

FRY ROAD MUNICIPAL UTILITY DISTRICT

Resolution for Adoption of Rate Order

The board of directors of Fry Road Municipal Utility District (the "District") met at the board's regular meeting place on January 17, 2012, with a quorum of directors present as follows:

John H. Blanke, Jr., president
James H. Roadarmel, vice president
David Buxkamper, secretary
Lola Reed

and being absent:

Efrain V. Martinez, assistant secretary

when the following business was transacted:

The order set out below was introduced for consideration of the board. It was duly moved and seconded that said order be adopted; and, after due discussion, said motion carried by the following vote:

Ayes: All directors shown present

Noes: None

The order thus adopted is as follows:

Any order, and amendments thereto, heretofore adopted by the board, providing rates for water and sewer service for customers within the District, is hereby revoked upon the effective date of this order, excepting Section 22 of that certain Resolution for Adoption of Rate Order adopted by the District on November 20, 2007, which Section 22 provides for penalties and shall remain in full force and effect.

The order hereinafter set out shall be effective from and after District's meter read date in February, 2012.

ORDER SETTING WATER AND SEWER SERVICE RATES

Sec. 1. Definitions.

For purposes of this order, the following words or terms shall have the following meanings:

(1) "Apartment connections" shall mean all multiplex residential connections which are served by a master meter.

(2) "Commercial connection" shall mean and include any office building, hotel, motel, retail store, or other establishment rendering a service or offering a product for profit to the public, and all other establishments which are not residential, apartment or non-profit connections as defined herein.

(3) "Consumer" shall mean the occupant of a residential, commercial or industrial structure within the area of the District, whether the owner, renter or lessee thereof.

(4) "Delinquent bill" shall mean a bill for water and/or sewer service which has not been paid within twenty (20) days after the date of the bill for the preceding month's service.

(5) "Non-profit connections" shall mean all schools, churches or other establishments rendering a service or offering a product without the intent of making a personal profit.

(6) "Operator" shall mean the person, firm, corporation, municipal corporation or political subdivision with which the District has contracted for operation and maintenance of the plants and lines of the District's system.

(7) "Residential connection" shall mean and include any single family residence, or townhouse or multiplex unit when such is separately metered.

(8) "System" as used herein shall mean the water and/or sanitary sewer facilities of the District and all extensions and additions thereto, whether now in place or hereafter constructed.

Sec. 2. Monthly rates for water service.

| | | |
|----|---------------------------------|--------------------------|
| A. | Residential connections: | |
| | 0 - 5,000 gallons | \$15.50 |
| | 6,000 - 20,000 gallons | \$0.50 per 1,000 gallons |
| | All in excess of 20,000 gallons | \$0.75 per 1,000 gallons |
| B. | Commercial connections: | |
| | 0 - 5,000 gallons | \$10.00 |

| | |
|---------------------------------|--------------------------|
| 6,000 - 20,000 gallons | \$.50 per 1,000 gallons |
| 21,000 - 30,000 gallons | \$.75 per 1,000 gallons |
| All in excess of 30,000 gallons | \$1.00 per 1,000 gallons |

C. Apartment connections:

\$10.00 per apartment unit

D. Non-profit connections:

| | |
|---------------------------------|--------------------------|
| 0 - 5,000 gallons | \$10.00 |
| 6,000 - 20,000 gallons | \$0.50 per 1,000 gallons |
| All in excess of 20,000 gallons | \$0.75 per 1,000 gallons |

E. WHCRWA Fee:

In addition to the foregoing rates, the Consumer shall pay a West Harris County Regional Water Authority Fee as follows:

Apartment connections:
\$2.00 per apartment unit

All connections other than apartments:

An amount per thousand gallons, equal to a percentage of the pumpage fees per thousand gallons of water that the District is required to pay, if any, to the West Harris County Regional Water Authority with respect to water that is delivered to the Consumer according to the following schedule:

| | |
|---------------------------------|------|
| 0 - 5,000 gallons | -0-% |
| 6,000 - 10,000 gallons | 25% |
| 11,000 - 20,000 gallons | 50% |
| 21,000 - 30,000 gallons | 75% |
| All in excess of 30,000 gallons | 100% |

Sec.3. Monthly rates for sewer service.

A. Residential connections:

| | |
|---------------------------------|--------------------------|
| 0 - 50,000 gallons | \$15.75 |
| All in excess of 50,000 gallons | \$0.25 per 1,000 gallons |

B. Commercial connections:

| | |
|-------------------------|--------------------------|
| 0 - 5,000 gallons | \$10.00 |
| 6,000 - 20,000 gallons | \$0.25 per 1,000 gallons |
| 21,000 - 30,000 gallons | \$0.50 per 1,000 gallons |

All in excess of 30,000 gallons \$0.75 per 1,000 gallons

C. Apartment connections:
\$10.00 per apartment unit per month.

D. Non-profit connections:
0 - 50,000 gallons \$10.00
All in excess of 50,000 gallons \$0.25 per 1,000 gallons

Sec. 4. Irrigation Systems and Bulk Water.

Separately metered irrigation systems and purchasers of bulk water within the District shall be charged for water service (but not sewer service) from the District on a monthly basis according to the water used at the rates set forth above for commercial connections. In addition, bulk water purchasers shall reimburse the District for all costs incurred to supply the water purchased, including without limitation the costs of connection, metering, and disconnection.

Sec. 5. Sewer Surcharge.

The District has committed to provide specified amounts of wastewater treatment capacity to various tracts within the District pursuant to various utility commitment letters. Under the terms of the letters, a specific limit on the amount of wastewater treatment capacity which could be used on each tract was established. The capacity committed to each tract was based upon the representation of the user of the tract as to the amount of capacity needed to serve the intended development of that tract. The District has a finite amount of wastewater treatment capacity that is limited by state and federal permits. In order to maintain permit compliance, the District intends to require that consumers limit their discharge of wastewater to the capacity committed for their development. As one method of enforcement, the District has determined to impose a surcharge on consumers occupying tracts for which the District has issued utility commitment letters who discharge wastewater in excess of the amounts committed to such consumer or tract. Accordingly, in addition to the other charges specified herein, there is hereby imposed an additional charge of \$0.05 per gallon of wastewater discharged in excess of 110% of the amount of wastewater capacity reserved to the tract by utility commitment letter. If the wastewater discharged is in excess of 125% of the amount of wastewater capacity reserved to the tract for three (3) consecutive months, the District may terminate water and sewer service to the tract until such time as the consumer modifies his facilities or practices so as to avoid future excess wastewater discharges. The amount of wastewater discharged shall be determined by the amount of water used by the consumer or consumers within each tract. Any consumer who believes that there is a significant variance between water used and wastewater discharged shall have the right, at the consumer's expense, to have the discharge monitored by the District for a reasonable period of time.

Sec. 6. Commercial Wastes.

A. Supervision.

If the District or its designated representative determines that a violation of this Rate Order or of other duly promulgated rules or regulations of the District exists, or that a discharge or a proposed discharge into the District's sewer system may adversely affect the District's sewer system or receiving waters, or the ability of the System to comply with applicable permits or other regulatory requirements, or create a hazard to life or health, or create a public nuisance, it may require:

1. Discontinuation of the discharge into the District's sewer system in its entirety by action of the discharger or termination of service by the District;
2. Pretreatment to an acceptable condition for discharge into the District's sewer system;
3. Control over the quantities and rates of discharge; and
4. Waste surcharge payments in addition to the basic rate and sufficient to compensate the District for the cost of handling and treating the waste.

If pretreatment or control is required by the District, it shall review and approve the design and installation of the equipment and processes in conformity with all applicable laws and regulatory requirements. Any consumer responsible for discharges requiring such pretreatment or control facilities, and the owner of the premises if other than the consumer, shall provide and maintain such facilities in effective operating condition.

B. Traps.

Discharges requiring a trap include, but are not limited to, grease, oil, sand, flammable waste, and any other wastes containing ingredients determined by the District to be harmful to the public sanitary sewer or wastewater treatment process. Any consumer responsible for a discharge requiring a trap, and the owner of the premises if other than the consumer, shall, as required by the District, provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, maintain the trap in effective operating condition, and provide evidence of such maintenance, including copies of receipts for pumping the trap out, when requested. Human waste shall not be allowed to pass through the trap. Should the use of the premises change, it shall be the responsibility of the consumer, and of the owner of the premises if other than the consumer, to modify the plumbing so as to properly separate wastes requiring a trap from other waste.

C. Sampling, testing, inspection, application.

The District or its duly authorized agent or representative may enter at reasonable times any lands or premises served or proposed to be served by the District's sewer system for the purposes of carrying out and determining compliance with the provisions hereof. Sampling and testing shall be conducted in accordance with customarily accepted methods, reflecting the effects of constituent wastes upon the District's sewer system and the existence of hazards to health, life, limb, or property.

Any consumer proposing to discharge any waste other than domestic waste from residential property shall make application to the District for a determination by the District's engineer as to whether pretreatment will be required. The consumer will be advised as to the quantity and quality of discharge that will be permitted. If the nature of the discharge changes following approval, re-application is required.

D. Maintenance and inspection of traps.

In order to protect the District's ability to properly treat the waste produced in the District, the District shall have the right to inspect all traps operated within the District or pursuant to the contract with the District. Inspection shall be performed by the operator at regular intervals. The consumer shall be charged an inspection fee of \$50.00 for each such inspection. If the operator finds a trap that is not being properly cleaned and monitored, the operator shall give written notice to the consumer or responsible party of failure to maintain the trap. If the consumer or responsible party has not cleaned the trap within 48 hours of receipt of notice from the operator, the operator shall take the necessary action to clean the trap and shall bill the consumer or responsible party for the cost of such service.

Sec. 7. Connection to District's system; service line maintenance.

Each structure within the District may be connected to the system of the District as soon as the District has made available to such structure plant and line capacity to serve same. If both water and sewer services do not become available at the same time, the consumer may connect to the water system at the time water service becomes available and shall connect to the sewer system at the time sewer service becomes available. After connection is made, the consumer shall be responsible for maintenance of the water service line from the meter, and for maintenance of the sanitary sewer service line from the tap. If the District determines that a water leak has developed on the consumer's side of the meter, or a sewer leak has developed on the consumer's side of the tap, the District's operator shall notify the consumer by letter and by notice at the service address in the form of a door-knocker announcement, that the consumer is required to repair the leak within 20 days. If the consumer fails to repair the leak within 20 days after the door-knocker notice is left, the District may repair the leak and charge the costs thereof to the consumer.

Sec. 8. No reduced rates or free service.

All consumers receiving either water and sewer service, or both, from the District shall be subject to the provisions of this order and shall be charged the rates established in this order; and no reduced rate or free service shall be furnished to any such consumer.

Sec. 9. Discontinuing service for failure to pay bills when due.

The District's operator shall, on the date an account becomes delinquent for sixty (60) days, leave a notice at the service address in the form of a door-knocker announcement informing the consumer as to the amount of the deficiency and that the consumer must pay the amount of the deficiency, plus the current month's billing and a \$25.00 charge for the door-knocker service, or make other arrangements with the District's operator, twenty-four (24) hours after the time the operator leaves the notice. The District shall have the right to discontinue service and cut off the supply of water to a consumer at any time after his bill becomes delinquent. A charge of \$25.00 shall be made for restoring water service where such service has been discontinued because of the consumer's failure to pay a bill before delinquent. If the consumer reconnects to the system without authorization and the operator deems it necessary to pull the meter, then the consumer will be charged \$100.00 for reconnection of the meter and restoration of service.

Sec. 10. Discontinuing service upon request of consumer.

Whenever a consumer of District water temporarily or permanently abandons the structure being served and no longer wishes to be furnished with water, he shall notify the District's operator at least two days prior to the time he desires such service discontinued. A charge of \$20.00 shall be made for discontinuing and a charge of \$20.00 for restoring water service where such service is discontinued or restored at the request of the consumer, and he is not delinquent in the payment of any bill at the time of either request.

Sec. 11. Penalty for failure to pay bill before delinquent.

A one-time charge of 10% of the amount of the consumer's bill shall be added thereto when such bill has become delinquent.

Sec. 12. Consumers not entitled to specific quantity or pressure of water.

Water consumers are not guaranteed a specific quantity or pressure of water for any purpose whatever, and it is understood that the District is only to furnish a connection with its water system and is in no case to be liable for failure or refusal to furnish water or any particular amount or pressure of water.

Sec. 13. Water Connections generally.

No person, other than the properly authorized agents of the District, shall be permitted to tap or make any connection with the mains or distributing pipes of the District's water system, or make any repairs or additions to or alterations in any tap, pipe, cock or other fixture connected with the service-water pipe.

Sec. 14. Application for installation of water meter with two-inch or less connection.

Every person desiring the installation of a water meter with a connection of two inches or less shall be required to sign and execute an application for installing a meter before the District will install such meter.

Sec. 15. Connection charges (tapping fees) for water and/or sewer service.

A. Residential connection charges in the amount of \$600.00 shall be made for every residential connection up to and including 3/4 inch connection, to the District's water distribution system, which charges shall include the meter and meter box and installation thereof. For connections of over 3/4 inch, the District will establish tapping charges by separate order or agreement.

B. Connection charges to a non-taxable entity shall be established by the District on a case by case basis, but shall not exceed the actual costs to the District for construction, installation, and inspection of the tap or connection and for all facilities that are necessary to provide District services to such entity and that are financed or are to be financed in whole or in part by tax-supported bonds of the District.

C. All connection charges other than residential connection charges and connection charges to a non-taxable entity, shall be three times (3x) the actual and reasonable costs to the District for construction, installation, and inspection of the tap or connection, including all necessary service lines and meters.

All tapping charges shown above are for both water and sewer service and are not to be reduced even if only one service is requested. Such charges must be paid before service will be rendered.

For a sewer connection, the District's operator must be notified prior to the connection being made. After the connection, the District's operator shall again be notified and shall inspect the work prior to commencement of sewer service.

Sec. 16. Meters: Title, tampering, maintenance, setting.

Title to all water meters and appurtenances, including the meter boxes enclosing same, shall vest in the District, and such meters and appurtenances shall be set by employees or agents of the District. After a meter has been set, the consumer shall, at all times, keep the space occupied by the meter and the meter box free from obstructions of any kind. No person other than a duly authorized agent of the District shall open the meter box or tamper or in any way interfere with the meter or meter box.

Sec. 17. Deposit to secure payment.

The District's operator is hereby given authority to require persons requesting water and/or sewer service from the District for a residential connection to post a deposit with the operator of \$50.00 for each connection to the District's system. For persons requesting water and/or sewer service for commercial purposes, the operator may require a deposit equal to 2.5 times the estimated monthly bill. For apartments, the operator may require a deposit of \$25.00 per unit. Such deposit is solely to secure the payment of charges established by this order. Upon termination of service, the District shall apply the deposit on hand to the unpaid service charges of the consumer and the excess, if any, will be paid to the consumer. No interest will be paid by the District on such deposit.

Sec. 18. Plumbing Restrictions; Service Inspection Certification; Service Agreement; Backflow Prevention.

A. Plumbing Restrictions.

1. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

2. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or reduced pressure zone backflow prevention device.

3. No connection which allows water to be returned to the public drinking water supply is permitted.

4. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

5. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

6. No plumbing fixture shall be installed which is not in compliance with a State approved plumbing code.

7. As unacceptable plumbing practices are discovered, they shall be promptly eliminated by the Consumer to prevent possible contamination of the water supplied by the District. Unacceptable plumbing practices are those practices which are not in compliance with a State approved plumbing code.

B. Service Inspection Certification. No new connections to the District's water system shall be made unless (i) a service inspection has been made by a qualified inspector, and (ii) a Service Inspection Certification containing at a minimum the information contained in Exhibit "A" attached hereto has been received by the District. Such an inspection and certification shall also be required at any existing service location when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any material improvement, correction or addition to the private plumbing facilities. The District shall recognize only the individuals specified in rules of the Texas Commission on Environmental Quality (the "TCEQ") as capable of conducting customer service inspection certifications, and shall retain copies of properly completed certifications on file for a minimum of ten (10) years. If the Consumer requests the District's Operator to conduct the service inspection, the Consumer shall be charged a fee of \$50.00 per single family residential inspection. For inspections other than single family residential inspections, the Consumer shall be charged a fee equal to the costs incurred by the District for the inspection plus 10%. If a service inspection is made at the District's request because the District has reason to believe that unacceptable plumbing practices exists, the Consumer shall not be charged for the inspection unless unacceptable plumbing practices are found. Service inspection certifications for new construction shall be submitted to the District before service is transferred from the builder to a homeowner. Certifications for inspections made after the District has begun providing water service to a Consumer shall be submitted to the District no later than ten (10) days after the inspection has been completed.

C. Service Agreement. To insure that neither cross-connections nor other unacceptable plumbing practices are permitted, each new Consumer and each Consumer whose service has been suspended or terminated and is proposed for re-connection must sign a copy of the Service Agreement attached hereto as Exhibit "B" prior to commencement of service by the District.

D. Backflow Prevention Requirement. The Consumer shall at its own expense properly install, test and maintain a backflow prevention device, and shall provide the District with backflow prevention device testing and maintenance records, all in accordance with TCEQ rules, in those applications for which the plumbing code of the City of Houston requires installation of a backflow prevention device, and for establishments handling substances which the District determines in its sole discretion to be deleterious or hazardous to the public health.

E. Testing of Backflow Prevention Assemblies. All backflow prevention assemblies must be tested upon installation by a recognized backflow prevention assembly tester as defined in TCEQ rules and certified to be operating within specifications. Further, backflow prevention assemblies installed to provide protection against a high health hazard (as defined in TCEQ rules) must be tested and certified annually. If the Consumer requests the District's Operator to perform the required testing, the Consumer shall be charged a fee equal to the costs incurred by the District for the testing plus 10%. For each assembly tested, a signed and dated original Backflow Prevention Assembly Test and Maintenance Report using the format and containing at a minimum the information found in the form provided by TCEQ rules must be completed by the recognized backflow prevention assembly tester and submitted to the District. The District must retain such Test Reports for a minimum of three (3) years. Failure to submit a properly completed Test Report to the District as required hereunder may result in termination of service to a Consumer as provided in subsection F below.

F. Enforcement. If the Consumer fails to comply with the requirements of this Section, the District may, at its option, either terminate service to the Consumer until such requirement has been satisfied, or the District may properly install, test, and maintain a backflow prevention device and bill the Consumer all expenses relating thereto. The District shall consider the existence of a serious threat to the integrity of the District's water system to be sufficient grounds for immediate termination of water service to any Consumer who may cause possible contamination of the District's water supply. In the event water service to a Consumer is terminated pursuant to this Section, water service shall be restored by the District only after it determines that the source of potential contamination no longer exists, or when sufficient additional safeguards have been taken.

Sec. 19. Damages to District facilities.

The consumer shall, upon being billed therefor, reimburse the District for any and all expense incurred by the District in making repairs to District facilities necessitated by acts or omissions on the part of the consumer, his agents, invitees, and contractors, the need for which repairs shall be determined by the board of directors for the District in their sole discretion.

Sec. 20. Additional Prohibitions.

A. No person other than the operator shall make any tap or connection to the water system of the district, nor shall any person other than the operator make any repair or alteration to any such tap or connection to the water system of the district.

B. No person other than the operator shall make any tap or connection to the sewer system of the district without the prior knowledge and consent of the operator.

C. No person shall commence use of any sewer connection to the sewer system prior to inspection and approval of such connection by the operator.

D. No person shall receive or use water from the water system nor shall any person discharge any material into the sewer system except through authorized taps or connections made in accordance with Sections (A), (B), or (C) above.

E. No person other than the operator shall tamper with or in any way interfere with any meter or meter box connected to the water system of the district.

F. The owner, renter, or lessee of any residential, commercial, or industrial structure within the district shall at all times keep the meter and meter box serving such structure free from obstructions of any kind.

G. No person other than the operator shall make, cause, or allow any connection, or reconnection, either directly to the water system of the district or through interconnections between private water lines, where such connection results in the restoration of district water service to any dwelling or structure to which either service has been previously discontinued or disconnected by the operator.

H. No person shall intentionally damage the system, nor shall any person use the system in a manner or for a purpose contrary to the purposes for which the system is designed.

I. No person shall discharge or cause to be discharged into the sewer system any matter which is not biodegradable.

J. No person shall cause or permit the discharge of water from any down spouts, yard or street drains, or gutters into the district's sewer system.

Sec. 21. Expenses of enforcement.

The consumer shall reimburse the District for any and all expenses incurred by the District in the enforcement of the provisions of this Order, including without limitation reasonable fees for attorneys, expert witnesses, and other costs incurred by the District.

Sec. 22. Penalties (adopted November 20, 2007).

Pursuant to the authority granted by §§49.004 and 54.205, Texas Water Code, as amended, it is hereby declared and ordered that the Board may levy reasonable penalties for the breach of any requirement or rule herein stated, which penalties shall not exceed the jurisdiction of a justice court as provided in §27.031, Texas Governmental Code, currently up to \$5,000.00. Such penalties shall be in addition to any other penalties provided by the laws of the State of Texas. Each day that any such violation occurs or continues shall constitute a separate violation. Further, in any suit to enforce its rules, the District shall seek to recover reasonable fees for attorneys, expert witnesses and other costs incurred by the District. Notice of the rules and penalties set forth herein shall be published once a week for two (2) consecutive weeks in one or more newspapers with general circulation in the area in which the District is located.

The president or vice president is authorized to execute and secretary or assistant secretary to attest this order on behalf of the board and the District.

Passed and adopted on this 17th day of January, 2012.



President

ATTEST:



Secretary

EXHIBIT "A"

Service Inspection Certification

Name of PWS: NAME OF DISTRICT

PWS I.D.No.: _____

Location of Service _____

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

| | Compliance | Non-Compliance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| (1) No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices are in compliance with state plumbing codes. | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention device tester. | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) No connection exists which would allow the return of water used for condensing, cooling, or industrial processes back to the public water supply. | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) No pipe or pipe fitting which contains more than 8.0% lead exists in private plumbing facilities installed on or after July 1, 1988. | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) No solder or flux which contains more than 0.2% lead exists in private plumbing facilities installed on or after July 1, 1988. | <input type="checkbox"/> | <input type="checkbox"/> |
| (6) No plumbing fixture is installed which is not in compliance with a state approved plumbing code. | <input type="checkbox"/> | <input type="checkbox"/> |

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

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

Service Lines: Lead Copper PVC Other
Solder: Lead Lead Free Solvent Weld Other

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

Signature of Inspector

Registration Number

Title

Type of Registration

Date

EXHIBIT "B"

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SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF DISTRICT (hereinafter referred to as the "District") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this Service Agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the District will begin service. In addition, when service to an existing connection has been suspended or terminated, the District will not re-establish service unless it has received a signed copy of this agreement.

- II. **PLUMBING RESTRICTIONS.** The following unacceptable plumbing practices are prohibited by State regulations.
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

 - C. No connection which allows water to be returned to the public drinking water supply is permitted.

 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

- III. **SERVICE AGREEMENT.** The following are the terms of the Service Agreement between the District and the undersigned Customer (the "Customer"):

EXHIBIT "B"
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- A. The District will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the District's water system.
 - B. The Customer shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the District or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other unacceptable plumbing practices exist; or after any major changes to the private plumbing facilities. The inspections shall be conducted during the District's normal business hours.
 - C. The District shall notify the Customer in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic reinspection.
 - D. The Customer shall immediately correct any unacceptable plumbing practice on his premises.
 - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.
- IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of this Service Agreement, the District shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this Service Agreement shall be billed to the Customer.

DATE: _____

CUSTOMER'S SIGNATURE _____

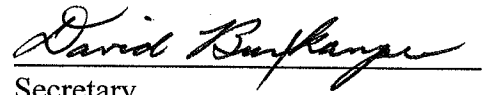
CUSTOMER'S NAME (Typed/Printed) _____

SERVICE ADDRESS _____

I, the undersigned secretary of the board of directors of Fry Road Municipal Utility District, hereby certify that the foregoing is a true and correct copy of the order setting water and sewer rates for the District, adopted by said board at its meeting of January 17, 2012, together with excerpts from the minutes of said board's meeting on that date showing the adoption of said order, as same appear of record in the official minutes of the board, on file in the District's office.

I further certify that said meeting was open to the public and that notice thereof was posted in compliance with the provisions of Chapter 551 of the Texas Government Code, as amended, and Section 49.063 of the Texas Water Code, as amended.

Witness my hand and the official seal of said District, this 17th day of January, 2012.


Secretary

[SEAL]

