ORDER AMENDING WATER AND WASTEWATER SERVICE RATES AND CHARGES AND RE-ESTABLISHING WATER AND WASTEWATER TAP FEES AND CAPITAL RECOVERY FEES AND ADOPTING CERTAIN GENERAL POLICIES WITH RESPECT TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS AND DROUGHT CONTINGENCY PLAN AND PROVIDING PENALTIES FOR VIOLATION THEREOF

September 10, 2019

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

WHEREAS, the Board of Directors (the "**Board**") of Fern Bluff Municipal Utility District (the "**District**") has from time to time adopted certain orders (the "**Rate Order**") establishing the rates and conditions governing the District's water, wastewater, and drainage systems serving the District; and

WHEREAS, the Board of the District has determined that it is in the best interest of the District to amend and restate its Rate Order to update its rates.

NOW, THEREFORE BE IT ORDERED BY THE BOARD OF DIRECTORS OF FERN BLUFF MUNICIPAL UTILITY DISTRICT THAT:

GENERAL POLICIES

Definitions.

For purposes of this Order, the following terms shall have the meanings indicated:

"Connection" shall mean and refer to each residential unit occupied by a separate family, including separate apartments located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

"District's representative" shall mean and refer to the general manager of the District or another representative or employee of the District acting pursuant to the direction of the general manager or the Board of Directors of the District.

"Living Unit Equivalent" shall mean and refer to a dwelling unit or, in the case of a commercial customer, its equivalent pursuant to the following schedule:

Meter Size	Living Unit Equivalent
5/8"	1
3/4"	1.5
1"	2.5

1-1/2”	5
2”	8
3”	15
4”	25
6”	80
8”	140
10”	220
12”	270

“Rules” shall mean and refer to such rules and regulations as the District may adopt pursuant to Section 54.205, Texas Water Code.

“Systems” shall mean and refer to the District’s water, wastewater and drainage systems.

All Services Required.

Except as otherwise expressly authorized in the Rules, by the District’s representative or by the Board of Directors of the District, no service shall be provided by and through the District’s Systems unless the applicant agrees to take water, wastewater and solid waste disposal service.

All Services Charged.

At no time shall the District render water and/or sewer services without charge to any person, firm, corporation, organization or entity.

Other Utilities.

Prior to installing underground cables in the area of District water supply and sanitary sewer collection lines, representatives of utility companies shall meet with the District’s representative to file such companies’ construction plans and schedules and to review the engineering plans illustrating the location of the District’s lines.

Review of Utility and Drainage Construction Plans.

Any person desiring to install water and wastewater facilities to be connected to the District’s utility system or drainage facilities shall obtain the approval of such plans by the District, upon recommendation of the District’s Engineer, prior to construction. Prior to the District’s Engineer’s review of the plans, the person requesting review shall make a deposit of $500.00 with the District Engineer. The cost of review of the plans shall be on a time and materials basis. Should the estimated cost of such review exceed $500.00, the District’s Engineer and the person requesting review shall present the request for review of the plans to the Board of Directors for a determination of an adequate deposit.

CONNECTIONS TO THE DISTRICT'S SYSTEMS

Applications for Connections.

Any party desiring to make a connection to the District's Systems shall first make an application to the District's representative in the form approved by the Board of Directors of the District. The applicant shall, upon request, furnish the District's representative with evidence that the party who will actually install the tap and connecting line has comprehensive general liability insurance in the minimum amounts of $300,000.00 bodily injury and $50,000.00 property damage, with an underground rider and a completed operations rider.

The District's representative shall review all applications for connections to the District's Systems. In the event that the District's representative finds that the materials to be used and the procedures and methods to be followed in laying the line and making the connection are equal to or better than the standards established by the Uniform Plumbing Code as amended and supplemented by the City of Austin Uniform Plumbing Ordinance for wastewater service and the City of Round Rock Uniform Plumbing Ordinance for water service and the wastewater standard service details promulgated by the City of Austin Wastewater Utility and the water standard service details promulgated by the City of Round Rock Water Utility, as amended from time to time, and are in compliance with all terms and conditions of the Rules, the District's representative may approve the application and the proposed connection, subject to such terms or conditions as the District's representative deems necessary or convenient to accomplish the purpose and objectives of the Rules.

Payment of Fees.

Any party desiring to make a connection to the District's water or wastewater system for property located within or outside the District shall pay the appropriate water and wastewater tap park fee, oversize and capital recovery fees to the District's representative at the time the application for such connection for said property is made. No connection shall be made until such tap, park, and capital recovery fees are paid.

Tap and Inspection Fees.

The tap fee for each ·single family, duplex, townhome, or PUD water connection shall be

$650.00.

The tap fee for all other water connections shall be the then-current cost of the water meter times three.

The tap fee for each wastewater connection shall be $650.00.

Sewer taps involving excavation of the sewer main shall be performed by the District at cost plus 25% in addition to said tap fee.

Said tap fees include the routine cost of one-yard line inspection of said connection. If more than one (1) yard line inspection is required before a tap is approved by the District's representative, the fee for each additional inspection shall be $50.00 per connection. Said re-inspection fees shall be payable to the District upon demand.

Plumbing inspections of new residential and commercial construction shall be conducted by the District in accordance with Article 6243-101, Sections 2(5) and 5(8) of the Texas Civil Statutes, as amended in 2001. The District shall conduct a series of five inspections (rough-in, service lines, copper, top-out and final). The fee for single-family residences shall be $275.00 for the five inspections. Such fee shall be due at the time the water and wastewater tap fees are paid. In the event of a failure, an additional charge of $60.00 per additional inspection shall be charged. Irrigation system inspections shall be $50.00 per inspection. The District's inspection fee for commercial structures, including apartment complexes, will be determined by the District's representative based upon the size and scope of such project. In the event the property is not accessible when a plumbing inspection appointment has been scheduled, such inspection will be deemed a failure.

Capital Recovery Fees.

The capital recovery fee for District water customers shall be equal to that water impact fee charged by the City of Round Rock for new development and/or new connections to be served by the City of Round Rock's water system, as that water impact fee is amended from time to time by the City of Round Rock.

Erosion Control Inspections and Fees.

Before a tap will be issued to a builder and before the builder disturbs soil or begins construction, the builder must install the approved erosion control facilities on the lots to be disturbed pursuant to the District's Rules. In the event a builder proceeds to disturb the soil or to begin construction without approved erosion control facilities in place, the builder shall be fined an initial $500.00 fine, which shall be deducted from the builder's deposit and back billed to the builder to restore the builder's deposit to $1,000.00. If the builder fails to provide an erosion control plan to the District's operator within five (5) business days after being notified in writing of the violation, the builder shall be assessed a $250.00 per day fine until the plan is filed. Once the plan is approved, the builder shall have five (5) business days to install the approved erosion control facilities. In the event the builder fails to install such erosion control facilities within five (5) business days, builder shall be assessed a $250.00 per day fine until the erosion control facilities are in place. Once installation has occurred, the builder shall call the District's operator for an inspection. The District operator may require a 24-hour notification prior to such inspection. Inspections requested Monday through Thursday will be performed the following day, excluding holidays. Inspections requested on Friday will be performed the next Monday, excluding holidays. The first inspection shall be performed at no additional charge to the builder. In the event the erosion controls are not installed in accordance with the plan approved in accordance to the Rules, the inspection will be deemed to have failed and a re-inspection after correction of the deficiencies shall be required. The fee for each re-inspection shall be $60.00. The fee for re-inspection shall be deducted from the builder's deposit and back-billed to the

builder to restore the builder deposit to $1,000.00. The installation must comply with the approved plan as determined by the District's operator. In the event any erosion control devices need repair or replacement during the construction on any lot, the District operator will notify the builder of the current deficiencies, which must be repaired within 48 hours. If not repaired within 48 hours, the builder shall be fined an initial $500.00 and $250.00 per day thereafter until corrected, which fines shall be deducted from the builder deposit and back-billed to the builder to restore its builder deposit to $1,000.00 and to pay any fine amounts above the existing builder deposit.

Additional Charges.

Any non-routine charges incurred by the District in connection with any water tap, sewer tap and/or inspection shall be the responsibility of the applicant for such connection and shall be payable to the District upon demand.

Park Fee.

Any party desiring to connect to the District's Systems shall pay a park fee of $300.00 per single family, duplex, or townhome connection.

OUT OF DISTRICT OR ANNEXATION REQUESTS

Each application to the Board of Directors for approval of an out-of-district service or annexation request filed pursuant to the District's policy relating to the same shall be accompanied by a filing fee of $500.00 per request or $5.00 per acre, whichever is greater. Any costs to the District over and above the amount of said fee shall be the responsibility of the applicant and shall be payable to the District upon demand.

SUBDIVISION CONSTRUCTION INSPECTION FEES

A developer of land within the District shall, prior to commencement of construction of water and wastewater facilities within the District, pay to the District an inspection fee in the amount of 1-1/2% of the construction contract costs for water and wastewater facilities.

WATER AND WASTEWATER SERVICE

Applications for Service.

Any party desiring to receive service from the District's water or wastewater systems shall pay a $50.00 application fee prior to service and make an application for such service to the District's representative in the form approved by the Board of Directors of the District.

Security Deposit.

With the exception of temporary service for builders of residential and/or commercial property in the District, a security deposit per connection shall be paid to the District's representative by each customer prior to service in the following amounts:

Meter Size	Security Deposit
5/8" (non-owner occupied)	$200.00
5/8" (owner occupied)	$150.00
3/4"	$150.00
1"	$150.00
1-1/2"	$200.00
2"	$250.00
Over 2"	Two Times Estimated Monthly Usage

Security deposits shall not be transferable and shall be held by the District to assure the prompt payment of all bills for water and wastewater services to the customer. At its option, the District may apply all or any part of a customer's security deposit against any delinquent bill of the customer. Upon discontinuation of service the deposit shall be applied against amounts due, including any disconnection fees, whether because of the customer's delinquency or upon the customer's request. Any portion of the deposit remaining after deduction of such amounts shall be refunded to the customer. In no event shall the security deposit bear interest for the benefit of the customer.

Transfers of Service Within the District.

In the event a customer moves from one address within the District to another address within the District and immediately transfers service, the security deposit of the customer may be transferred to the new address. Such transfer is contingent upon the customer's paying the final bill for the previous address within the time limits set forth for prompt payment.

In the event payment of the final bill is not made when due, such deposit, if held by the District, may be used toward payment of the final bill and an additional deposit shall be required to be made by the customer for the new address. Should the customer fail to pay such additional deposit, if required by the District, the account shall be delinquent and service may be terminated pursuant to Article VI below.

Transfer Fee.

A customer who desires to transfer service from one address within the District to another address shall pay a transfer fee of $50.00. The transfer fee shall be collected at the time of the transfer of service.

Security Deposit - Builder.

The builder shall make a one-time $1,000.00 deposit covering all houses he is building or intends to build within the District. The District's Representative shall carefully monitor the building of all houses covered by such $1,000.00 deposit to make sure that the sanitary sewer and water service connection at each such house has been inspected and approved prior to its being covered. In any instance in which this procedure is not followed, the District's Representative shall require the builder to uncover the sanitary sewer or water service connection so that it may be inspected. Any cost to the district for additional inspections or other work resulting from a violation of this requirement shall be deducted from the $1,000.00 security deposit and the builder shall be billed for such amount as necessary to fully restore the $1,000.00. The District's Representative will not approve a water tap for any such builder less and until such builder's security deposit has been reestablished at the full $1,000.00 amount on a monthly basis. A connection permit will be granted after inspection confirms that all requirements of these Rules and Regulations have been met. The $1,000.00 security deposit will be refunded when the builder finishes his building program within the District. In no event shall the security deposit bear interest for the benefit of the builder.

General Provisions.

Bills for sewer service shall be computed:(i) on the basis of the average amount of water used by the customer during the winter season based upon the average of the monthly readings of the customer's water meter for the preceding December, January and February.

Anything herein to the contrary notwithstanding, no charge for wastewater service shall be made based on water used as a result of a Special Connection for water authorized pursuant to the Rules.

If a residential customer does not have an acceptable history of water usage during the preceding December, January, and February, the customer's monthly sewer bill shall be calculated based upon (i) the customer's current monthly water usage; or (ii) on the basis of 8,000 gallons water usage per month, whichever is less.

If a nonresidential customer does not have an acceptable history of water usage during the preceding December, January and February, the customer's monthly sewer bill shall be calculated based upon the customer's current monthly water usage.

A customer may elect to have his bill paid by bank draft beginning at such time the District's representative has installed computer software to initiate such a program on

behalf of the District. The District's representative shall provide necessary applications for the customer's authorization to pay his bill by bank draft. At any time, should the customer's bank refuse payment, the customer will be notified in writing to make payment directly to the District.

Water, Sewer, and Stormwater Drainage Service Rates.

The following rates and charges for the sale of water and the collection and disposal of sewage and drainage of stormwater shall be in effect for all customers within and outside the District from the effective date of this Order:

(1) Monthly Residential Water, Sewer, Stormwater Drainage, and Solid Waste Collection Water Base Rate $16.25

Water Volumetric Charge (usage up to 15,000 gallons)	$3.50/1,000 gallons
Water Volumetric Charge, (15,001 gallons and over)	$3.95/1000 gallons
Wastewater Base Rate	$7.25
Sewer Volumetric Charge gallons	$3.40/1,000
Garbage/ Recycling	$20.25
TCEQ Fee	0.5% of total water and sewer (excluding garbage)
Stormwater Drainage Fee	$0.50

(2) Monthly Commercial Water Rates.

(a) Usage Charge

Meter	Rate
• 5/8"	○ $16.25
• 3/4"	○ $28.00
• 1"	○ $100.00
• 1 1/4"	○ $127.00
• 11/2"	○ $150.25
• 2"	○ $200.50
• 3"	○ $345.00
• 4"	○ $400.75
• 6"	○ $680.00
• 8" or larger	○ $920.00

(b)	Commodity Charge	$3.50/1,000 gallons to 15,001 $3.95/15,001 gallons &

(3) Monthly Commercial Sewer Rates.

(a)	Usage Charge	$10.50
(b)	Commodity Charge	$4.00/1,000 gallons (of water)

(4) Monthly Commercial Irrigation Water Rates.

Usage Charge shall be as set forth above for commercial irrigation) customers.

Commodity Charge (per 1000 gallons shall be 80% of the above commercial charge for irrigation water (for example 80% X $3.50 for 1000 to 15,000 and 80% X $3.95 for 15,001 and up)

(5) Fire Hydrant Meter Fees

Sale of District water on a temporary basis from fire hydrants within and outside the District shall be applied for to the District's representative.

There shall be charged and collected for each fire hydrant meter a fire hydrant meter fee in the amount of $50.00 per month or any part of a month plus $3.85 per 1,000 gallons usage. The applicant shall be billed for water use on a monthly basis. Delinquent accounts shall be processed as for other customers. A security deposit shall be paid to the District's representative at the time applications paid for a fire hydrant meter in the amount of $800.00. Such security deposit shall be refunded to the applicant at the time the meter is returned in good working order less any amounts due for damage to the meter.

(6) The District shall charge each customer any regulatory assessment required by the Texas Commission on Environmental Quality

DELINQUENT ACCOUNTS

The District shall bill each customer monthly for all services rendered in the preceding month. All bills shall be due when rendered and shall become delinquent if not paid by the date specified in the bill.

A late charge of 10% of the amount of the bill shall be added for each monthly billing date the delinquent amount remains unpaid. Such amount shall be increased as the District's

costs from its general manager increases from time to time for assessment of delinquent accounts. If a bill remains delinquent for fifteen (15) days, or is paid with a check, which is dishonored, water service shall be discontinued in accordance with this paragraph. Prior to termination, the customer shall be notified of the amount due by letter sent by first class mail. Once a notice of termination has been sent to a customer, payment of the amount due must be made in the form of cashier's check or money order only. No personal checks will be accepted. A delinquent bill renders the entire amount delinquent and the entire amount must be paid in order to avoid interruption of service. The notice shall state the date upon which water service shall be terminated, which date shall be not less than seven (7) days from the date such notice is sent. Such notice shall state the time and place at which the account may be paid and that any errors in the bill may be corrected by contacting the District's representative, whose telephone number shall also be given in such notice. Provided, however, that in the event the customer contacts the District's representative within such seven (7) day period, the District's representative may, at his or her option, allow the customer to make arrangements to pay the delinquent amount in installments to be approved by the District's representative. After termination of service, all amounts due must be paid by the customer by cashier's check, money order or cash, prior to resumption of service. No personal checks will be accepted.

Any determination by the District's representative or the District's engineer or authorized agent of the District or any dispute regarding the terms and provisions of this Order may be appealed to the Board of Directors of the District which shall conduct a hearing on the matter. The District's representative and/or attorney shall provide customer with information regarding appeals and hearing procedures upon customer's request.

The District reserves the right to institute suit for the collection of any amounts due and unpaid, together with interest thereon at the maximum legal rate and reasonable attorneys' fees.

The District further reserves the right to charge a customer a flat fee of $50.00 for paying a bill with a check that is dishonored, which amount may be reviewed and modified from time to time by the District's Representative. In the event a customer has presented a dishonored check, the District's representative may require payment for a delinquent bill and all future bills to be made by money order, cashier's check or cash. After twelve months of timely payments, a customer may petition the District's representative for the right to pay by personal check.

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 discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill. Each time a customer seeks to avoid termination of service under this section, the customer must have the attending public health official, including, but not limited to, medical doctor, doctor of osteopathy, nurse practitioner, registered nurse, or other similar public health official, call or contact the District's representative within 15 days of issuance of the bill. A written statement

must be received by the District's representative from the attending public health official within 30 days of the issuance of the bill. The customer who makes a request under this section must enter into a deferred payment plan with the District.

DISCONTINUATION OF SERVICE

Charge for Reconnection.

In the event of any discontinuation of service, whether because of customer's delinquency or upon a customer's request, the District shall charge, in addition to all past due amounts, the following charge per connection prior to reconnecting such customers:

Water System.

When meter not removed:

Reconnect, during normal business hours,	$60.00
Monday - Friday, prior to 2:00 pm	
Reconnect on same day after 2:00 pm or weekends:	$85.00

When meter removed:

Reconnect on same day after 2:00 pm or weekends:	$100.00

Wastewater System.

Two times the cost of the District.

Such reconnect fee must be paid in the event payment of the delinquent amounts are not received prior to the termination date set forth in the notice for termination, regardless of whether or not service has been physically terminated.

TRANSFER OF SERVICE

In the event service at an address is to be transferred from one customer name to another customer name there shall be assessed the following charge:

Transfer fee: $50.00

DAMAGES TO METER AND APPURTENANCES

No person other than a duly authorized agent of the District shall open a meter box, tamper with or in any way interfere with a meter, meter box, service line or other water and/or sewer system appurtenance. The District reserves the right to immediately and without notice, to remove the meter or disconnect water service to any customer whose meter has been tampered with and to assess repair charges to the customer, plus a damage fee of $250.00.

DAMAGES TO STORM WATER DRAINAGE SYSTEM

No person shall discharge into the District's storm water drainage systems toxic or poisonous substances, solid waste materials, or landscape debris or materials that may compromise the integrity of the storm water drainage system or obstruct or interfere with the flow of the District's storm water drainage system. Any person found to have violated this rule may be required to pay for all costs of repairing or restoring the stormwater drainage system as well as a damage fee of $250.00 per day per violation.

DROUGHT CONTINGENCY PLAN

No person may knowingly or intentionally allow the use of water from the District for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of the City of Round Rock's Drought Contingency Plan (the "Plan"), or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by District Manager, or the District Manager's designee, in accordance with provisions of the Plan.

PENALTIES. The following penalties shall apply to anyone violating the terms of the Plan.

A. First Violation. Any person who violates the Plan shall receive written notification of such violation, which notice shall set forth (i) the date of the violation, (ii) the nature of the violation, (iii) the Drought Response measures then in effect, and (iv) notice of the penalties applicable for any further violation of the Plan; provided, however, that if such person or entity has ever previously violated this Plan, the penalties set forth in Section B (below), may, at the discretion of the Board, be imposed. The notification shall be sent by certified mail and such person shall be responsible for the District's cost of sending such notice. The notification of violation shall be considered received on the third day after the date sent by certified mail. Each day following the receipt of the notice shall constitute a separate violation if the violation is ongoing for a multiple day period.

B. Subsequent Violations.

Monetary Penalties for Noncompliance. If any person or entity violates any provision of this Plan during the period that the prescribed Drought Response Measures are in place (which violation shall constitute an

unauthorized use of District services and/or facilities), the Board of the District may impose monetary penalties on a per meter basis as follows:

First Violation	Written Notice
Second Violation	$50.00 per violation
Third Violation	$250.00 per violation
Fourth Violation	$500.00 per violation

In addition to the aforementioned penalties, after the fourth violation, the District shall, upon due notice to the customer; discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection charge, hereby established at $100.00, and any outstanding charges including late payment fees or penalties.

Monetary penalties shall be reflected on the violator's monthly water bill. Each day that a breach of any provision of this Plan continues shall be considered a separate violation. This penalty shall be in addition to any other legal rights and remedies of the District as may be allowed by law. Any person, including one classified as a water customer of the District, in apparent control of the property where a violation occurs or originates, shall be presumed to be the violator. Any such person, however, shall have the right to show that he did not commit the violation. See enforcement process diagram in Appendix A - Drought Response Retail Enforcement Process.

C. Compliance with the Plan also may be sought through injunctive relief in district court.

Legal Authority applicable to Water Districts in Regard to Water Conservation and Drought Contingency Plan Enforcement

Please note that the following list is not intended to be exhaustive. Citations below may change following the publication date of this Water Conservation and Drought Contingency Plan.

Texas Water Code sec. 11.039
Texas Water Code sec. 49.004
Texas Water Code sec. 49.2 12
Texas Water Code sec. 51.122
Texas Water Code sec. 54.205
Texas Water Code sec. 65.205

ENFORCEMENT

Penalties

Use of water without an authorized meter shall result in the offending party being subject to the payment of a fine in an amount not to exceed $250.00 per violation and payment for the cost of water at 10 times the normal gallon-age rate. In addition, the offending party shall be liable to the District for any costs incurred by the District in connection with any repairs or corrections necessitated by any such violation. In the event a builder is fined for violation of erosion control requirements and such fine is not paid within twenty (20) days of the issuance of the fine, no additional water taps will be issued to such builder until such fines are paid.

Civil Penalties

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

The Secretary of the Board is hereby directed to file a copy of this Order in the principal office of the District.

All provisions of this Order are effective as of September 10, 2019.

/s/ George Sabatino
President, Board of Directors

ATTEST:

/s/ Jessica Stempko

(SEAL)

Appendix A – Drought Response Retail Enforcement Process

