EDUs requested by the subsequent user, multiplied by the cost-per-edu as determined according to subsection d.3.

F. Any water main or water service that is connected to the oversized facilities for provision of service to another development or a unit or units outside of the original development area shall be subject to payment of subsequent user fees. Connections other than the above are not subject to subsequent user fee reimbursement if they are made within the development area. Connections made to the oversized facilities by the District are not subject to subsequent user fee reimbursement.

G. IN NO INSTANCE SHALL THE SUBSEQUENT USER FEE PER EDU EXCEED THE COST-PER- EDU OF THE ORIGINAL OVERSIZED FACILITIES. NO CONNECTION SHALL BE MADE TO ANY

Oversized facilities which would result in exceeding the capacity of such facilities.

3.6 DEVELOPMENT PROJECT PROCEDURES

A. Criteria for approval or disapproval and right of access / easements

1. No project shall be considered for a development area for construction and final approval unless it meets the criteria imposed by Montgomery County, the City of Houston or the City of Conroe, and the Porter Special Utility District, including payment of all related fees and charges, and the project must successfully complete the stages of project completion as described in the following subsection (3.7).
2. Throughout this subsection 3.6, when the District's Board of Directors has authority to disapprove a proposed development project, said disapproval may be made only because of detrimental engineering, economic, and/or operational impact of the proposed project on the District's utility system, and not for aesthetic or other related purposes.
3. The Board of Directors may vote to withdraw a prior stage approval of a project development if such approval was based on written statements/commitments regarding the project development made by the developer or representative of the developer, and if such developer or representative has failed to timely comply with such written statements/commitments.
4. In the event the General Manager determines that a developer has failed to timely comply with a prior written statement or commitment, a written notice, by both certified and regular mail, shall be submitted to the developer within five (5) days of the determination by the District's General Manager that a failure to comply has occurred. The developer shall then have ten (10) days to comply with the written statements/commitments and to respond to the District's notice. The Board of Directors may discuss this item at a regular or special meeting of the Board, and a decision as to the continuation or withdrawal of approval shall be made by the Board of Directors, and a letter shall be submitted to the developer informing him/her of the Board's decision.
5. If the Board of Directors withdraws approval of the project and if construction activities are underway, then such activities shall be halted until the developer has complied with his written statement or commitment.
6. As a public water supply agency engaged in activities that affect the health and welfare of the residents of its service area, Porter Special Utility District has a right to access its facilities, with both personnel and equipment, for the reasonable performance of repair, maintenance, and operational duties, and this right of access shall not be abridged by any citizen or property owner.
7. The District shall also have the authority to require easements for its facilities from developers developing land within the District's service area boundaries - both on property owned by the developer that is under the process of project approval and on other property owned by the developer within the District's boundaries. Easements required in conjunction with the developer's project shall be granted at no cost to the Porter Special Utility District. A request for an easement or easements may be made by the Board of Directors, the District's General Manager, or the District's consulting engineer, and shall be submitted during **Stage I** or **Stage II** of the project development process. The easement(s) shall be finalized prior to the granting of **Stage III** approval by the Board of Directors.

8. Additionally, the developer shall obtain all necessary easements for any facilities, to be constructed by the developer, that are to be installed on property not owned by the developer, and these easements - or a letter of intent to furnish such easement or easements (as provided by the owner of the property) - shall be submitted by the developer to the District prior to the Board of Directors' consideration of **Stage III** approval.
9. As part of the development process, the developer shall have the easement prepared per the directions of the Porter Special Utility District and shall submit it to the District and such approved easement(s) shall be recorded on the final plat and/or filed in the Montgomery County courthouse as required. All costs associated with the preparation of the easement(s) shall be borne by the developer.

3.7 STAGES OF PROJECT COMPLETION

A. STAGE I. PROJECT FEASIBILITY

1. The costs for all expenses related to this stage of the project, or development completion shall be borne by the developer. No reimbursements shall be made for engineering and legal costs of the developer, unless such reimbursements are for unusual circumstances and are specified in the "project development agreement"
2. Upon submission of request by a developer, or developer's representative, for the Board of Directors consideration of project feasibility approval, the developer or developer's representative shall submit a deposit in one of the following amounts, depending on the size of the proposed development:

<u>Development Size</u>	<u>Deposit Amount</u>
Up to 1 acre	\$2,500
Over 1 to 5 acres	\$5,000
Over 5 to 10 acres	\$7,500
Over 10 to 20 acres	\$15,000
Over 20 acres	\$25,000

3. The Applicant agrees to compensate/reimburse the Porter Special Utility District (District) for all costs related to this development project. This will include, but is not limited to, District staff time devoted to the development, responding to inquiries concerning this development's effect on the District, preparing an engineering feasibility study, performing engineering plan review and comments, developing and producing exhibits, responding to inquiries as to location of water infrastructure or system extension requirements, inspection of District facilities under construction, preparing developer agreements, and responding to questions about typical fees, charges and District rules, regulations, policies and procedures. The compensation to the District will be costs the District would not have incurred if the request had not been made by the Applicant, plus an estimated cost to the District of staff time devoted to the request.
4. The Applicant agrees to pay the deposit amount stated below. During the project, the Applicant will be invoiced by the District each month for the costs incurred by the District during the preceding month. Invoices are due upon receipt. If an invoice goes unpaid for a period greater than 30 days, the District will immediately cease all activities related to the development. Once the development has been completed, been granted final acceptance by the District, and all costs have been paid to the District, the deposit will be refunded to the Applicant.
5. Each development project shall be reviewed, and its feasibility determined based on the merit of that project as such a project relates to the District as a whole. The Porter SUD's Board of

Directors shall determine the feasibility of each developer project, and the basis for this determination shall be the submission of the appropriate project feasibility materials, which shall include but not be limited to those listed below:

- Name of developer and name of developer's representative and address(es) and telephone number(s).
 - Name of engineering firm and engineer and address and telephone number.
 - General description of development and its location within the District.
 - Are there any easements required?
6. A map or drawing showing location of project, with:
- Number and size of lots
 - Type construction (residential - single-family or multi-family, or commercial, etc.)
 - General layout and size of water mains
 - Other water system facilities
7. Maximum and average water demands:
- Number of EDUs
 - Fire flow requirements
8. Letter of recommendation from the General Manager, which shall include:
- Compatibility statement - relating to the comparison of the development with the policies of the District and a comparison with existing or in-process developments,
 - Capacity statement - relating to the demands of the project and the effect upon the existing District customers and District services,
 - Oversizing statement - relating to the necessity for any facilities oversizing to be completed by the developer, and
 - Concluding recommendation - relating to the General Manager's positive or negative recommendation concerning the proposed development.

9. Each project shall be considered in the order as received and recorded in the District office, and a project number (year-month-project) shall be issued to each project. In order to be considered by the Board of Directors on the date of their regular monthly meeting, feasibility study materials must be received by the General Manager at least twenty (20) days prior to the Board meeting that the feasibility study materials are to be considered by the Board. (note: this item may not be placed on the agenda if the materials are not received as specified above).
10. After reviewing the project feasibility materials and considering any additional oral representations or other information concerning a project presented to the Board at a regular meeting or special meeting, the Board of Directors may: (a) vote to approve the feasibility of the project and allow the project to proceed; (b) vote to disapprove the feasibility of a project; (c) vote to table approval of the feasibility of the project until further information is provided by the developer or District staff to answer material concerns raised by the Board; (d) vote to conditionally approve the project feasibility subject to such changes, additions, and modifications to the project including but not limited to, oral and written representations about the project made by the developer at the Board meeting, which the Board of Directors deems material to the District's ability to meet its obligations to the project and/or other areas of the Porter Special Utility District.
11. Projects which are disapproved may be reconsidered by the Board of Directors upon a significant change of facts pertaining to the project. A new set of "project feasibility materials" must be submitted to the General Manager for those projects to be reconsidered by the Board. Initial submittals or reconsideration submittals of project feasibility materials should be submitted to the General Manager at least fifteen (15) days prior to the date of the Board meeting in which the materials will be considered by the Board of Directors. (note: the related agenda item may not be placed on the agenda if these materials are not received by the specified day and time).
12. If the Board votes to approve or conditionally approve a project's feasibility, the project may advance to Stage II of the development process.

B. STAGE II. PRELIMINARY PLAT AND UTILITY PLANS

1. A plat of the proposed development shall be made by a registered professional engineer or licensed land surveyor from an actual survey of such proposed land development and the same shall be submitted to the District's General Manager. The plat so filed with the General Manager shall be designated the preliminary plat. This plat, along with water system plans (water mains, service lines and meters, fire hydrants, and all other water system facilities), street plans, and all designated right-of-way and easement locations, shall be submitted in three (3) copies to the General Manager, and shall be reviewed by the Porter SUD's engineer and General Manager to ensure their compliance with the policies and standards of the District.
2. Such preliminary plat shall be overlaid upon a topographic map prepared by a registered professional engineer or licensed land surveyor. The preliminary plat shall be on a graphic scale of 100 feet an Inch (1" = 100') with a contour interval of two (2) feet, and shall include the following items:
 - Boundary, street, easement, and building lines
 - Width and name of streets and location with reference to all streets adjacent to and leading into the development

- Width and depth of lots
3. Water courses and area of water sheds draining upon the subdivision (development) and written verification of drainage patterns and concentrated storm water flows.
 4. Scale and north arrow.
 5. Name of subdivider, engineer, and /or surveyor.
 6. The preliminary plat along with water plans, street plans, dedicated easements, and , if applicable, a written statement by the developer accepting and agreeing to any changes, additions, or modifications to the developer's project which are made a part of a conditional approval of the project feasibility by the Board of Directors, shall be filed in the office of the General Manager not less than thirty (30) days prior to the Board meeting at which the materials may be considered by the Board of Directors. (n o t e: the related agenda item will not be placed on the agenda if these materials are not received by the specified day and time). The General Manager and the District's consulting engineer will review the relevant project materials, and associated recommendations will be submitted to the Board.
 7. After reviewing the developer's preliminary plat and utility plans and considering any additional oral representations or other information concerning a project presented to the Board at a regular meeting, the Board of Directors may: (a) vote to approve the preliminary plat and utility plans and allow the project to proceed; (b) vote to disapprove the preliminary plat and utility plans; (c) vote to table approval of the preliminary plat and utility plan until further information is provided by the developer or corporation staff to answer material concerns raised by the Board; (d) vote to conditionally approve the preliminary plat and utility plans subject to such changes, additions, or modifications to the project including, but not limited to, any representations about the project which the Board of Directors deem material to the District's ability to meet its obligations to the project and/or other areas of the Porter Special Utility District.
 8. Prior to project construction initiation, the developer shall submit the construction contract and it shall contain all required bonds and certificates of insurance. The construction plans and specifications shall include the "water general notes" as prepared by the District.
 9. Upon successful completion of all requirements of this stage, including payment of all costs and charges, the project may advance to Stage III.

C. STAGE III. FINAL OR RECORD PLAT

1. The cost for all expenses related to this stage of the development process shall be borne by the developer.
2. Stage III shall consist of, (1) approval by the Board of Directors of the developer's final plat, or record plat; (2) the submittal of all necessary easements; (3) the submittal of an acceptable letter of credit by the developer, in an amount equal to the estimated cost of the proposed water system improvements, including engineering and inspection fees; and (4) the execution of a project development agreement by Porter SUD and the developer.
3. For approval of a project's final plat, the developer must file the final or record plat, along with the associated utility plans, and if applicable, a written statement by the developer accepting and agreeing to such additional features or attributes to the project not shown on the final plat

or associated utility plans which are made part of a conditional approval of the project in either Stage I or Stage II of these Rules and Regulations. Such items, as described in the preceding, shall be filed in the office of the General Manager not less than thirty (30) days prior to the meeting at which these items may be considered. (note: the related agenda item will not be placed on the agenda if these materials are not received by the specified day and time). The plans shall be reviewed for correlation with the District's water system and compliance with related standards, and associated recommendations will be prepared by Porter SUD's engineer and the General Manager.

4. In addition to the letter of credit, the developer and the District shall enter into a "project development agreement". This agreement shall act as a formal contract by and between the District and the developer whereby each party agrees to the project development policy in effect on the date of the approval of that particular project, and the developer assures the District of compliance with all applicable Rules and Regulations and requirements of the Porter Special Utility District and the City of Houston or the City of Conroe and Montgomery County; moreover, the project development agreement shall include a covenant by the developer to comply with any and all representations of features or attributes of the project made to the Board of Directors by the developer, which are deemed material to the District's ability to meet its obligations to the project as completed and/or to other areas of the Porter Special Utility District, and which are made part of a conditional approval of the project in Stage I and/or Stage II of this subsection of these District *Rules and Regulations*.
5. Upon successful completion of all requirements of this stage, including payment of all related costs and charges, the project may advance to Stage IV.

D. STAGE IV. CONSTRUCTION OF PROJECT IMPROVEMENTS

1. The cost for all expenses related to this stage of the development process shall be borne by the developer.
2. A pre-construction meeting shall be held between the District's representative(s) and project contractor's representative(s) approximately ten (10) working days, and no less than five (5) working days, prior to commencement of construction activities within the development area. Notification of any contractor disruption of District services (e.g., water shut-off, etc.) shall be delivered to the General Manager or other designated Porter SUD employee no less than seventy-two (72) hours prior to the service disruption.
3. An employee(s) of the Porter Special Utility District shall make daily inspections of work in progress. periodic inspections may be made by the District's engineer, and special inspections and special tests shall be made as required. the costs for inspections and tests completed by the District's engineer and those special tests and inspections required by the project shall be billed to the developer at District cost. all standard inspections and tests shall be covered under a "standard inspection and test fee," which shall be calculated as one-half of one percent (0.5%) of the total costs of water system installations. a billing for these inspections and tests shall occur at 50% and 100% of construction completion. before the final acceptance of construction is granted, the costs of engineering review and all inspections and tests shall be paid to the District by the developer.
4. Prior to the final acceptance of the project, the District's General Manager or operations foreman shall prepare a "final check list" related to the project and shall verify the following: (1) all construction items shall be in compliance with the plans and change orders of the project; (2) all inspections and tests shall be satisfactorily completed; (3) all charges and fees shall be paid by the developer; (4) three sets of as-built plans of all facilities, along with one set of

reproducible as-built plans, shall be furnished to the District at the expense of the developer; and, (5) that the developer has complied with all other terms and provisions of the project development agreement (PDA). The Porter SUD engineer shall also certify that all items have been completed per the requirements of the Porter Special Utility District.

5. Upon successful completion of all requirements of this **stage iv**, as described above and verified by the General Manager, and after delivery to the Porter SUD of a copy of the recorded deed restrictions on the lands within the project, the project may advance to **stage v**.

E. STAGE V. FINAL ACCEPTANCE OF PROJECT

1. The costs for all expenses related to this stage of the development process shall be borne by the developer.
2. After all approved offsite and/or onsite system improvements have been constructed, including all oversized facilities, and released for acceptance for permanent maintenance by the District, Porter SUD shall be furnished with conveyance instruments, approved by the District's attorney, transferring title to all property, right-of-way, equipment, and facilities installed as a part of the project system improvements.
3. After receipt of the materials listed above, the District's General Manager shall submit, to the Board of Directors, a "conveyance instrument" executed by the developer. The General Manager shall provide his/her associated recommendation regarding the project. The Board of Directors shall vote on the acceptance of the completed project at a regular or special meeting of the Board.

3.8 **IMPACT FEES**

A. In accordance with its approved *Rules and Regulations*, the Porter SUD has established impact fees applicable within its certificate of convenience and necessity (CCN) and boundaries and to all customers receiving water supply from the District, in order to ensure that a firm financial foundation is available to bear the costs for installation of facilities (water production and water storage) that will maintain an adequate water supply capacity for the water customer, the developer shall be required to make payment of impact fees to the Porter Special Utility District for all specified and designated connections (EDUs, etc.) for which the Porter Special Utility District has agreed to serve, with payment of impact fees to be made prior to activation of service to the development tract.

B. Should additional connections be granted after installation and activation of total designated service connections has occurred (the total derived from written and specified number of connections for which pre- activation impact fee was paid) within territory of the developer, and subject to an audit by the Porter Special Utility District, the developer shall initiate payment of additional impact fees for each service connection added to its development tract.

C. The developer shall record on a report form provided by the Porter Special Utility District the number of additional connections to be installed on a quarterly basis and the report and appropriate impact fees shall be submitted to the Porter SUD on a quarterly basis (January, April, July, October). An annual audit of the impact fee collection process may be required by Porter SUD and a thirty (30) day notice will be provided if the audit is necessary.

3.9 **FINAL ACCEPTANCE**

The conveyance of title to the Porter Special Utility District, the payment of all related charges associated with the project by the developer, and the Board of Directors' positive vote concerning the project shall constitute final acceptance of the project by the District and shall end the development process for the project under that particular development agreement.

SECTION 4.0 PROVISION OF WATER SERVICE

4.1 SERVICE ENTITLEMENT

A. The Porter Special Utility District is the sole water provider within its CCN (certificate of convenience and necessity – CCN # 11473) and shall have full control over both potable and non-potable water (e.g., reclaimed water) if such water source is used for water supply purposes (residential, industrial, commercial, irrigation, public, etc.).

B. An applicant shall be considered fully qualified and entitled to water service when proper application has been made, terms and conditions of service provision have been met, and all fees, deposits, and charges have been paid as prescribed by these *Rules and Regulations*.

C. Service entitlement shall only remain in effect when the conditions described in subsection 4.1.a. Are constant and valid.

4.2 APPLICATION FOR SERVICE

A. Any person providing a valid form of identification (Texas driver's license, driver's license from state other than Texas, or other similar form of identification with picture of applicant) may file an application for service to that property and seek to become a customer of the Porter SUD. All applications for service will be made on the District's *service application and agreement* form (see supplemental materials) and will be signed by the applicant before water service is provided by the Porter Special Utility District.

B. Service to newly developed subdivisions:

1. No application for service in a subdivision (development area) shall be approved unless the developer of the subdivision has fully complied with all the requirements of **section 3** ("project development policy") of these *Rules*, including, without limitation, payment of all charges and fees owed by the developer.
2. If two or more meters are used to provide water service to a single contiguous tract of land, the District shall not transfer one or more of the service deposits if such service transfer will result in service to a subdivided tract of land where all the requirements of **section 3** have not been satisfied.
3. An applicant must provide information showing compliance with all county ordinances applicable to subdivisions. This information shall include a copy of the recorded deed conveying the property to the applicant and a copy of the recorded plat depicting the property.

C. Pursuant to section 13.2501 of the Texas Water Code, the Porter Special Utility District may refuse to provide service to an applicant if the requested service is prohibited under sections 212.012 or 232.0047 of the Texas local government code, which require certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service.

D. Upon transfer of title to property, the new owner(s) must comply with the one dwelling per meter policy contained in these Rules. If additional meters are

Required the transfer applicant must pay for the corresponding number of connection fees, impact fees, and deposits.

4.3 REQUIREMENTS FOR SERVICE

A. The District's *service application and agreement* form shall be completed in full and signed by the applicant, either by the owner or by the owner and renter. The applicant will also be responsible for having a Customer Service Inspection performed as outlined in the District's Cross-Connection Control Program and will be charged the appropriate PSUD fee for the District's performance of this inspection. The applicant shall sign an affidavit affirming proof of ownership or other legal right to occupy property for which service has been requested.

B. For application purposes, acceptable forms of identification would be a driver's license or Texas identification card issued by the department of public safety. If the service deposit is going to be in the name of a corporation or other similar entity, the applicant's signature will also contain the testimony that the applicant is an authorized agent of that corporation or entity.

C. All service applications approved, and cost of service fees charged by the District shall be presented to the applicant in writing and shall be valid at such time that the application is processed.

D. Joint and Several Liability. It is the intention of this section that all charges due on a Customer's account, including any fees assessed for termination, reconnection, meter removal or meter damage, shall be due and payable prior to reconnection of services to the District and that the property owner, agent, and/or renter, depending upon the circumstances, shall be jointly and severally liable for such fees and charges. The Customer will also be subject to compliance of any new safety items and possible re-inspection.

E. APPLICATION VERIFICATION:

1. The office clerk will receive the application for processing. The clerk will ensure that all required information is included on the form. A copy of the application will be provided to the applicant upon completion of the application process.
2. The clerk will determine if this new account can be served by an existing tap or if a new tap is required, and appropriate fees will be charged in either circumstance.
3. A search will be made in the "bad debt file." this is to ensure that the applicant does not have an outstanding debt owed to the District on any previous accounts. Past due accounts for the previous four (4) years must be paid in full before the water service will be authorized.

F. ADDITIONAL REQUIREMENTS:

1. If required, a *right-of-way easement form*, *sanitary control easement*, or other such easement forms, approved by the District, must be completed by the applicant for the purpose of allowing future extensions or facility additions to provide improved service to applicants.
2. If the water main has not been located in the public right-of-way and is adjacent to applicant's property, but no easement exists for this water main due to the current or previous landowner's refusal to grant such easement to the District, and the District has documentation of such refusal on file, the applicant, prior to receiving the requested service, shall grant easement to the Porter SUD, if required by the District.

4.4 SERVICE DEPOSIT

A. At the time the application for service is approved, a service deposit must be paid by the applicant for each tap or meter before service shall be provided or reserved for the applicant by the District. The service deposit is based on the size of the meter. The basic service deposit is derived from a 5 / 8" x 3 / 4" water meter, with a multiplier of 1.0. Larger meters have a larger multiplier. The service deposit is calculated by multiplying the basic service deposit times the multiplier. If a meter size is increased per the request of the customer, then he or she will also increase the service deposit as illustrated below, by paying the difference between the service deposit for the original meter size and the increased meter size.

<u>WATER METER SIZE</u>	<u>MULTIPLIER</u>
5 / 8" X 3 / 4"	1.0
1"	2.5
1 1/2"	3.0
2"	5.0
3"	10.0
4"	15.0
6"	20.0
8"	25.0

1. When a change in ownership of a service occurs, the new owner will be required to pay the necessary amount to compensate for the current deposit for that service.
2. If a member or applicant has filed a petition for relief in U.S. Bankruptcy Court, Porter SUD may require a deposit to ensure payments for service in accordance with 11 U.S.C. 366.

B. Renter's deposit: the standard deposit, as outlined above, is that service deposit to be paid by the owner of the property (property owner) whereby the tap and meter are installed. If the customer is renting the property (renter), then such person or entity shall pay the "renter's deposit," which shall be one hundred twenty five percent (125%) of the property owner's deposit.

C. Record keeping: the information on the deposit for that service will be entered in the computerized service deposit ledger.

D. Refunding a deposit. If the customer wishes to discontinue service and surrender his/her ability to receive water service from the District, the customer must follow the procedures listed below. All service deposits are refundable in accordance with the policies of the Porter Special Utility District.

1. If the spouse is listed on the application, he or she may authorize discontinuance of service. The refund will be issued only in the customer's name.
2. The customer must fill out a "discontinuance of service" form.
3. The customer's final bill will be deducted from the funds on deposit unless the bill is paid directly by the customer.
4. The customer service clerk will prepare and process the refund check, with any outstanding amounts due deducted from the check. The check will be signed and issued as soon as possible after the account is closed, but no longer than forty-five (45) days after the customer's account is closed.

5. All related information, pertaining to the refunding of a service deposit, will be processed, and recorded by the customer service clerk in accordance with Porter SUD policies.

4.5 SURVIVOR'S CLAIM OF SERVICE DEPOSIT

- A. Upon the death of the customer, the designated heir or executor of the estate, as authorized by law, shall be required to bring proof of ownership, identification, and a copy of the death certificate of the customer.
- B. All documents will be verified. Under the claimant's signature. If the claimant desires service at this location, a new service application will be issued in accordance with the policies of the District. The designated heir or executor (claimant) may be entitled to a credit for the service deposit of the deceased customer if not requesting continued service from Porter SUD. If the claimant desires continued service at this service address, he or she may be required to pay an appropriate amount to bring the deposit to the current monetary level. There will be no administrative fees charged for this type of transaction.
- C. The information pertaining to a "survivor's claim of deposit" will be recorded and processed by the customer service clerk and will be placed in the current customer's file.

4.6 CANCELLATION AND RE-ASSIGNMENT OF SERVICE

- A. Cancellation of service due to non-compliance: all customers of the District are obligated to comply with these *Rules and Regulations*, and with all other policies of the Porter Special Utility District. In the event that any customer fails to comply with the provisions of these *Rules*, or any other policies of the District (unless stated otherwise), the District shall give the written notice of such non-compliance at the customer's address giving the customer thirty (30) days to comply. If the customer has not complied within 30 days of the date of the written notice, Porter SUD may cancel the customer's ability to obtain water service from the District.
- B. Cancellation of service due to insufficient funds check: those customers rendering a check with insufficient funds to the Porter SUD shall be given a notice with a time period of five (5) days to make good the check payment (via cash, money order, or certified check).
- C. Re-assignment of cancelled service: the District, upon cancellation of service provision under the auspices of these *Rules and Regulations*, may re-assign the water service rights thereby granted to any person who satisfactorily demonstrates eligibility for obtainment of District service.

4.7 UNCLAIMED SERVICE DEPOSIT

- A. An attempt will be made to distribute the refunded service deposits to those customers that have closed their account with the District. All service deposits that are not claimed within sixty (60) days after the account is closed shall be transferred to the 'unclaimed service deposits' category.
- B. The District shall annually file a report with the Texas comptroller of public accounts on November 1st identifying all service deposits which are presumed abandoned on June 30th of that year. The property report must include the information as required by the Texas property code, title 6, "unclaimed property," section 74.101, as amended.

4.8 DENIAL OR DISCONTINUATION OF SERVICE

- A.** The Porter Special Utility District may deny or discontinue water service for the following reasons:
1. Failure of the applicant or customer to complete all required forms and pay all required fees and charges.
 2. Failure of the applicant or customer to comply with Rules, regulations, policies, and programs of the District.
 3. Existence of a hazardous condition, including actual or potential cross-connections, which upon making service connection at the applicant's property would possibly jeopardize the health and welfare of those persons using the District's water supply system.
 4. Failure of the applicant to provide ready access to his/her property, in conjunction with the District's need to investigate and/or perform a survey that would determine the status of actual or potential cross-connections on such property.
 5. Failure of applicant or customer to comply with all governmental Rules and Regulations of the District on file with the state regulatory agency governing the service application made by the applicant.
 6. Failure of applicant or customer to provide proof of ownership interest of the property, for which the tap or service has been requested, to the satisfaction of the District.
 7. The service facilities of the applicant or customer are inadequate or of such character that service cannot be provided in a safe or satisfactory manner.
 8. Failure of applicant to satisfy previous debts to the Porter Special Utility District: previous unsatisfied debts, for a period of four (4) years prior to the date of application, must be met by the applicant in order to establish or re-establish service.
 9. The property to which application for service has been made is in violation of county subdivision Rules and Regulations.
 10. Serving the property is prohibited by sections 212.012 or 232.0047 of the Texas local government code, which requires certification of compliance with plat requirements prior to connection of water, sewer, electricity, gas, or other utility service.
 11. No more than one dwelling will be connected to a single meter on the property unless the service location qualifies for a master meter service under the *Rules and Regulations* of Porter SUD.
 12. The meter to be set would be located within a 100-year floodplain as established by the federal emergency management agency.
- B.** In the event the District refuses to serve an applicant under provisions of this subsection of the Porter SUD *Rules*, the District must notify the applicant on the appropriate form. The applicant may appeal this refusal of service, under the procedures outlined under subsection 1.5 of these *Rules and Regulations*.

C. The following items shall not constitute sufficient cause for the refusal of service to an applicant:

1. Failure to pay a bill to correct previous under-billing, due to misapplication of rates, if under-billing occurred more than six (6) months prior to the date of application.
2. Violation of Porter SUD Rules and Regulations or policies pertaining to the operation of non-standard equipment or unauthorized attachments which interferes with the service of others, or other services such as communication service, unless the customer has first been notified and been afforded reasonable opportunity to comply with the Porter SUD Rules and Regulations and other policies.
3. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the District as a condition requisite to provision of the service.

4.11 METERING OF MULTIFAMILY AND MULTIPLE-USE FACILITIES

A. DEFINITIONS:

Multifamily: apartments, duplexes, townhomes, condominiums, and other similar facilities under common ownership on a single tract of land and occupied primarily for nontransient use, and if rented the rental is paid at monthly intervals.

Manufactured home rental community: property on which mobile homes, manufactured homes, recreational vehicles, and/or parking spaces for the same, are rented to the general public primarily for non-transient use, and for which rental is paid at intervals of one month or longer (for the purpose of these *Rules*, this type of rental community is treated in the same manner as "multifamily" and "multiple-use facilities").

Multiple-use facility: a commercial or industrial park (shopping center, etc.), office complex, or marina with five or more units which are occupied primarily for nontransient use and are rented for intervals of one month or longer.

B. Each tract of property containing a multifamily, manufactured home rental community, or a multiple-use facility, as defined above, shall be served by a master meter, except if the property owner submits a written request stating the reasons why multiple meters are necessary or appropriate to serve the property. The Porter SUD General Manager may approve or deny any such written request in his/her reasonable discretion.

C. If the Porter SUD General Manager approves multiple meters for a property, for each service connection the owner shall be responsible for payment of all related impact fees, deposits, and other fees and charges as outlined in section 7.0 ("rates, charges, and fees") of these *Rules and Regulations*, and all other applicable charges, rates, and fees as approved by the District's Board of Directors.

D. The Porter SUD General Manager shall specify the location of the service connections and meters that are considered for installation for the living units / rental units, and the property owner shall be informed of the requirements of this installation. The property owner shall be responsible for all activities and all costs involved in the installation of the private water service lines from the Porter SUD water meters to the individual living units and/or rental units.

SECTION 5.0 CONNECTIONS TO PSUD WATER SYSTEM

5.1 PROVISION OF WATER SERVICE

- A. All residential and commercial buildings and other facilities within the CCN service area and boundaries of the Porter Special Utility District shall connect to the District's water supply system.
- B. All connections to the District's water supply system shall be made in accordance with the Rules, regulations, and specifications of the Porter Special Utility District. All expenses incurred in the making of water service connections shall be borne by the party or parties requesting the connection(s).

5.2 METERING REQUIREMENTS AND REGULATIONS

- A. Separate and individual water meters are required for residential customers, commercial buildings under one ownership, and strip centers with separately defined business entities. These residential and commercial customers shall have a separate water meter and service line for each defined property or each defined business entity. All residences, townhouses, condominiums, or commercial facilities that are to be individually owned, with definitive and designated ownership, must have an individual water meter and service line.
- B. No more than one dwelling will be connected to a single meter on the property unless the service location qualifies for a master meter service under the Rules and Regulations of Porter SUD.
- C. Duplexes, apartments, manufactured home rental communities, and other multi-resident facilities, or governmental buildings, schools, and other similar structures or groups of structures, may be served by a master meter. The size of the master meter will determine the minimum monthly charge, per the policies of the District.
- D. If any facilities are added to the premises of any residential or commercial property, including additional dwellings, structures intended for business or private use, whether mobile or stationary in nature, and will contain a plumbing system supplied with potable water, the customer or property owner must first request that the District upgrade the existing service line and/or metering equipment in accordance with metering requirements of the *Rules and regulations* of the Porter SUD, including an increase in the number and/or size of the meter(s) at this property(ies).
- E. Relocation of meters and taps shall be allowed by the District provided that: no transfer of deposit or account is required, an easement for the proposed relocation site has been granted to the District if necessary, the property of the new meter site is owned by the customer requesting the meter relocation, the customer pays the cost of meter relocation, and service capacity is available at the proposed relocation site. If approved, District employees shall complete all meter relocation activities.
- F. All charges for installation of taps and meters, for increases in sizes of taps and meters, and relocation of taps and meters, shall be made in conjunction with section 7.0 ("rates, charges, and fees") of these Rules and Regulations.

5.3 CONNECTIONS TO BE MADE BY THE DISTRICT

A. All water service connections to the District's water supply system shall be made by District employees, and no person or entity, other than the employees or agents of the Porter Special Utility District, shall be permitted to tap or make any connection to the water distribution system, or to make modifications to these existing systems, unless prior written approval has been granted by the Porter Special Utility District.

B. All water meters shall be placed within the public right-of-way or within a suitable easement adjacent to the property being served. The termination of the District's water service line should be near the property line or easement line. If possible, the water service shall be placed in front (or on the property line) of the unit to be served or in an appropriate location designated by the District.

C. Unless delayed by unforeseen circumstances and/or the need to obtain "transmittals" (line locates) from other utilities, the tap and service line, fittings, water meter, and meter box will be installed at the service requestor's property within (5) business days from the date the service application is finalized by the District.

5.4 INSTALLATION OF CUSTOMER GATE VALVE

A. All customers served by the District shall install a gate valve on the side of the metered service belonging to the customer, in a box installed outside and adjacent to the Porter SUD meter box. The gate valve shall be installed on all new services (see 5.4.b. Listed below), and on existing services when there is a change in the service that facilitates such gate valve installation by the customer.

B. In addition to the installation of the appurtenances owned by the District, when a tap and meter are installed by the District, PSUD will go forward with the installation of a customer gate valve (sizes of ¾" and 1") and a customer valve box for the convenience of the customer (for ¾" and 1" gate valves), with such gate valve and box becoming the property of the customer after their installation. The installation charge for this ¾" or 1" gate valve shall be integrated into the charge made for the connection to the Porter SUD water system. Except for the conditions of subsection 5.6, the District assumes no future liability for repairs associated with the gate valve or the installation.

C. At such time the District shall complete work related to a meter and/or meter setting, including repair of meter or service leaks or change-out of meter or meter box, the District shall install a gate valve on all ¾" and 1" services and a gate valve box for the valve. No charges shall be made for this gate valve installation and, except for the conditions of subsection 5.6, the District assumes no future liability for repairs associated with the gate valve or the installation.

5.5 RESPONSIBILITY OF CUSTOMER REGARDING PORTER SUD WATER SYSTEM APPURTENANCES

A. After a water meter and meter box have been installed, the customer has responsibility for the maintenance of ingress and egress relating to the obtainment of reads from the water meter and for the operation of the appurtenances of the meter and for meter setting repair, and the customer shall ensure that the water meter box, water meter, and appurtenances are not hindered or damaged so as to prevent the protection of the meter and the normal operation of the valve, meter, and associated fittings.

B. Any appurtenance of the District's system (fire hydrant, water meter box, valve box, etc.) Located adjacent to a commercial or residential property, in such a manner that the appurtenance is considered to be a fixture upon the ground maintained by the residential/commercial property, shall not be obscured or its operation hindered by the landscape (lawn, shrubs, trees, etc.) of such property, and an area shall be maintained around these appurtenances so that these appurtenances are visible and accessible for proper operation:

<u>APPURTENANCE</u>	<u>RADIUS OF CIRCLE WITH APPURTENANCE AS CENTER</u>
FIRE HYDRANT	FIVE (5) FEET
WATER METER BOX	THREE (3) FEET
VALVE BOX	THREE (3) FEET

C. The District shall contact any property owner/renter that is not maintaining the appropriate appurtenance area and allow the owner or renter to make necessary modifications to this area so that the standards of this subsection are attained. The property owner or renter shall be allowed thirty (30) days from date of notification to achieve the required area modifications. If the property owner or renter fails to make the necessary modifications to the appurtenance area as required in this subsection, the District shall cause the work to be done and no cost shall be borne by the property owner or renter. The District shall not be liable to the owner or renter for damages involved in the removal of tree branches or shrubs or other landscape features that are within or adjacent to the appurtenance area when such removal work is completed in a reasonable manner and minimal disruption has been attempted.

D. This subsection shall not be construed to limit the District work area when making repairs and/or replacements associated with the District's water supply system. The District shall take reasonable precautions to limit the destruction and damage to landscape features on the right-of-way, on easements, and on adjacent properties, and the District shall (within reasonable limits) restore any destroyed or damaged landscape features to near-original condition.

5.6 CUSTOMER'S MAINTENANCE AND REPAIR OF CUSTOMER SERVICE LINE

A. Each person or entity (customer) connecting to the District's water supply system shall maintain and repair their service lines (customer service lines) at their own expense. The customer service lines are designated as follows: from and including the male end of the meter coupling on the discharge side of the water meter, through the customer's gate valve, through any yard piping, and through the building plumbing, and including all customer service line valves, pressure regulating valves, backflow prevention devices, etc. And all related lines, fittings, valve boxes, and associated appurtenances.

B. After installation of the customer's gate valve (3/4" and 1") by the District, as outlined in this section, and for a period of thirty (30) days after the date of the installation, the Porter Special Utility District will repair such customer gate valve leaks or replace the customer gate valve if such valve is defective. Repairs and replacements associated with the customer's gate valve shall be the responsibility of the customer after the elapse of thirty (30) days from the installation date of the customer's gate valve (3/4" or 1" valve). Prior to the end of the thirty (30) day period, adjustments will be made to the customer's bill for any leaks occurring on the gate valve fittings or the gate valve that were installed by the District.

C. Except for the conditions described above, the customer shall be fully responsible for all water usage via water leaks that occurs on and through the discharge end (male threaded end) of the meter coupling and throughout the entire water service and plumbing system of the customer's property and/or facility. The customer shall be responsible for water loss related to any leaks occurring on the customer's service line and plumbing system, including leaks associated with defective plumbing and fixtures (i.e., leaking faucets, leaking commodes, etc.).

5.7 FIRE PROTECTION RESPONSIBILITY

A. Fire hydrants installed within the District's water system are provided at the convenience of the District and do not imply any responsibility on the part of the Porter Special Utility District to meet fire flow requirements of local, county, state, or federal agencies.

B. Any fire hydrant, whether privately owned or owned by the District, which is connected to the District's system, shall be operated only by the District's employees or agents, or by the local fire department acting in the performance of its duties in the fighting of a local fire.

C. Fire hydrants installed on the District's water system are the property of the Porter Special Utility District. Theft of water from these hydrants, or from other similar appurtenances, shall be prosecuted to the fullest extent possible. Vandalism to the District's fire hydrants shall also be prosecuted. Money owed due to theft of water and/or damage to fire hydrants shall be charged to the party responsible for the theft or for the damage. The money owed to Porter SUD, as listed herein, shall be subject to all applicable and appropriate collection procedures.

D. Fire protection service lines, for fire sprinkler systems, which are designed for the sole purpose of providing a water supply to a property owner's fire sprinkler system or privately-owned fire hydrant shall be approved and installed under the requirements of subsection 6.7.c. Of these *Rules and Regulations*.

SECTION 6.0 PROVISION OF DISTRICT SERVICES

6.1 APPLICATION FOR STANDARD SERVICE

A. The potential customer shall make application to the Porter Special Utility District via a District service contract (service application and agreement), and as a signatory to this service contract the customer agrees to follow all District Rules and Regulations and policies and make remuneration to the Porter Special Utility District for all fees and charges incurred. The service contract shall be signed by the customer prior to initiation of water service from the District. The application for service shall not be considered finalized until all portions of the contract have been completed by both the customer (member) and the District.

B. Service will not be granted to the customer until all current fees, charges, and deposits related to the initiation of customer service are paid by the customer.

C. In accordance with the policies of these *Rules and Regulations*, those customers previously residing within the Porter Special Utility District, who left the District with unpaid fees/charges remaining, shall be required to pay all unpaid amounts, including a 10% penalty, prior to the granting of service from the Porter Special Utility District.

6.2 DEPOSIT REQUIRED

A. For the purposes of these *Rules and Regulations*, the term "deposit" and "service deposit" shall be synonymous.

B. Residential customers: a non-interest-bearing deposit shall be required of all single-family residential customers who are provided with water service by the Porter Special Utility District. This deposit shall always remain with the District during service provision.

C. Commercial customer (non-residential): a non-interest-bearing deposit, with the amount of deposit related to the size of the meter, and with a minimum deposit amount corresponding to that of a residential customer. The current list of deposits is listed on the "rates, charges, and fees schedule." a continual deposit shall remain with the District at all times of service provision

D. Delinquent service deposit: at such time that the customer's bill becomes delinquent, and disconnection of service is necessary and consummated, the customer's current deposit shall be applied toward the delinquent bill. Prior to restoration of disconnected service, the customer shall be required to pay all unpaid amounts and associated charges not covered by the service deposit amount, and a new service contract must be executed. In addition, the delinquent service customer shall place a "delinquent service deposit" with the District. The "delinquent service deposit (dsd)" amount shall be calculated as twenty five percent (25%) of the service deposit listed for that customer's meter size. The dsd shall be used as a deposit, to be added to the service deposit, and used to apply toward all unpaid charges and fees of the customer. The dsd plus the service deposit - minus any unpaid balance - will be refunded to the customer at such time he or she discontinues District service.

E. All customers not having a current service deposit with the Porter Special Utility District shall follow the procedures listed above, and the service deposit

Shall be increased to the current rate at such time the customer shall experience water service disconnection due to a delinquent bill.

F. A full required service deposit, with respect to a metered service, shall be on deposit with the Porter Special Utility District at all times that such service is active. Service deposits shall be in the name of, and, subject to application by the District as provided in these *Rules and Regulations* (as regarding deductions for payment of charges and fees) and any remainder shall be returned to the customer upon the customer's request for termination of Porter SUD water service.

G. Service deposits and delinquent service deposits (dsd) shall secure bill payment and may be applied by the Porter Special Utility District for payment of water bills, delinquent penalties, and other District charges and fees, and for payment for repairs or replacements of those portions of the District's water supply system for which the customer is responsible.

H. Service deposits may be transferred from one customer to another upon written request of the customer holding the deposit; or, by a customer from one account which the customer is liable to another such account.

I. At any such time that the service deposit amount is reduced because of charges or fees due to repairs to the Porter SUD water system that were the result of the action, negligence, or inattention of the customer, the deposit amount shall be restored to at least one hundred percent (100%) of the current service deposit amount listed on the schedule.

J. Upon the closing of the customer's account, a final bill shall be prepared, and the customer's service deposit shall be applied toward the unpaid amount of the bill and any unapplied portion of the deposit shall be refunded to the customer.

6.3 BILLING CYCLE/BILLING PROCESS

A. Service commencement: District service to a customer shall be commenced upon request by the customer, upon the customer's compliance with all applicable District Rules, regulations, policies, and procedures, and payment of the applicable fees, charges, and deposits. Once the customer has established service, he/she shall be charged for water service and other charges and fees as appropriate, via the billing cycle and billing process. The monthly service period for each customer is approximately thirty (30) days. Except for any adjustments made by the Porter Special Utility District under the conditions described in these *Rules and Regulations*, the customer shall be responsible for all charges for all gallons of water registered on the water meter assigned to the customer. Monthly charges and fees will not be pro-rated and partial bills for a portion of the monthly service period will not be issued.

B. Meter reading: the meters are read on a monthly basis during a ten-day period, from the 14th to the 24th of each month. After all meters are read, meter readings are examined for possible errors, and field investigations are made of meters to determine the status of any discrepancies.

C. Printing and mailing of bills: upon the completion of all necessary field investigations, the bills for service in the previous period shall be printed and then mailed. Bills are normally mailed during the last week of the month.

D. Payment of bills: payment of bill is due upon receipt. Bills remain non- delinquent if paid on or before the 15th of each month. Bill payment delivered to

The Porter SUD office through the U.S. mail and postmarked on or before the 15th of the month are considered non-delinquent. If the 15th falls on a day that the District office is closed (holiday or weekend), then the bill will remain non-delinquent up through 5:00 p.m. on the following business day that the Porter SUD office is open.

E. All payments must be made at the office of the Porter Special Utility District, either via the drop-box or the service counter. The District's drop box, located at the Porter SUD office, will remain open except for those days that delinquent account disconnection occurs. Payments will not be accepted in the field by Porter SUD employees.

F. Partial payments for customer bills may be accepted by the office clerk if the partial payment amount is within ten dollars (\$10.00) of the total amount owed by the customer. Other partial payment arrangements may be made by the senior customer service clerk, with the General Manager's approval, or partial payment arrangements may be made by the Board of Directors, in accordance with the policies of these *Rules and Regulations* (subsection 6.8).

6.4 DELINQUENT BILLS AND DISCONNECTION OF SERVICE

A. If a customer's payment is not received on or before the 15th, the bill becomes delinquent, and a penalty is incurred. The penalty is added to all payment items.

B. A customer having a delinquent bill shall have until the 25th of the month to make payment on the delinquent account prior to disconnection of water service, and water service to delinquent accounts may be disconnected after the 25th of the month. Both the first monthly bill, and the "final notice" for delinquent accounts, will contain the notice of the date of delinquent shutoff ["delinquent shutoff - date - "].

C. If the payment is not received in this period, prior to the end of the regular business day of the Porter Special Utility District on the 25th of the month, then the District shall disconnect water service at the meter to the customer's property, by either locking off the service's curb stop or angle stop or, in addition, by removing the water meter. Actual water service disconnection due to a delinquent account will not be accomplished by the District on the day prior to the closing of the Porter SUD office (holiday or weekend).

D. As soon as practical after the 15th of each month, but no later than the 19th of each month, the District will mail a "final notice" to all customers that have not paid their delinquent bills -- if such delinquent bills exceed the established cut-off limit. This notice shall act as a reminder of the delinquent bill and list the delinquent shutoff date.

E. Only those delinquent accounts with a delinquent amount (including all charges and penalties) exceeding the established cut-off limit shall be subject to water service disconnection.

G. Either or both of the notices ("final notice" and the "delinquent notice") shall include the following language: "the customer with a delinquent bill may request a hearing before the General Manager if the customer disputes the bill, and the General Manager's decision may be appealed to the Board of Directors."

H. If payment is not received prior to the opening of the office for business on the scheduled date of service disconnection (delinquent shutoff date), then the

District shall complete the disconnection of delinquent water service accounts as scheduled. Disconnections shall commence as of the opening of the office for business on the delinquent shutoff date and shall proceed until all are completed. Reconnection of disconnected service shall not commence until all disconnections are finalized.

I. If the delinquent shutoff date is the day prior to the closing of the District office (holiday or weekend), the Porter SUD General Manager may designate another day (after the 26th of the month) as the day for disconnection of delinquent water service accounts. Unless a dangerous condition exists or the customer requests discontinuance of service, service shall not be terminated or disconnected on a day, or a day preceding such day, when District personnel are not available during regular business hours for the purpose of making collections and working disconnections and re-connections.

J. The customer will be assessed charges for the final notice, the disconnection notice, for disconnection of the service, and for related administrative activities. These charges are listed on the "schedule of rates, charges, and fees."

6.5 OTHER DISCONNECTION ACTIVITIES AND DISCONNECTION PROHIBITIONS

A. Wastewater service disconnection: for the purposes of disconnecting wastewater (sewer) services under these *Rules and Regulations*, the Porter SUD water utility service will be disconnected in lieu of disconnecting sewer system taps in accordance with an agreement between Porter SUD and the sewer (wastewater) agency (if a valid agreement is in place). The sewer agency shall handle all administrative matters related to this type of disconnection, including prior notice to the wastewater (sewer) customer.

B. Disconnection with notice: in addition to the disconnection of delinquent water service accounts, other disconnection activities may be initiated due to the items listed in the following. Unless the disconnection is due to a cross-connection or potential cross-connection or other similar situation whereas the water system integrity is jeopardized, a written notice, delivered by the U.S. mail, shall provide a specified number of calendar days – from the impending water service disconnection, and the date of the notice shall be considered the first day of the notice period, with mailing of the notice to occur on this same date.

1. In the event a check or similar instrument is returned unpaid by the bank or financial institution due to insufficient funds, the disconnection procedure – with notice (five-day notice period) – will be initiated. In order to halt disconnection of service, redemption of the returned check or instrument, plus the returned check fee, must be made by cash, money order, or certified check within the five (5) day notice period.
2. Failure to make timely payments on extended payment agreement (ten days' notice period).
3. Violation of the District's Rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment (five-day notice period).
4. Failure of the customer to comply with the terms of the District's service agreement (contract), Rules and regulations, or other procedures or policies (five-to-thirty-day notice period, depending on the severity of the violation).

5. Failure to provide access to the meter under the terms of these *Rules and Regulations* , or to property at which water service is received when there is reason to believe that a hazardous condition exists and for which access is necessary (five-day notice period).
6. Misrepresentation by any applicant or transferee of any fact on any form, document, or other agreement or contract required to be executed for the Porter Special Utility District (ten-day notice period).
7. Upon discovery by the Porter Special Utility District that the property has been subdivided in violation of county Rules and Regulations applicable to subdivisions (ten-day notice period).

C. Disconnection without notice: water utility service may be disconnected without notice for any of the circumstances listed below. At such time the service is disconnected, a door-hanger shall be posted on the door or entrance of the affected residence or facility, stating the reason for disconnection and the Porter SUD address and telephone number.

1. A known or potentially hazardous condition or cross-connection exists, as specified under the policies of the "cross-connection control program" of the Porter Special Utility District, and the conditions listed therein.
2. Service is connected without authority by a person who has not made application for service, or who has re-connected service without authority following termination of service by the District.
3. In instances of tampering with the District's meter or equipment, by- passing the meter or service, or other similar situation.

D. Disconnection due to utility abandonment: the Porter SUD may not abandon a customer's or a certificated service area without a written notice to its customers and all neighboring utilities, and upon the granting of approval from the Texas Commission on Environmental Quality.

E. Disconnection for ill and disabled: the District may not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that a person living at that residence, who is the customer or related by first degree consanguinity of the customer, is ill or disabled and such illness or disability will be exacerbated if water service is disconnected. Each time the member seeks to avoid disconnection of service under this subsection, the customer (member) must have the attending physician call or contact the District prior to the 16th of the month that such bill is past due. A written statement must be received by the District from the attending physician prior to the 25th of the month that the bill is past due. In order to maintain service, the customer shall enter into a deferred payment agreement. The District shall flag the account and review the status of the account on a monthly basis.

F. Disconnection of master-metered services: when a bill for water utility services is delinquent for a master-metered service complex, when such billing is designated as having a master meter serving more than one building or residence or facility, the following procedures shall apply for disconnection of this service.

1. The District shall send a notice to the customer as required. This notice shall also inform the member that notice of potential disconnection

Will be provided to the tenants of the complex in five (5) days if payment is not received prior to that time.

2. At least five (5) days after providing notice to the customer and at least two (2) days prior to the date of disconnection, the District shall post at least two (2) notices in central and visible locations of the complex, notifying the residents of the date of the impending water service disconnection.
3. At their option, the tenants of the complex may pay the District for any delinquent bills owed by the complex or pay for re-connection of service if it has been disconnected.

G. Disconnection prohibited:
any of the following reasons.

Porter SUD water service may not be disconnected for

1. Failure of the customer to pay charges arising from an under-billing due to any misapplication of rates or charges or errors relating to rates and charges, occurring more than six (6) months prior to the current billing.
2. Failure of the customer to pay for the account of another customer as the guarantor thereof unless the Porter Special Utility District has a written guarantee as a condition precedent to provision of service.
3. Failure of the customer to pay charges arising from under-billing due to any faulty metering, unless the customer has tampered with the meter, or unless such under-billing charges are due under the inoperative meters section.
4. In response to a request for disconnection by an owner of rental property where the renter is billed directly by the District as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for disconnection of service as outlined in these *Rules and Regulations*.

6.6 RECONNECTION OF SERVICE

A. Prior to reconnection of disconnected service, all penalties, service charges, reconnection charges, fees, and other related charges shall be paid in full to the Porter Special Utility District by the customer or via the customer's deposit, unless there is an agreement with the District stating otherwise.

B. If not paid in full by the customer or if there is not a payment agreement, the customer's existing deposit shall be applied to all unpaid delinquent charges and penalties and all other charges associated with disconnection and restoration.

C. Restoration of customer service shall be accomplished via the following steps:

1. The customer's service contract (agreement) becomes invalid upon service disconnection and a new service contract must be signed by the customer,
2. The customer's deposit amount must be increased per subsection 6.2.d. ("delinquent service deposit"), and,

3. All charges left unpaid after application of the customer's deposit must be paid, including charges for reconnection of service, unless the District agrees to include these charges on the following monthly bill.

6.7 NON-STANDARD SERVICE

A. Intermittent commercial/residential water service:

1. Those owners or companies that maintain active billing records for the purpose of intermittent water usage, for the cleaning and maintaining of property under the "for sale" or other similar conditions shall incur a minimum monthly water charge shall be billed in accordance with the previous Rules and Regulations of this section. Additional charges may be made against the customer for volume usage of water and for other related District charges and fees.
2. Application for service, required deposit, delinquency of bill, disconnection of service, assessment of penalties, reconnection of service, and all other related items as covered in this section remain applicable to this category of District customer.

B. Temporary water service:

1. The Porter Special Utility District shall initiate temporary service upon request by the customer and after completion of a service contract and upon payment of all deposits, charges, and fees. The temporary service may be provided via a District fire hydrant, regular meter setting, or through some other approved Porter SUD appurtenance. All Rules and Regulations of service previously outline in this section shall be applicable to temporary water service.
2. Such temporary water service shall be supplied only through a District meter installed by a District employee. The customer shall be responsible for the safekeeping of the District's meter and related fittings. A deposit shall be required of the customer, which shall act as security against water supplied by the Porter SUD, damage to or loss of the water meter and fittings, and damage to the appurtenance (fire hydrant, meter setting, etc.) onto which the water meter was attached. Upon safe return of the District meter and associated fittings, and assurance of no damage to District appurtenances, the deposit will be applied to all unpaid charges and fees, and the unused portion of the deposit will be returned to the customer. If the meter is not returned or if the meter and/or appurtenances are damaged and the deposit amount is less than the total cost of the loss and/or damages and/or unpaid District services, then the customer shall be liable for all unpaid amounts and shall not be allowed further Porter SUD services until these amounts are paid in full.
3. The customer will be required to install a cross-connection control device or an air-gap separation connection, per the directions of the District's "cross-connection control program," in order to prevent the potential contamination of the Porter SUD's water system. The types of cross-connection control (backflow prevention) devices required are listed below in the following.

Temporary water
Service utilization

backflow prevention
device to be used

Landscape irrigation

double check valve assembly

Health hazard, or potential hazard

air gap separation, or reduced health pressure principle assembly

(note: these devices must be tested per the requirements of the District's cross-connection control program).

4. Application for service, required deposit, delinquency or bill, disconnection of service, assessment of penalties, and all other related items of this section remain applicable to this category of customer.

C. Fire sprinkler system: all fire sprinkler systems shall be equipped with a shut-off valve at the system's connection to the District's water main and a detector check meter to detect any water flow through the fire sprinkler system line. A minimum monthly charge shall be charged for a fire sprinkler system (section 7.0). Fire sprinkler system lines shall contain one of the following cross-connection control devices. The type of device will be dependent upon the type and /or level of hazard, or potential hazard, which exists within the facility and property served. These devices shall meet all specifications and requirements of the District's cross-connection control program:

- Double check valve (dc) assembly (detector check)*
- Reduced pressure principle (rp) assembly (director check)

* a single check valve with detector check meter may be installed if approved in writing by the Porter SUD General Manager.

1. Those fire sprinkler systems not currently meeting the requirement of this subsection shall make immediate corrections to fulfill the regulations listed herein. Failure to meet these requirements may initiate the process for disconnection of water service to the affected facility and/or property.
2. Application for service, required deposit, delinquency of bill, disconnection of water, assessment of penalties, reconnection of service, and all other related items as covered in this section remain applicable to this category of customer.

6.8 DISCONTINUANCE OF SERVICE

A. Service shall be discontinued upon request from the customer, or, if a customer has abandoned responsibility for District billings without notifying the Porter Special Utility District, upon the District's discovery of such abandonment.

B. If the District determines that a customer's service has been abandoned by the customer, or has been discontinued, and the service is being utilized by another person or entity, the District shall provide that person or entity making such use a written notice and a reasonable period not to exceed ten (10) days, for such person to comply with all District Rules, regulations, procedures, and policies applicable to initiation of District service, including payment of all associated fees, charges, and deposits. During such time, responsibility for payment for service shall remain with the customer, and after notification and expiration of the notification period, if service is not initiated by the potential customer, such service shall be disconnected without additional notice.

6.9 COLLECTION AND WRITE-OFF OF FINAL BILLS

A. When service to a District's customer has been discontinued or abandoned, and a final bill for any unpaid amounts associated with this provision of service has been rendered and such final bill has been outstanding and unpaid for ninety (90) days, then such final bill amount shall be transferred to the "bad debts" account of the Porter Special Utility District, with any future collection of the final bill amount to be credited toward the "bad debts" expense.

B. The District may exercise the option, relating to the final bill as described in the above subsection, to submit the delinquent final bill to a responsible agency for collection. Additionally, those persons or entities leaving bills, fees, or charges owed to the Porter Special Utility District may be submitted to the credit bureau.

C. Any person or entity requesting District service, who has previously discontinued or abandoned Porter SUD (Porter WSC) service and has an unpaid amount remaining, shall make payment of all unpaid amounts and penalties prior to initiation of new service, in accordance with the policies of the Porter Special Utility District.

6.10 ADJUSTMENTS TO CUSTOMER BILLS

A. Any adjustment to the billing process or amount billed shall be approved by the General Manager, or the Board of Directors under the "grievance" procedures outlined in these *Rules and Regulations*. Unless extenuating circumstances arise, the conditions listed below shall prevail in the granting of adjustments. Additionally, the affected customer must provide documentation to the reason(s) behind the unusual water consumption (water loss), along with copies of repair bills and/or plumbing bills.

B. Bills may be adjusted because of water loss due to leaks caused by damage sustained to a customer's property and/or premises, with such damages being the result of fire, tornadoes, hurricanes, floods, and other similar calamities. One-time water leak adjustments, for plumbing repairs, will also be allowed. If the adjustment is approved, the bill will be reduced to the minimum monthly charge plus a "Tier 1 Usage Charge" for every 1,000 gallons of water loss. The water loss will be calculated as the water used above the average water usage for that service accounts for the previous twelve (12) month period. All other related and applicable fees will still apply.

C. Adjustments to the customer's bill shall not be allowed for water leaks on the customer's property for any more than one thirty (30) day billing period, and only one adjustment may be made for any twelve-month period for that particular service account. Adjustments shall be made as described in subsection 6.10.b.

D. Customers should contact the Porter Special Utility District if they have a high-water bill or believe that there is a leak on their property, in order to facilitate the resolution of billing errors and for verification of leak occurrence and potential leak situations. A work order shall be completed for each "high bill" investigation and for each "customer leak" investigation.

E. If a leak(s) was caused by a direct action of the Porter Special Utility District, e.g., water loss as the result of damage to a customer's service line during Porter SUD repair activities, then such water loss above the customer's

"Average water usage amount" (subsection 6.10.b) shall be eliminated from the water bill.

F. Other adjustments to customer bills may be made upon written request by the customer detailing the reason for the request for adjustment and the circumstances related to this request. Billing errors shall be appropriately adjusted by the District upon discovery. Those customers disputing the accuracy of their water meter shall have the opportunity for adjustment of bill as prescribed in subsection 6.11.

G. In the event of any dispute between the customer and the Porter Special Utility District regarding any bill or charges, the customer must submit the dispute to the Porter SUD General Manager in writing prior to the 15th of the month that such bill is due. The General Manager shall initiate an investigation into this disputed bill and shall report the results of the investigation to the customer in writing.

6.11 METER TESTING WHEN BILLING DISPUTED

A. In such instances wherein a District billing is disputed by a customer, and such billing appears on its face to have been properly processed, the customer may request in writing that the meter, through which the service associated with such billing was made, be tested. Such test shall consist of an initial comparison of the amount of water or water flow through the meter in question compared to a new meter that is certified to be accurate within American Water Works Association (AWWA) new meter standards. The customer meter shall test to within three percent (3%) of the AWWA accuracy standard since the customer meter is not a new meter. This portion of the test shall be made at no charge to the customer. If the customer meter does not test to three percent (3%) of the AWWA new meter accuracy standard, the customer's bill will be appropriately adjusted, and a new meter installed.

B. If the customer meter tests within three percent (3%) of AWWA new meter accuracy, but the customer is dissatisfied with the test, the customer may request in writing that a test be made on a calibrated meter test bench:

1. If the meter, on a calibrated meter test bench, does not test within three percent (3%) of AWWA new meter accuracy standards, then the District shall make appropriate billing adjustments, change the customer meter in question, and pay all costs for the testing of the meter.
2. Conversely, if the meter, on a calibrated meter test bench, does test to within three percent (3%) of AWWA new meter accuracy standards, then no billing adjustments will be made, the meter will not be changed, and the customer will incur all costs for meter testing and these costs shall be billed and be due and payable with the customer's next monthly bill.

C. In the event the meter test results indicate that the meter is faulty or inaccurate, the meter test fee shall be waived, the meter shall be replaced with a new meter, and a billing adjustment will be made as far back as six (6) months but not extending back prior to the activation date of the current customer (member). The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the meter test.

6.12 ALTERNATIVE PAYMENT PLANS

A. The General Manager or the Board of Directors may authorize the extension of a payment date or the development of an alternative payment plan for the customer's payment if such condition(s) warrant this extension or alternative payment plan.

B. The primary condition for which the situation above (6.10.a) would apply is associated with the discovery of a leak on the customer's property, such leak being of a magnitude that would increase the customer's bill to an excessive amount as compared to the customer's previous water consumption history, and such leak being discovered and then repaired without unreasonable delay. Evidence must be provided that would support the customer's request for the extension of the payment date or for an alternative payment plan.

C. Approvals for requests other than the above (6.10.b) are limited and must be examined on a case-by-case basis. Written requests, along with sufficient written evidence, are required for each case examined. Billing penalties shall be waived during such period that an alternative payment plan is granted, other than initial penalties incurred during the first month that the bill became due and payable. Extensions of payment date shall not be longer than the last day of the bill's due and payable month, and penalties shall be charged to the customer for this month's late payment.

6.13 DEFERRED PAYMENT AGREEMENT FOR DELINQUENT WATER BILLS

A. The Porter Special Utility District may offer a deferred payment plan to a customer who cannot pay an outstanding water bill balance in full and is willing to pay the balance in reasonable installments as determined by the General Manager, including any late penalty fees or interest on the monthly balance per the payment agreement. The deferred payment plan will be offered if the total balance owed by the customer does not exceed his/her deposit with the District.

B. The term of the deferred payment agreement is not to exceed ninety (90) days. The ten percent (10%) late fee will be assigned to such unpaid balance as exists over the 90-day period. The customer will sign a notarized agreement of scheduled payments, with the understanding that water service will be terminated if payment is not received within ten (10) calendar days after the due date. Payments made by mail will be considered late if postmarked after the due date.

C. Only one deferred payment agreement will be allowed for any 12-month period per customer. All water bills due and payable during the 90-days that the deferred payment agreement is in effect shall be paid on time and in accordance with these policies.

6.14 INSTALLMENT PAYMENT AGREEMENT

A. The Porter Special Utility District may offer an installment plan to a customer who cannot make full payment of the line extension fee, impact fee, and/or connection fee at the time of initial application but is willing to pay the balance in reasonable installments as determined by the General Manager or Board of Directors. The maximum time period for the agreement is a 12-month period from the date of that application. A finance charge at an annual rate of ten percent (10%) simple interest will be assessed.

B. The customer will sign a notarized agreement of scheduled payments with the understanding that water service will be terminated if payment is not

Received ten (10) calendar days after the due date. Payments made by mail will be considered late if postmarked after the date the payment is due.

6.15 CHECK ACCEPTANCE POLICY

A. Personal checks will be accepted by the Porter Special Utility District if the check amount is equivalent to the payment amount of District fees, charges, and deposits, and if the check name is the same as that listed on the District's service contract. If the name is not the same as that of the service contract, then the District shall require cash, money order, or a cashier's check.

B. The Porter Special Utility District will not accept two party checks.

C. A fee shall be adopted, and revised from time to time as necessary, for all checks tendered for payments of Porter SUD rates, fees, charges, and deposits and which are returned to the District unpaid.

1. Upon such return, applicable disconnection procedures shall be initiated, and if payment is not received on the day following the return check notification, disconnection will be carried out by the District.
2. With respect to checks tendered for other than payment of the service bill and for which disconnection of service is not applicable, and such check is returned unpaid, the District shall notify the responsible party and if the returned check is not redeemed after appropriate notification is submitted, the Porter Special Utility District shall withdraw all District permits previously issued to the responsible party, shall issue stop orders upon all work subject to Porter SUD approval being carried out by the party, and shall pursue such other civil and criminal remedies that may be necessary and appropriate.
3. A returned check may be redeemed by payment in full of the amount of such check(s) and all fees applicable thereto, and payment shall only be in the form of cash or cashier's check or money order to the Porter Special Utility District made at the District's business office.

D. Customers having issued to the Porter Special Utility District more than two (2) consecutive checks returned to the District unpaid shall thereafter, until further notice from the Porter SUD, make all payments to the District via cash, cashier's check, or money order. Any checks issued by the customer after the return of two consecutive unpaid checks shall be returned by the District to the customer and will remain unpaid until remuneration by cash, cashier's check, or money order is accomplished by the customer. Failure to accomplish this payment, as described in the above subsection, shall initiate disconnection procedures, which shall be carried out if appropriate payment is not made.

6.16 NO FREE SERVICE

No free service shall be granted to any user for service provided by or through the Porter SUD's facilities or those provided by or through a contractor for the District, whether such user shall be an individual, a business, a charitable institution, a political subdivision, or a municipal corporation, and all charges for District services, including fees and deposits, shall be made as required herein.

SECTION 7.0 RATES, CHARGES, AND FEES

7.1 CUSTOMER DEPOSIT

A. At the time the application for Porter Special Utility District service is submitted, the applicant shall pay a customer deposit. The service deposit varies depending upon the size of the meter for the service requested, and the deposit amounts are listed on the "schedule of rates, charges, and fees."

B. The service deposit is a non-interest-bearing deposit and will be refunded, minus any outstanding balance, upon the customer's discontinuance of Porter SUD water service.

7.2 EASEMENT COSTS

When the District determines that an easement(s) is necessary for provision of water service to the applicant, the applicant shall be required to secure the easement in the name of the District and pay all costs associated with securing the easement, including all legal and engineering costs, and any other charges and fees, incurred by the Porter Special Utility District.

7.3 SERVICE CONNECTION (TAP) FEE

A. When a new service is required for a property or facility, the applicant shall pay all costs associated with making the service connection (tap) to the water main, installing the service line and fittings, and setting the meter and box. The basic water meter installation is for a 5/8" x 3/4" water meter, with a one-inch (1") service line and fittings with reduction to 3/4". The "tap charges" are listed in the "schedule of rates, charges, and fees." three inch (3") and larger service connections (taps) are the actual Porter SUD cost plus twenty percent (20%).

B. A reduced connection (tap) fee for basic water meter installation may be applicable for those services that have the potential to serve as a dual service (for two 5/8" x 3/4" meters) for an adjacent property or facility. If a service exists at an appropriate location to serve the applicant's property or facility and is of sufficient size to handle dual service, connection may be made to this service by the District. The reduced connection charge shall be calculated by utilizing a multiplier of 0.6 times the connection fee (5/8" x 3/4" water meter) listed under the "schedule of rates, charges, and fees."

C. Whenever a request is made by a customer to increase the size of a meter where an existing active service is being provided to that customer, the additional charges will be based on the following:

1. If the service line is of adequate size for the maximum flow required through the increased size of the water meter, then the charge will be the difference in the cost of the smaller and larger meter and the smaller and larger fittings, and the labor and equipment costs associated with the installation.
2. If the service line is not of adequate size, it will be necessary to make a new connection to the District's system. The charge will be the cost of the larger connection and meter and fittings and associated labor and

Equipment costs, minus any salvage value of the meter and fittings that will be replaced by the new connection.

3. Impact fees will also be charged for increases in meter size (see subsection 7.4).

7.4 IMPACT FEE

A. To the extent an impact fee has not already been prepaid by a developer, an impact fee shall be paid by the applicant whenever he or she requests that a new service connection (tap) be added to the water system or when a request is made for an existing meter to be increased (upgraded) to a larger size. Such fee is a charge for the proportional cost of the water facilities that will be necessary to supply the additional water capacity allocated to the new connection or upgraded connection.

B. The impact fee is related to the water flow capacity allocated to each customer applying for a new connection, or an upgraded connection that will receive additional flow capacity, with such flow capacity derived from the size of the water meter, with larger meters having greater flow capacities, and therefore, the amount of the impact fee is based on the size of the water meter.

C. The "schedule of rates, charges, and fees" contains the current impact fee charged by the Porter Special Utility District. Along with the standard impact fee, there is an "additional impact fee charge for upgrade of meter size," since a larger water meter will impact the water production capacity of the Porter Special Utility District due to the increased flow of water through the larger meter, customers requesting an upgrade (increase) in their meter size shall pay a charge equal to the difference between the impact fee associated with the smaller meter size currently providing water service to the customer and the impact fee that would be charged for the larger meter size to which the upgrade is being requested. Furthermore, the customer shall be required to pay for all additional charges associated with the upgrade in the size of the tap, the upgraded meter, and all upgraded fittings and appurtenances.

7.5 MONTHLY CHARGES

The customer's monthly charges shall consist of the "minimum monthly charge," which is associated with the *fixed costs* of Porter SUD operation, and a "volume charge," which is associated with the *variable costs* of operation and is a charge (per 1,000 gallons) for water consumed. The current charges are listed under the District's "schedule of rates, charges, and fees."

7.6 BULK WATER RATES AND CHARGES

A. Bulk water obtained from the District's bulk water dispersing station (bwds), located at the Porter SUD yard, shall be at a rate as outlined on the "schedule of rates, charges, and fees." this bwds contains an atmospheric vacuum breaker (avb) for protection against cross-connections.

B. Bulk water obtained through a meter shall be charged at the rate listed on the "schedule of rates, charges, and fees," along with a "minimum monthly charge" associated with the size of the meter, if the metered connection is made available to the customer for more than a one-month period.

C. Whether or not bulk water is actually delivered in any period, if the metered water connection is made available to the customer for more than one month, then there will be a "minimum monthly charge" (depending on meter size) billed to the customer for continued availability of the metered connection for bulk water delivery.

7.7 WATER FROM FIRE HYDRANT

A. Water shall not be obtained from Porter SUD fire hydrants unless the customer has made an application for such water service from the District and Porter SUD has installed a fire hydrant meter to measure such flow. Water rates for water usage from a fire hydrant are covered under the "schedule of rates, charges, and fees."

B. The customer will pay a refundable fire hydrant meter deposit. The deposit will ensure that the meter is returned to the District upon completion of its use. Any outstanding water bill may be deducted from the fire hydrant meter deposit. Any damage to the meter or fire hydrant shall be deducted from this deposit.

C. The customer will be required to bring the fire hydrant meter to the District office on the 14th through the 20th of each month to be read by PSUD employees, or the fire hydrant meter will be read in the field during the meter reading period. The water usage from this fire hydrant meter will be billed monthly and is due upon receipt, until such time as the fire hydrant meter is returned and a final reading is obtained.

D. In accordance with the Porter SUD "cross-connection control program," the customer will be required to receive the water flow from the fire hydrant meter through a backflow prevention assembly or through an air gap.

7.8 LATE PAYMENT FEE

A late payment fee (penalty) of ten percent (10%) will be charged to delinquent bills after the 15th of each month. The penalty shall be applied to the unpaid balance of all charges, rates, and fees owed by the customer to the Porter Special Utility District.

7.9 RETURNED CHECK FEE

In the event that a check, draft, or similar instrument is given to the Porter Special Utility District, by a person, firm, corporation, or partnership, for payment of services and such instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a returned check fee, which is listed on the "schedule of rates, charges, and fees."

7.10 DISCONNECT FEE

A disconnect fee shall be charged to those customers who have had their water service disconnected in the delinquent shutoff process of the Porter Special Utility District. The charge is listed on the "schedule of rates, charges, and fees."

7.11 RECONNECT FEE

A reconnect fee shall be charged by the District to a customer when his/her service is activated after the service has been disconnected due to delinquent shut-off procedures.

7.12 CHARGE FOR DAMAGED FACILITIES AND EQUIPMENT

Customers will be charged for damage to the District's facilities and equipment, including the replacement of damaged or destroyed locks, damaged, or destroyed water meters, damaged or destroyed angle and curb stops, and other water systems components and appurtenances. These charges are listed under the "schedule of rates, charges, and fees."

7.13 GROUNDWATER CONSERVATION FEE (GCF)

A. This fee is adopted by the Porter SUD in conjunction with the approval by the Lone Star Groundwater Conservation District (LSGCD) of a "water user fee," with a charge, per thousand gallons of groundwater produced, to be paid by all groundwater producers in Montgomery County, including the Porter Special Utility District. The charge imposed by the LSGCD may change as necessary per its adoption by the LSGCD Board of Directors.

B. The District's groundwater conservation fee (gcf) may be set by the Porter SUD Board of Directors as the same or greater than the "water user fee" adopted by the LSGCD. This gcf (fee) will be billed to each Porter SUD customer per thousand gallons of water usage, and as a separate line item on the customer's bill. The current gcf is listed on the District's "Schedule of Rates, Charges, and Fees."

7.14 OTHER FEES

A. Customer history report fee: upon the request by the customer, a fee shall be charged to provide a copy of the customer's record of past water purchases.

B. Meter test fee: a meter shall be tested with charges billed to the customer, if the test is requested in accordance with subsection 6.9.b. Of these *Rules and Regulations*.

C. Transfer fee: an applicant for service who is transferring service from one account to another account shall complete all required application forms and update the service deposit to current rates if applicable, etc., and pay a transfer fee. If two or more meters are used to provide water service to a single contiguous tract of land, PSUD shall not transfer one or more of the associated service deposits if such transfer will result in service to a subdivided tract of land where all the requirements of the Porter SUD concerning service to subdivisions have not been satisfied.

D. Duplication fee: the Porter Special Utility District may charge for any duplication of District documents, as defined in the *Texas public information act*, as amended, at the current rate as prescribed by the state purchasing and general services commission.

7.15 CUSTOMER SERVICE INSPECTION FEE

In accordance with the District's "cross-connection control program," the customer will be charged a fee for the District's completion of the customer service inspection for that customer's service.

7.16 OTHER CHARGES

All services and work outside those described herein which the District may be compelled to provide at the request of a customer, member, or other entity or agency shall be reasonably charged to the recipient based on the cost of providing such service.

7.17 ESTABLISHMENT OF RATES, CHARGES, AND FEES

The Board of Directors of the Porter Special Utility District shall establish, and from time to time amend as necessary, water rates and other charges and fees related to the current and future services provided by the District.

SECTION 8.0 WHOLESALE WATER SERVICE

8.1 WHOLESALE WATER CUSTOMER

A. The class of service for wholesale water customers is established and is defined as a situation in which water is sold to a single customer at one or more delivery points, with such metered wholesale water sold for subsequent metered resale to individual retail water customers within the wholesale customer's service area. All entities purchasing non-retail water supply from the Porter Special Utility District, whether they be corporations, individuals, or governmental agencies and/or other water supply agencies, shall be classified as a "wholesale water customer" and shall fall within the purview of the regulations of this chapter and all other applicable regulations and policies of the Porter Special Utility District.

B. Each wholesale water customer shall enter into a "contract for wholesale water service" or "water supply agreement" with the Porter Special Utility District, and the contract (agreement) shall be maintained for a specified time period and for such time that the Porter SUD supplies wholesale water service to that customer.

C. This section 8.0 covers some of the Porter SUD *Rules and Regulations* that affect wholesale water customers. Other *Rules and Regulations* sections and Porter SUD policies may be relevant to wholesale customers, and if relevant are specified and referred by this section and/or outlined in the "contract for wholesale water service" or "water supply agreement."

D. The Porter Special Utility District is sole provider of water supply within its certificate of convenience and necessity (CCN # 11473), and this includes water supply to all wholesale customers (including any overlapping m u d s) that are within the CCN of the District. The District shall have full control over both potable and non-potable water sources, if such source(s) is used for water supply purposes to any person or entity (wholesale, retail, residential, commercial, industrial, irrigation, public institution, or to another water supply agency).

8.2 OVERLAPPING M U D

A. The developer proposing to create an overlapping m u d (municipal utility District) for a large development area shall present information verifying the need for creation of a m u d and substantiating the lack of any viable water supply alternative. After consideration by the Porter SUD Board of Directors, the Board may vote to support or not support the creation of the overlapping mud.

B. If the Board votes to support the creation of an overlapping mud, then a protest against the mud creation will not be lodged and a *letter of support* (outlining the conditions of support) shall be issued.

C. The overlapping mud will be considered as a "wholesale water customer" for purposes of water supply by the Porter Special Utility District and shall follow all regulations of this section, along with all other applicable policies and the "contract (or "agreement") for wholesale water service."

8.3 PROJECT DEPOSIT

- A. At the commencement of activities to obtain wholesale water service from the Porter Special Utility District, the developer or the entity's representative (as a future wholesale water customer) shall make a deposit to the District, with such deposit to be applied toward the engineering, legal, and administrative expenses incurred by the Porter SUD in association with this wholesale water supply project. The amount of deposit shall be as follows: **\$4,500** for developments less than twenty (20) acres and **\$6,000** for developments greater than 20 acres.
- B. Any deposit remaining after all charges have been rendered and paid will be returned to the project's developer. Or the entity's representative. If expenses are in excess of the deposit amount, these excess expenses will be billed to the developer or representative prior to commencement of wholesale water service delivery, and these charges must be fully paid to the Porter SUD in order for wholesale water service to be initiated.

8.4 WHOLESALE WATER SUPPLY FACILITIES

- A. The wholesale water customer shall be responsible for the installation or payment of cost for the installation of wholesale water supply transmission line(s) and master meter(s) that will be utilized by the Porter Special Utility District in furnishing wholesale water service to the wholesale water customer.
- B. The wholesale water customer may be responsible for other costs and/or installation of wholesale water supply facilities, which shall be outlined in the "contract for wholesale water service" or "water supply agreement."
- C. The sizing, number, and configuration of wholesale water supply mains and facilities is to be developed by the Porter SUD General Manager and Porter SUD engineer in collaboration with the developer's or entity's engineer, and in accordance with all applicable TCEQ and Porter SUD regulations.
- D. As associated with the installation of wholesale water supply mains and facilities, any reimbursements to be made by the Porter SUD to the developer or entity developing the wholesale water supply tract shall be specified on an attachment to the "contract ("agreement") for wholesale water service." no reimbursements will be made without this attachment and its specified reimbursement terms.
- E. The developer of the tract shall be solely responsible for all expenses associated with the facilities, water mains, services, and appurtenances installed within the entity / property to be served by the Porter SUD as a wholesale water customer.

8.5 WATER SUPPLY CAPACITY COMMITMENT

- A. The state of Texas has certain water supply capacity commitment requirements for those properties that reside within the boundaries of a District and/or the CCN (certificate of convenience and necessity) boundaries, and therefore, the Porter Special Utility District is committed to providing water supply to these properties in conjunction with the "Rules and Regulations for public water supply" promulgated by the Texas Commission on Environmental Quality (TCEQ).

B. For those wholesale water customers that lie within the boundaries / CCN of the Porter Special Utility District, the District shall provide water supply capacity (water production and water storage) to the wholesale water customer in accordance with the state (TCEQ) requirements ("Rules and Regulations for public water systems"). Those wholesale water customers that do not lie within the boundaries / CCN of the Porter SUD shall negotiate with the Porter SUD for a contract that would outline the Porter SUD's water supply commitment.

C. For those developers or entities that demand, or have in writing, a specified water supply commitment (designated number of edu's, connections, etc.) From the Porter Special Utility District, it will be required of that developer or entity that full payment, for the current total impact fees calculated for this specified water supply commitment, be made prior to the activation of wholesale water supply service to this particular wholesale water customer, with such payment of impact fees to be made as soon as practical after wholesale service approval, in order that facilities construction may be initiated if necessary.

D. If a certain specific and designated commitment of water supply is made to a particular developer or entity, then the facilities implementation process, for the facilities necessary for meeting this water supply commitment, will be initiated upon receipt of the impact fees from the developer or entity.

E. In conjunction with the construction of facilities, as outlined above, certain transfers of property, from the developer or entity to the Porter Special Utility District, may be necessary in order to facilitate the construction of the water supply facilities for service to the wholesale customer.

8.6 WHOLESALE WATER RATES

A. Wholesale water customers shall be charged wholesale water rates. These rates shall be based on the principles and methodologies presented in the *principles of water rates, fees, and charges* [latest edition: American Water Works Association (Manual of Water Supply Practices – AWWA M 1)].

B. A wholesale water rate analysis shall be conducted during such time that an analysis is conducted of retail water rates, but no less than once every three (3) years and shall be a prelude to the potential increase of the wholesale water rate.

C. The wholesale customer shall be given sixty (60) days prior notice of the intent of Porter SUD to increase the wholesale water rate.

D. The wholesale water rates shall be presented on the "wholesale water rates schedule." the total monthly charges to the wholesale customer shall include the minimum monthly charge, a volume charge, and all other charges and fees that are appropriate (e.g., "groundwater conservation fee," etc.).

8.7 SERVICE DEPOSIT

A. Prior to initiating wholesale water service to the wholesale water customer, and at all times that wholesale water service is being provided by the District, a non-interest-bearing service deposit shall be deposited by the wholesale customer and maintained with the Porter Special Utility District until such time that wholesale water service is terminated.

B. Based on the meter size, the amount of the service deposit shall be equal to the service deposit paid by the other Porter SUD customers: for each master meter (and based on master meter size) that is serving the wholesale water customer.

C. Upon termination of wholesale water service by the customer, the current service deposit of the wholesale customer on deposit with the District, minus all associated charges, fees, and payments, shall be returned to the wholesale water customer.

8.8 IMPACT FEES

A. In accordance with its approved *Rules and Regulations*, the Porter SUD has established impact fees applicable within its certificate of convenience and necessity (CCN) and boundaries and to all customers receiving water supply from the District, in order to ensure that a firm financial foundation is available to bear the costs for installation of facilities (water production and water storage) that will maintain an adequate water supply capacity for the wholesale water customer, the wholesale customer shall be required to make payment of impact fees to the Porter Special Utility District for all specified and designated connections (EDUs, etc.) for which the Porter Special Utility District is bound by a written commitment, with payment of impact fees to be made prior to activation of wholesale service.

B. After installation and activation of total designated service connections has occurred (the total derived from written and specified number of connections for which pre-activation impact fee was paid) within territory of the wholesale customer, and subject to an audit by the Porter Special Utility District, the wholesale customer shall initiate collection of additional impact fees from each service connection to its water system.

C. The impact fees shall be assessed in the same manner as those collected by the Porter SUD, with a similar collection method employed by the wholesale customer. the collected impact fees shall be recorded on a report form provided by the Porter Special Utility District, and the fees and report shall be submitted to the Porter SUD on a quarterly basis (January, April, July, October). an annual audit of the impact fee collection process may be required by the Porter SUD and a thirty (30) day notice will be provided if the audit is necessary.

8.9 CROSS-CONNECTION CONTROL

A. In accordance with state law, and in conjunction with the cross-connection control program of the Porter Special Utility District, the wholesale water customer shall have three options (B. or C. or D. below) in protecting the Porter SUD water system from existing or potential cross-connections:

B. Option # 1: the wholesale customer shall install, test, and maintain (at the wholesale customer's expense) an appropriate backflow prevention assembly at each Porter SUD wholesale water supply delivery point; or,

C. Option # 2: the wholesale customer shall establish – and actively engage in - an approved cross-connection control program (approved by the PSUD program manager) for all water services within the wholesale customer's service area; or,

D. Option # 3: the Porter Special Utility District shall provide wholesale water supply through an air gap device, with no direct connect to the wholesale water customer, and such wholesale customer shall be required to re-pressurize the flow from the Porter SUD.

E. It shall be specified, in an attachment to the "contract ("agreement") for wholesale water service," the option chosen by the wholesale customer in meeting cross-connection-control requirements.

8.10 WATER CONSERVATION POLICY

A. The wholesale water customer must meet state laws and Porter SUD regulations as associated with water conservation policy and implementation.

B. In order to meet water conservation requirements, the wholesale water customer shall implement a water conservation policy similar to and conjunctive with the water conservation measures and water supply restrictions listed in the "drought contingency plan" of the Porter Special Utility District. The wholesale water customer shall submit the customer's water conservation policy to the Porter SUD General Manager for approval.

8.11 DISCONNECTION OF WHOLESALE WATER SERVICE

A. Disconnection of wholesale water service may be initiated for the same reasons that retail water service is disconnected, and as outlined in these "Rules and Regulations" (most specifically, section 6.0).

B. Wholesale water service may also be disconnected due to failure to collect impact fees, failure to follow cross-connection control policy, failure to successfully implement a viable water conservation policy and follow water supply restrictions and reductions, or failure to follow other Porter SUD policies.

C. The Porter SUD shall provide written notice, by U.S. mail and certified mail, at least thirty (30) days prior to the date of proposed service disconnection. The written notice shall provide the reason(s) for service disconnection.

D. Notwithstanding the foregoing, the Porter Special Utility District may immediately terminate service to a wholesale water customer without notice if the Porter SUD General Manager has determined that such termination is necessary to protect the health and safety of the Porter SUD water supply system.

8.12 CONTRACT (AGREEMENT) FOR WHOLESALE WATER SERVICE

A. All wholesale water customers shall enter into a "contract for wholesale water service" or "water supply agreement" with the Porter Special Utility District. The contract shall be for a specified time period and may be modified from time to time per the agreement of both parties.

B. The "contract ("agreement") for wholesale water service" shall include all aforementioned relevant policy items (subsections 8.2 through 8.11). In addition, it may include other items that may be necessary and beneficial for carrying out the functions of the wholesale water service contract (agreement).

8.13 EXCESS WATER RATE

If a wholesale water customer takes a volume of water in excess of the then-available water capacity provided for in the customer's water supply agreement (the "Excess Water"), unless such contract specifically states an exception, the wholesale water customer shall pay an "Excess Water Rate" for the Excess Water, without regard to whether such Excess Water was taken intentionally, negligently or otherwise.

The volume of Excess Water shall be determined as follows:

$$EW = M - (GPD \times D), \text{ where}$$

EW is the volume of Excess Water;

M is the volume of water, stated in gallons, measured by the meter(s) measuring the water taken by the wholesale water customer during the billing period;

GPD is the volume of water, stated in gallons per day, the wholesale water customer is entitled to take each day during the billing period under the applicable water supply agreement; and

D is the number of days in the applicable billing cycle.

The Excess Water Rate shall equal twice the otherwise applicable "Volume Charge/Base Cost per 1,000 gallons," for water paid by the wholesale water customer, plus all other applicable fees and charges, as stated on Porter Special Utility District's then-current Schedule of Rates, Fees, and Charges.

Charges for Excess Water shall be placed on the wholesale water customer's next bill and shall be subject to the same rules of Porter Special Utility District, including without limitation such rules pertaining to time and manner of payment and consequences for nonpayment (up to and including termination of service), as other charges from Porter Special Utility District appearing on such bill.

8.14 NON-COMPLIANCE FEE

In the event a wholesale water customer violates the terms of its water supply agreement and Porter Special Utility District sends a notice of noncompliance or default as a result thereof, the wholesale water customer shall pay a **\$1,000** fee for each such notice. This \$1,000 fee shall be placed on the wholesale water customer's next bill and shall be subject to the same rules of Porter Special Utility District, including without limitation such rules pertaining to time and manner of payment and consequences for nonpayment (up to and including termination of service), as other charges from Porter Special Utility District appearing on such bill.

SECTION 9.0 ACCESS TO AND SECURITY AND MAINTENANCE OF PORTER SUD FACILITIES

9.1 ACCESS TO METERS AND FACILITIES

A. The Porter Special Utility District shall have access at all times to all its meters and all other District facilities. No person or entity shall deny the District, or any employee or authorized representative of the District, access to any meter or Porter SUD facility.

B. If access to the water meter or facilities of the Porter SUD are denied, then a notice shall be provided to the person or entity responsible for denying access, and that person or entity shall immediately allow the Porter SUD access to its meter or facilities.

B. After notice, and in the event access continues to be denied to the Porter Special Utility District to any meter, either by the customer or by facilities constructed by the customer, the District may estimate the water bill as necessary by charging the customer one hundred fifty percent (150%) of the average usage over the last 12-month period, or the District may obtain access to such meter by any reasonable means available and charge the costs of obtaining access to the customer. An invoice shall be prepared, and the invoice costs shall be added to the customer's bill and shall become a part of the bill for collection and penalties and for delinquency purposes. If such bill remains unpaid and after the due date, disconnection procedures shall be undertaken by the District.

C. In the event that any party denies the Porter Special Utility District access to any District facility other than meters, the Porter SUD may obtain such access by any reasonable means available and may charge the costs of obtaining such access to the party determined by the District to be responsible for denial of such access. These charges shall be invoiced and mailed to such party at the address or record of such party and charges shall be due and payable to the District after fifteen (15) days from the date the invoice was mailed via the united states mail, first class postage prepaid. The remedies available to the District for collection of invoice costs shall be as described in subsection 7.0.a.1. The Porter Special Utility District may make estimates of meter reads during such time that the above process is in effect.

9.2 SECURITY AND MAINTENANCE OF DISTRICT FACILITIES

A. The customer shall be responsible for the security of the meter box, meter, and other District appurtenances as outlined in the *Rules and Regulations* of the Porter Special Utility District.

B. In the event that any District facility or appurtenance for which the customer has responsibility is damaged or otherwise harmed, the District shall reasonably attempt to determine the party responsible for the damage. If the District determines that such damage or harm was caused by the customer or through the customer's failure to provide reasonable security, the Porter Special Utility District shall repair or replace the facility at the discretion of the District, and all costs related thereto, shall be borne by the customer via an invoice issued by the District and the invoice cost shall be made part of the customer's monthly bill, and he/she shall be liable for penalties and disconnection procedures upon delinquency of the customer's payment.

9.3 METER TAMPERING AND DIVERSION

A. For the purpose of this subsection, meter tampering, by-passing, or diversion shall all be defined as tampering with the Porter SUD's meter or equipment. By-passing the water meter includes removing locking devices, installing piping in place of the meter when meter has been removed, rearrangement of piping and facilities so that the water flow is routed around the meter instead of through the meter, and other similar meter tampering or by-passing situations.

B. The burden of proof of meter tampering, by-passing, or diversion is on the Porter Special Utility District. Photographic evidence or other reliable and creditable evidence may be used, and any evidence shall be accompanied by a sworn affidavit by the District's staff when any action regarding meter tampering, as provided in this subsection, is initiated. A court finding of meter tampering may be used instead of photographic evidence or other evidence, if applicable. The unauthorized use of District services shall be prosecuted to the fullest extent of the law.

9.4 RESPONSIBILITY FOR PROPERTY/FACILITY DAMAGE NOT COVERED IN SUBSECTIONS 9.2 AND 9.3

A. Porter Special Utility District shall be given at least forty-eight (48) hours of notification prior to initiation of any construction work on property located within the District's service area (CCN and District boundaries), if such construction work or related construction equipment will be within easements, rights-of-way, or property where District facilities and appurtenances are located, and that an inspection of this proposed construction site shall be completed by the District prior to commencement of construction activities.

B. The District shall also conduct an inspection of the construction site prior to completion of the construction work and the covering of any underground lines or facilities, in order to verify the condition of the District's facilities. If found to be necessary, repairs to District facilities shall be made by the contractor or the person or entity responsible for the construction work, or by employees of the Porter Special Utility District. If repairs are not made as specified by the District, or if repairs are made by Porter SUD employees, there shall be a bill generated for the full cost of the repairs and such billing and collection procedures, including disconnection of service, shall be completed as described in the following subsections.

C. Any individual, business, corporation, political subdivision, or other entity, through their own actions or negligence or through the actions or negligence of those in their employ, shall be responsible for the damage to District property, facilities, or appurtenances caused by such action or negligence, and shall make payment to the Porter SUD for all costs associated with the repair and/or replacement of damaged District property or facilities.

D. Upon completion of the repair and/or replacement of damaged property or facilities, an invoice will be prepared indicating all costs of labor, equipment, and materials associated with the repair and/or replacement project, and this invoice shall be submitted for payment to the party or parties responsible for the damage. The invoice shall be delivered via the U.S. postal service and shall become delinquent if not paid in full prior to the lapse of thirty (30) days from the date of mailing. Delinquent invoices shall be handled under the same process as delinquent customer bills, and disconnection of water, assessment of penalties, reconnection of service and other items relating to the collection of delinquent bills, as outlined in section 6.0 of these *Rules and Regulations*, shall be applicable to the collection of invoice payments. In addition, other measures

May be taken to obtain payment of these invoices, and any cost incurred by the District in the obtainment of invoice payments shall be assessed against the party to whom the invoice is addressed.

SECTION 10.0 PROCESSING OF DAMAGE CLAIMS **AGAINST THE PORTER SUD**

10.1 INTRODUCTION TO DAMAGE CLAIM POLICY

A. Although the Porter Special Utility District strives to follow all applicable laws and procedures and takes precautionary measures, there are times (in the course of the operations of the District and in conjunction with the multifarious duties carried out by Porter SUD employees) when damages may be incurred to real property, fixtures, and personal property, and injuries sustained by persons, through the inadvertent actions and situations that accompany Porter SUD operations and employee duties, with resultant damage claims against the District - both legitimate and bogus.

B. The purpose of this section of the *Rules and Regulations* is to promulgate a policy and procedures for processing damage claims submitted to the Porter Special Utility District. The receiving and processing of same shall not in any way cause an assumption of liability on the part of the District, its elected officials, or its employees.

10.2 DEFINITIONS

A. The term "damage claim" in this section shall refer to all claims submitted to the District for damages to real property, fixtures, personal property, and for personal injury, as allegedly caused by an employee or agent of the Porter Special Utility District.

B. The term "damage claim" shall not include those claims related to injuries sustained by District employees or damage to District-owned property, vehicles, or equipment.

C. The term "other utility lines" shall refer to those pipes and conduits that carry fluids such as water or wastewater but shall not include electrical or communication cables / conduits or natural gas pipelines and oil pipelines.

D. The term "other utility agency" or "agency" shall refer to the agency or company that owns and/or controls the other utility line.

10.3 DAMAGE CLAIM PROCESS

A. In order to process a damage claim against the District, any individual or entity having a claim, as defined under subsection 10.2. Of this section, shall submit the completed "damage claim form" (appendix) to the District's General Manager. The details of the claim and its date of occurrence, along with all other appurtenant items, shall be specific and complete.

B. If the damage claim incident is covered by Porter SUD insurance coverage, the General Manager shall forward the claim to the District's insurance carrier. The General Manager shall also promptly commence an investigation of the claim. At the same time the General Manager shall acknowledge to the claimant the receipt of the claim for processing. If necessary and based on the nature and amount of the claim, a copy of the damage claim shall also be forwarded to the Porter SUD legal counsel.

C. In order for the claim to be investigated properly, the claimant shall file the damage claim form within sixty (60) days from the date of the damage claim incident. A longer period of time for receipt of the damage claim, past this 60-day period, may hinder the effective processing of the claim and may affect the claim outcome.

D. Although many claims are genuine (and these type claims should be expeditiously processed for the benefit of the claimant), all claim investigations should be handled in such manner to expose any duplicity and/or subterfuge that may exist with the damage claim.

E. Within ten (10) days from the date the claim is received, the General Manager shall notify the District's Board of Directors of the receipt of the damage claim. Furthermore, and as soon as practical, the Board shall be notified of the results of the damage claim's final processing and outcome.

10.4 REPAIR OF OTHER UTILITY LINES DAMAGED BY PORTER SUD

A. This policy authorizes the Porter SUD employees to make repairs to "other utility lines," if damage was caused by the Porter Special Utility District and if the repair is authorized by the representative of the agency that is the owner of the other utility line, with such repair being consistent with the procedures of this section.

B. Because other utility lines may be damaged by the Porter SUD due to inaccurate line locates or other factors not the fault of the Porter SUD, the damage to other utility lines by the Porter SUD - and subsequent Porter SUD repair of such lines does not constitute an admission of liability on the part of the District and claim for damage must be processed in conjunction with the previous provisions of this section.

C. If another utility line is damaged by the Porter SUD, and if such line can be repaired by the District, as authorized by both the representative of the agency and the Porter SUD General Manager (or the operations foreman if the General Manager is absent), and if the necessary repair materials and equipment are on hand, then such repair may be made by Porter SUD employees (authorization form in appendix). The Porter SUD shall utilize good workmanship and make the repair in an effective manner, but there shall be no warranty provided - either expressly or impliedly - for the aftermath of the repair.

SECTION 11.0 PORTER SUD PLUMBING CODE

11.1 ADOPTION OF PORTER SUD PLUMBING CODE

The Porter Special Utility District has adopted the *uniform plumbing code* as guidance in the design, installation, and maintenance of plumbing systems connecting or connected to the water supply system of the Porter SUD, to the extent appropriate under the applicable statutes and regulations governing public water purveyors (Special Utility Districts) in the state of Texas.

SECTION 12.0 ANNEXATION PROCEDURES

12.1 PETITION FOR ANNEXATION

- A. Any landowner (petitioner) interested in annexation of his/her property into the Porter Special Utility District shall file a petition with the Board of Directors of the District.
- B. All relevant procedures of the Texas Water Code, chapter 49 (subchapter j), shall be followed in the annexation process.
- B. All costs of annexation, including attorney, engineering, and administrative costs, shall be borne by the petitioner for annexation.
- C. An annexation deposit of three thousand dollars (\$3,000) shall be made to the Porter Special Utility District, and such deposit shall be used for legal, engineering, and administrative costs associated with the annexation process. If the initial deposit amount is not sufficient, then an additional deposit amount will be requested, and no further work toward annexation will be completed until this additional deposit amount has been received. After the annexation process has ended and all costs have been paid, the remainder of the deposit will be returned to the petitioner.

12.2 CONFORMANCE TO DEVELOPMENT POLICY

- A. The feasibility of serving the property requested for annexation will be considered under the procedures outlined in section 3.0 (project development policy) of these "Rules and Regulations."
- B. All costs relating to providing water service to the annexed tract, including without limitation, construction of water lines and appurtenances and related facilities, shall be paid by the petitioner.
- C. The "Rules and Regulations" of the Porter Special Utility District shall be applicable to all petitioners requesting annexation of property into the District.

End of "Rules and Regulations" of the Porter Special Utility District