

CAPE ROYALE UTILITY DISTRICT

Resolution for Adoption of Order
Establishing Policy and Rates
for Water, Wastewater Treatment and Solid Waste Disposal Service and
Establishing Penalties for Non-Compliance

The board of directors ("Board") of Cape Royale Utility District ("District") met at the Board's regular meeting place on February 16, 2023 with a quorum of directors present, as follows:

Dale Toronjo, President
Richard D. Masterson, Vice President
Douglas Pulgini, Secretary
Lynn Watkins, Assistant Secretary
Alex Onjanow, Investment Officer

and the following absent:

None

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 present.

Noes: None.

The order thus adopted is as follows:

Any order and amendments thereto, heretofore adopted by the Board of Directors, providing for policy or rates for water and sewer service for customers within the District, is hereby revoked upon the effective date of this order.

The order hereinafter set forth shall become effective on February 17, 2023.

ORDER ESTABLISHING POLICY AND SETTING RATES FOR
WATER, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL SERVICE
AND ESTABLISHING PENALTIES FOR NON-COMPLIANCE

ARTICLE I.

General Provisions

Section 1.1 Definitions

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

a) "Commercial Consumer(s)" shall mean and include any office building, hotel, retail store, clubhouse, warehouse, service station, or other establishment rendering a service or offering a product for sale to the public; apartments; churches; schools; and any and all establishments not generally considered a single-family residence.

b) "Commission" shall mean the Texas Commission on Environmental Quality or any successor governmental agency thereof.

c) "Consumer" shall mean the user of a District utility service at a residential, commercial or industrial structure within the area of the District, whether the owner, renter or lessee thereof.

d) "Cross-Connection" shall mean a physical connection or other arrangement through which a potable water system may be contaminated by back siphonage or back-flow.

e) "Delinquent bill" shall mean a bill for any district service which has not been paid by the due date of the bill.

f) "Extreme Weather Emergency" shall mean a period beginning when the previous day's highest temperature within the boundaries of the District did not exceed 28 degrees Fahrenheit, and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for the area within the boundaries of the District. For purposes of this definition, an Extreme Weather Emergency is over on the second business day the temperature within the boundaries of the District exceeds 28 degrees Fahrenheit.

g) "Fee Schedule" shall mean the District's Order for Adoption of Schedule of Water, Wastewater Treatment, and Solid Waste Disposal Service Fees and Rates, as may be amended from time to time.

h) "Grease trap" shall mean a facility connected to a Consumer's sanitary sewer line in a manner and form approved by the District's operator, which is designed to trap grease, oil, or other harmful residue prior to discharge into the District's sanitary sewer collection line.

i) "Non-owner Occupant Consumer" shall mean the Consumer of a District utility service at a residential connection within the area of the District for which person(s) listed as water service account holders do not legally own the property which is served by the water account.

j) "Nontaxable Entity" shall mean an entity which is exempt from ad valorem taxation under Chapter 11, Texas Tax Code, as amended.

k) "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.

l) "Owner Occupant Consumer" shall mean the Consumer of a District utility service at a residential connection within the area of the District for which person(s) legally documented as owners of the property are also named as the service account holder in the District's records.

m) "Residential connection" shall mean and include any single family residence, townhouse, or multiplex (other than apartments), when such is separately metered.

n) "Separate connection" shall mean each residential unit occupied by a separate family or person, including separate apartments within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

o) "Solid Waste Disposal" shall mean household wastes for disposal at the District owned and operated Household Waste Disposal Facility located at 541 S Cape Royale Drive Coldspring Texas 77331 as further described in the District's Household Waste Disposal Facility Policy and Operating Regulations.

p) "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.

q) "Unacceptable Plumbing Practices" shall mean practices not accepted by or which are in violation of the Southern Standard Plumbing Code, the Uniform Plumbing Code or the National Standard Plumbing Code.

r) "Unauthorized Usage" shall mean the intentional or unintentional receiving of water and/or sewer service from the District without making prior application, as required herein; or the reestablishment of water or sewer service by someone other than a duly authorized District representative.

Section 1.2 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 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.

Section 1.3 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 fixtures connected with the service-water pipe.

Section 1.4 Unauthorized practices

a) Potable water supply piping, water discharge outlets, back-flow-prevention devices or similar equipment shall not be located so as to make possible their submergence in any contaminated or polluted liquid or substance.

b) The Operator or other duly authorized representative of the District shall be authorized, after providing reasonable notice to the landowner in advance, to enter upon any tract within the District to inspect individual water facilities prior to providing service and periodically thereafter to prevent possible Cross-Connections between the potable water system and any non-potable water. All water Consumers shall allow their property to be inspected for

possible cross-connections and other Unacceptable Plumbing Practices. The District shall notify the Consumer in writing of any cross-connection or other Unacceptable Plumbing Practice which has been identified during an initial inspection or any periodic re-inspection. The Consumer shall immediately correct any Unacceptable Plumbing Practice on its premises.

c) Continuous efforts shall be made by the District to locate unauthorized connections or taps, possible interconnections between privately owned water systems and the public water system, and other Unacceptable Plumbing Practices. As Unacceptable Plumbing Practices are located, they shall be eliminated so as to prevent possible contamination of the water supplied by the District.

d) The District shall consider the existence of a health hazard as identified in 30 Texas Administrative Code § 290.47 (f), or other serious threat to the integrity of the water supplied by the District, to be sufficient grounds for immediate termination of water service to Consumers who may be vulnerable to possible water supply contamination. If terminated under such circumstances, water service shall be restored by the District when it determines that such health hazard or other source of potential contamination no longer exists, or when the health hazard or other contamination source has been isolated from the District's water supply system in accordance with 30 Texas Administrative Code § 290.44 (h). The District is not required to follow the provisions of Section 2.3 when terminating water service under this Section 1.4d).

e) The District may invoke the procedure described in Section 8.1 of this Order to levy penalties or Section 2.3 of this Order to discontinue water service to a Consumer in the event such Consumer either (1) refuses to permit an inspection pursuant to this Section, or (2) fails, within a reasonable time after receiving written notice issued by the Board, to correct or remove any unauthorized connection, tap, plumbing or other condition found to be contributing to or causing contamination of the District's water supply.

f) All tampering with District meters, taps or other District facilities, Unauthorized Usage of water or sewer service, and illegal discharges into the District's sanitary or storm sewer systems are prohibited. In addition to any of the foregoing, the District may bill and collect from any Consumer who violates the terms of this Section any costs or expenses incurred by the District as a result of such violation and a civil penalty as provided in Article VIII of this order. Any fees or penalties assessed pursuant to this Section shall be in addition to the fees required for the restoration of service.

Section 1.5 Plumbing restrictions

The following Unacceptable Plumbing Practices are prohibited by State regulations and the District:

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 back-flow 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 back-flow prevention device.

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

d) With respect to plumbing installed after on or after July 1, 1988 and prior to January 4, 2014, no pipe or pipe fitting which contains more than 8.00% lead may be used for the installation or repair of plumbing at any connection which provides water for human use. For plumbing installed after January 4, 2014, no pipe or pipe fitting which contains more than 0.25% lead, or such other minimum standard as may be established by the EPA or TCEQ, may be used for the installation or repair of plumbing at any connection which provides water for human use and should bear the expected labeling indicating $\leq 0.25\%$ lead content.

e) No solder or flux which contains more than 0.2% lead, or such other minimum standard as may be established by the EPA or the Commission, can be used for the installation or repair of plumbing at any connection which provides water for human use.

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

g) To ensure 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 "A" prior to commencement of service by the District.

Section 1.6 Plumbing material restrictions; Customer Service Inspection Certifications

No new connections to the District's water system shall be made unless:

(a) a customer service inspection has been made by a qualified inspector; and

(b) a Customer Service Inspection Certification in the form attached hereto as Exhibit "B" has been completed and submitted to the District. Such an inspection and certification also shall 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 30 Texas Administrative Code §290.46(j)(1) 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. The District will accept properly completed customer service inspection certificates performed by qualified persons who are not employed by the Operator. If the District initiates a Customer Service Inspection in its sole discretion and such inspection fails, the Consumer shall be charged as outlined in the Fee Schedule.

If a customer service inspection is made at the District's direction because the District has reason to believe that Unacceptable Plumbing Practices exist, the Consumer shall not be charged for the inspection unless Unacceptable Plumbing Practices are found. Customer service inspection certifications for new construction shall be submitted to the District before continuous service to the connection is provided, preferably at the same time that the tap fee is paid, and the District shall not transfer the account from the builder to the initial occupant until the District has received the certificate. Certifications for inspections in all other instances (when the District has reason to believe Unacceptable Plumbing Practices exist or after a material change to private plumbing facilities has been made) shall be submitted to the District no later than ten (10) days after the inspection has been completed.

Section 1.7 Back-flow prevention devices

a) In the event that the District, in its sole discretion, requires a Consumer to install a back-flow prevention device in order to prevent possible contamination of the District's water supply, the Consumer shall, at its own expense, properly install, test and maintain according to Commission rules such back-flow prevention device, and shall provide all testing and maintenance records to the District. If the Consumer fails to comply with the requirements of this Section, the District may, at its option, either terminate service in accordance with the

provisions of Section 2.3 of this Order, or, the District may properly install, test and maintain such back-flow prevention device and bill the Consumer all expenses relating thereto.

b) All back-flow prevention assemblies that are required according to 30 Texas Administrative Code §§ 290.44 (h) and 290.47 (f) shall be tested upon installation by a recognized back-flow prevention assembly tester and shall be certified to be operating within specifications. Further, back-flow prevention assemblies installed to provide protection against health hazards as defined in 30 Texas Administrative Code § 290.38 must be tested and certified at least annually by a recognized back-flow prevention assembly tester. If tested by the Operator, the District shall charge the Consumer the District's actual costs incurred for each back-flow prevention assembly tested. For each assembly tested, a signed and dated original Test Report in the form attached hereto as Exhibit "C" must be completed by the recognized back-flow prevention assembly tester and submitted to the District.

c) The District must retain for a minimum of three (3) years such test reports and maintenance records submitted to it under subsections a) and b) of this section.

Section 1.8 Plumbing Code and Water and Wastewater Service Lines and Connections

The District hereby adopts by reference as the District's plumbing code the Uniform Plumbing Code, a nationally recognized set of rules governing plumbing practices. Pursuant to 30 Texas Administrative Code, Section 293.111, the District hereby adopts and incorporates by reference the regulations governing the construction of commercial and/or household water and wastewater service lines and connections set forth in the most current edition of the Uniform Plumbing Code. The District's operator shall establish and maintain an inspection program to ensure that all new commercial and household service lines and connections are made in accordance with such regulations.

Section 1.9 Monitoring Plan

a) Legal Authority and Purpose The District shall implement a chemical and microbiological monitoring plan (the "Monitoring Plan") in accordance with the requirements of 30 Texas Administrative Code, Chapter 290, Subchapter F, Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Supply Systems ("Subchapter F"); the federal Safe Drinking Water Act, 42 United States Code § 300f et. seq.;

and the Primary Drinking Water Regulations promulgated by the United States Environmental Protection Agency.

b) Monitoring Plan

(1) The District's operator is authorized and directed to prepare and carry out the Monitoring Plan as required by the applicable rules and regulations of the Commission or any successor governmental agency thereof.

(2) In accordance with 30 Texas Administrative Code § 290.121 (b), the Monitoring Plan shall identify all sampling locations, describe the sampling frequency, and specify the analytical procedures and laboratories that the District will use to comply with the monitoring requirements of Subchapter F.

(3) The Operator shall maintain a copy of the current Monitoring Plan at each treatment plant and at a central location and shall update the Monitoring Plan in accordance with the rules of the Commission.

(4) Public water systems such as the District that treat groundwater that is not under the direct influence of surface water or that purchase treated water from a wholesaler must submit a copy of their Monitoring Plan to the Commission's public drinking water program upon the request of the Commission's Executive Director. Failure to maintain an up-to-date Monitoring Plan is a monitoring violation.

ARTICLE II.

Commencement and Termination of Service

Section 2.1 Connection to District's system

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, with specific approval of the Board of Directors, connect to the water system at the time water service becomes available and to the sewer system at the time sewer service becomes available. Each single family residence, townhouse, or multiplex (other than apartments) shall have its own individual connection and be separately metered.

Section 2.2 Termination of 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 (2) days prior to the time he desires such service discontinued. Charge(s) as outlined in the Fee Schedule shall be made for discontinuing service in some circumstances and 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 so long as service is discontinued or restored during regular business hours. The Consumer shall be charged the District's costs, including overtime, for disconnections in some circumstances and any reconnections outside of normal business hours. Upon shut off, should an account be closed, an additional charge as outlined in the Fee Schedule will be charged to reopen the account.

Section 2.3 Notice of Termination of service upon initiative of District

a) The District may terminate utility service to a tract or Consumer and/or impose a penalty:

1) at any time after a Consumer's bill becomes delinquent as defined in Subsection 1.1e) above; or

(2) upon the occurrence of an event described in Subsections 1.4d), 1.4e), 1.7a) or 5.1e) of this Order;

(3) to prevent or discontinue conduct which interferes with the orderly provision of utility service by the District or the implementation of any provision or requirement of this Order; or

(4) to abate any condition in connection with the District's facilities which in the opinion of the Board is harmful to the health, safety or welfare of District Consumers or the public.

b) Prior to termination of service because of a delinquent bill, the District shall provide notice to the Consumer that service will be terminated ten (10) days following the date of such notice unless full payment of the bill and any and all penalties is made. The notice shall be sent via U.S. Mail, Certified, Return Receipt Requested to the Consumer at the last known address of the Consumer. The District will bill the Consumer an amount as outlined in the Fee Schedule for the cost of preparing, certifying and mailing the notice. The notice shall

also state that in the event the Consumer desires to object to the bill on account of clerical error or other irregularity, then the Consumer must notify the President of the Board of Directors or the general manager in writing of such objections; the notice shall include the name and mailing address of the President of the Board of Directors or general manager. The President or general manager is hereby authorized to receive and consider Consumer objections presented in accordance with this section, and is further authorized to make adjustments in Consumer billings to correct clerical errors or other billing irregularities. Any Consumer objection received pursuant to this Section 2.3 that is not adjusted to the satisfaction of the Consumer shall be referred by the President or General Manager for a hearing in a meeting of the Board of Directors, in which event the termination of service shall be held in abeyance until further order of the Board of Directors. The District shall provide the Consumer with notice of the time, date and place of such hearing at least 72 hours prior thereto.

c) A charge as outlined in the Fee Schedule shall be paid in advance of restoration of service where such services have been discontinued because of the Consumer's failure to pay a bill, except that in the event the meter has been removed, then a charge as outlined in the Fee Schedule shall be paid in advance of restoration of service. In either case, termination of water service will include closing of the customer's account. A charge as outlined in the Fee Schedule will be made to reopen the account.

d) In the event a Consumer's water service is discontinued for reasons other than non-payment of a bill, prior to termination of service the District shall provide notice to the Consumer that service will be terminated, reasons for termination and all actions needed by the Consumer that would make such termination unnecessary. The notice shall be sent via U.S. Mail, Certified, Return Receipt Requested to the Consumer at the last known address of the Consumer. The District will bill the Consumer an amount as outlined in the Fee Schedule for the cost of preparing, certifying and mailing the notice. A charge as outlined in the Fee Schedule shall be paid in advance of restoration of service where such service has been discontinued because of violations of this order other than failure to pay a bill.

Section 2.4 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 substantially in the form attached as Exhibit "D" hereto for installing a meter before the District will make such installation.

The installation of water meters with connections of more than two inches shall be covered by separate agreements.

Section 2.5 Request for residential sewer service

Every person requesting sewer service from the District shall so notify the District, and the Operator shall make the tap on the District's sewer line and install a stack or other facility to allow for connection of the customer's sewer service line. After the customer's service line has been connected to the stack, the applicant shall notify the District's Operator, who shall make an inspection of the service line before the service line is back filled and sewer service is commenced.

Section 2.6 Deposit to secure payment

The District's office manager is hereby given authority to require Owner Occupants requesting water and/or sewer service from the District to post a refundable deposit with the District as outlined in the Fee Schedule for each connection to the District's system. The District's office manager is hereby given authority to require Commercial Consumers and Non-Owner Occupants located within the District requesting water and/or sewer service from the District to post a refundable security deposit with the District as outlined in the Fee Schedule for each connection to the District's system. Such deposit is solely to secure the payment of charges established by this order.

The deposit fee shall be refundable to the Consumer upon termination of the Consumer's account and satisfaction of any and all outstanding charges, fees, and assessments owed by the Consumer to the District.

No interest will be paid by the District on such deposit.

Section 2.7 Account Transfer Fee

A non-refundable fee as outlined in the Fee Schedule shall be charged by the District to cover the expense to the District of the transfer of water and sewer service from the builder of any housing unit to its initial occupant and to each subsequent occupant. This fee shall cover the establishment of an account to provide service to the new occupant. The transfer fee shall be billed to each new occupant as an item on that customer's first monthly bill for water and/or sewer service.

Section 2.8 Payment of bills and continuation of service during Extreme Weather Emergency; payment schedules following Extreme Weather Emergency

a) Notwithstanding provisions of this Order to the contrary, during an Extreme Weather Emergency, a Consumer will not be charged any late fees or penalties and will not have the Consumer's service terminated for failure to timely pay a bill that is due to the District during an Extreme Weather Emergency until the Extreme Weather Emergency is over, at which point the District's ability to impose late fees and penalties and terminate service resumes.

b) Within 30 days of the end of an Extreme Weather Emergency, a Consumer may make a request to the Operator for a payment schedule for any unpaid bills that were due during the Extreme Weather Emergency. Any preexisting disconnection notice issued to a Consumer for nonpayment of a bill due during an Extreme Weather Emergency shall be suspended upon the timely request for a payment schedule under this Section.

- 1) A request for a payment schedule made in accordance with the above parameters shall be granted by the Board, reduced to writing (if requested, in Spanish), and provided to the Consumer; however, it is within the sole discretion of the Board to determine the schedule and terms, and any payment schedule granted shall include the following information: (i) the total amount due under the payment schedule, (ii) the deadline for payment, including the deadline for each installment, if applicable, (iii) the number of installments included under the payment schedule and the amount of each installment, (iv) whether a finance charge for amounts paid under the payment schedule has been included, with such amount not to exceed an annual rate of ten percent (10%) simple interest, and (v) the identification of the dates the Extreme Weather Emergency occurred, and the due dates and amounts owed for any

bills that were due during the Extreme Weather Emergency. Further, all payment schedules must include the following statement: "If you are not satisfied with this agreement, or if the agreement was made by telephone and you feel this does not reflect your understanding of that agreement, please contact the [name and contact information of Operator].".

- 2) A Consumer shall have ten (10) days after a payment schedule has been offered by the District to either accept or decline the payment schedule. If the District does not receive acceptance from a Consumer of a payment schedule offered within ten (10) days, it shall be deemed rejected. A Consumer that violates the terms of any payment schedule offered by the District under this Section shall be subject to the provisions of this Order regarding the delinquent payment of bills and termination of service. Any disconnections that were suspended upon the request of a payment schedule for an unpaid bill due during an Extreme Weather Emergency shall be reinstated.

ARTICLE III.

Tap Charges

Section 3.1 Residential water tap charges

a) A charge as outlined in the Fee Schedule shall be made for every residential (including duplex) tap or connection up to and including a 3/4-inch connection, to the District's water distribution system. The payment shall be made when the application for the tap or connection is made, and the request for service shall be held in abeyance until payment is received.

b) A charge as outlined in the Fee Schedule shall be made for every residential (including duplex) tap or connection for a 1-inch connection, to the District's water distribution system. The payment shall be made when the application for the tap or connection is made, and the request for service shall be held in abeyance until payment is received.

c) For connections of over 1 inch, the District will establish tap charges by separate order or agreement.

Section 3.2 Residential sewer tap re-inspection fee

After the completion of a sewer tap as provided in Section 2.5, the Operator shall inspect the service line and connection at no additional cost to the Consumer. If, however, in the sole opinion of the Operator, follow-up inspections are required because of unsatisfactory conditions, a re-inspection fee as outlined in the Fee Schedule per visit shall be charged.

Section 3.3 Commercial customer's water and sewer tap requirements and charges

a) A charge as outlined in the Fee Schedule shall be made for every commercial tap or connection to the District's water, sanitary sewer or drainage facilities, other than a tap or connection for a Consumer which is a Nontaxable Entity.

b) A charge as outlined in the Fee Schedule shall be made for every tap or connection to the District's water, sanitary sewer or drainage facilities by a Consumer which is a Nontaxable Entity. In addition, the District may charge to any Consumer which is a Nontaxable Entity an amount not to exceed the costs for all facilities that are necessary to provide District services to such Nontaxable Entity and that are financed or are to be financed in whole or in part by tax-supported bonds of the District.

c) An initial payment in the amount of the estimated tap fee and inspection fee shall be paid when application for the tap or connection is made. The balance of the estimated tap charges in Sections 3.3a) or b) above, as appropriate, shall be paid prior to commencement of work on the tap or connection, and the request for service shall be held in abeyance until such charges have been paid.

d) Water service lines installed by a consumer shall have a cut-off device provided at the point of connection to the District's system.

e) Sewer connection requirements:

(A) Gravity flow:

1) An approved application for sanitary sewer must be obtained and the estimated installation charge must be paid before construction begins.

2) Sewer line will be of no less than 4" diameter (ID), Schedule 40 PVC. Approval from the District is required for use of other type pipe.

3) No bends or turns at any point shall be greater than 45 degrees.

4) Service line must be tied directly to plumbing stub-out from building foundation using water tight adapters compatible with materials being used. No cement grout materials are permitted.

5) Service lines made of 4" pipe must have a minimum grade of 1% (1 foot drop per 100' length) and maximum grade of 2.5% (2.5 foot drop per 100' length). Permissible grades for larger diameters can be obtained from the District.

6) Service lines shall have a clean-out, opening in the direction opposite to the flow, placed at its upper end, and, if a service line exceeds 90 feet in length, additional clean-outs shall be provided at intervals not to exceed 90 feet.

7) Clean-outs must be provided with air-tight mechanical plug.

8) On all residences constructed after the date of this Order, the service line shall have a back-flow prevention check valve installed between the clean-out and the structure.

9) Grease traps shall be approved by the District before construction.

10) If proper gravity flow is not attainable, the customer will be required to install a grinder pump.

(B) Customer installed grinder pump:

1) Grinder pump must be provided with a separate 220 volt, 30 amp electrical circuit..

2) Grinder pump size, pipe size and schedule, and operating instructions shall be determined by the registered professional engineer, and sealed shop drawings must be submitted to the District prior to installation.

3) Grease traps shall be approved by the District before construction and inspected by the District prior to backfill.

(C) Responsibility of consumer for water and sewer connection:

- 1) The consumer shall be responsible for connection to the taps provided by the District according to the District's specification.
- 2) After installation, the service line must remain uncovered until the District's inspector has inspected and approved the service line. After inspection and approval, the service line must be covered within 48 hours.
- 3) Service line may not be used until approved.
- 4) Existing stack connections must be used to connect service line to District's sewer line unless exception is approved by the District's Operator.
- 5) Only one service line (line foundation of house or building to District's sewer line) may be installed, unless exception is approved by the District Operator.
- 6) Failure to comply with any of the above can result in refusal to provide water service or termination of service already provided.

Section 3.4 Facility inspections

a) Prior to starting any construction or improvement on a lot or tract in the District, the builder shall contact the Operator to arrange an inspection ("Pre-Construction Inspection") to verify the location and condition of District facilities on and in the vicinity of the lot or tract on which the construction or improvement will be built. At the time of the Pre-Construction Inspection, if any District facility has been damaged or cannot be located, the Operator will make necessary repairs to or locate such facilities at the expense of the District. A copy of the Pre-Construction Inspection report will be given to the builder. After the Pre-Construction Inspection has been performed and any necessary work has been completed, the builder will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the inspections described in b) below.

b) After construction has been completed on the lot or tract, but before service is transferred to or initiated for a Consumer, the Operator will conduct an inspection ("Post-Construction Inspection") to verify the location and condition of District facilities on and in the vicinity of the lot or tract on which the construction or improvement has been built. The builder will be held responsible for any damages or adjustments to or relocations of District facilities

found to be necessary as a result of the Post-Construction Inspection and shall pay the cost of repairing, adjusting or relocating the facilities before service will be transferred to or initiated for a Consumer. The Operator may conduct any re-inspections as necessary to ensure that the District's facilities are repaired, adjusted or relocated, and the builder shall pay the fee for any such re-inspections before service will be transferred to or initiated for a Consumer. The District may withhold service to the lot or tract or to other property owned by any builder who has failed to pay the District for any other repairs, adjustments, relocations or re-inspection fees, including specifically the provision of additional taps to such builder.

c) The total fee for the Pre-Construction and Post-Construction Inspections described in Sections 3.4 a) and b) shall be as outlined in the Fee Schedule, which is due at the time the tap fee is paid. If any re-inspections are required, a fee as outlined in the Fee Schedule shall be paid for each such re-inspection.

ARTICLE IV.

Water and Sewer Rates for Service

Section 4.1 Monthly rates for water service

a) Rates as outlined in the Fee Schedule per month shall be charged for water service furnished by the District through meters to each separate connection in every instance in which a different charge is not expressly and clearly provided for elsewhere herein.

b) The minimum monthly charge, for which 1,000 gallons of water may be used, shall be as outlined in the Fee Schedule. Until a meter is installed, the minimum amount shall be charged each month.

c) The rates for 5/8" or 3/4" residential connection provided in a) and b) above for water service shall be applicable to each occupied apartment within an apartment project; provided, however, that water to an apartment project may be furnished through a master meter and the rate per unit calculated by dividing the total number of gallons furnished during the month by the number of units therein occupied during that month; provided, however, that when a project's occupancy has reached 85% of capacity, and at all times thereafter, the Operator shall calculate the amount due for an apartment project using a master meter on 100% occupancy; that is, using the example as outlined in the Fee Schedule.

d) A rate as outlined in the Fee Schedule per 1,000 gallons shall be charged for bulk sales of water through fire hydrants, flushing valves or other connections for which other rates established in this order do not clearly apply. Portable meters for this service must be obtained from the District.

Section 4.2 Monthly rates for wastewater treatment and solid waste disposal service

a) A flat rate as outlined in the Fee Schedule per month shall be charged for solid waste disposal service furnished by the District to residential consumers in every instance in which a different charge is not expressly and clearly provided for herein. This rate will apply to each unit of a multi-unit dwelling on a master meter and the unit will be assumed fully occupied when it reaches 85% occupancy.

b) A flat rate as outlined in the Fee Schedule per month shall be charged for residential wastewater treatment service furnished by the District to residential connections in every instance in which a different charge is not expressly and clearly provided for herein. This rate will apply to each unit of a multi-unit dwelling on a master meter and the unit will be assumed fully occupied when it reaches 85% occupancy.

c) Rates as outlined in the Fee Schedule per month shall be charged for wastewater treatment service furnished by the District to commercial connections in every instance in which a different charge is not expressly and clearly provided for herein.

d) The minimum monthly charge for commercial wastewater treatment service shall be as outlined in the Fee Schedule.

e) The monthly charge for commercial solid waste disposal service shall be as outlined in the Fee Schedule.

Section 4.3 Monthly rates to builders for water and wastewater service to unoccupied residences

Rates as outlined in the Fee Schedule shall be charged to builders for water and wastewater service to unoccupied residences connected to the District's system: Regular residential water and sewer rates, except that if no sewer connection has been made, then the charge will be for water only.

Section 4.4 No reduced rates or free service

All Consumers receiving either water or 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.

Section 4.5 Penalty for failure to pay bill before delinquent and insufficient funds charges

A charge as outlined in the Fee Schedule, being a percentage of the amount of the Consumer's bill shall be added thereto each month when such bill has become delinquent as "delinquent" is defined in Subsection 1.1e) of this order. All bills shall be paid in full, including any and all delinquent charges. The district will not accept partial payment unless an agreement has been reached between the district and the customer in the event of hardship cases. In the event that a customer's check is returned for insufficient funds or other reason, a charge as outlined in the Fee Schedule will be added to the billing.

Section 4.6 Regulatory Commission assessment

The District shall assess and collect from each Consumer that receives retail water and/or sewer service from the District a regulatory assessment equal to 0.5% (0.005 x water and sewer) of the District's charges for such water and/or sewer service. The District shall list the regulatory assessment as a separate item on Consumer utility bills, and shall remit such regulatory assessments to the Commission in the manner required by law.

Section 4.7 Water and wastewater treatment service to out-of-district customers

Rates as outlined in the Fee Schedule shall be charged to out-of-district customers for water and wastewater treatment service provided by the District.

Section 4.8 Additional fees for the Lower Trinity Groundwater Conservation District.

The Lower Trinity Groundwater Conservation District ("LTGCD") is authorized by state law to assess fees to water well owners, including the District, based on the amount of groundwater withdrawn from their wells. The LTGCD has adopted groundwater use fees and a groundwater transportation fee. In addition to the charges set forth herein, the District shall assess to its customers an additional flat rate fee as outlined in the Fee Schedule per month which shall be remitted to the LTGCD in the manner prescribed.

ARTICLE V.

Meters

Section 5.1 Title, tampering, maintenance, setting

a) Title to all water meters and appurtenances, including the meter boxes enclosing same, shall vest in the District.

b) No person other than a duly authorized agent of the District shall open the meter box, tamper with or in any way interfere with the meter, meter box, service line, or other water and/or sewer system appurtenance. The District reserves the right to immediately and without notice remove the meter or disconnect water service to any Consumer whose meter has been tampered with, to assess repair charges to such Consumer plus a damage fee as outlined in the Fee Schedule, and, pursuant to Section 8.1 below, to impose a penalty.

c) The District shall maintain, repair, and replace all meters and appurtenances in connection therewith at its cost.

d) All meters shall be set by employees or agents of the District.

e) Normally, termination of water at the initiative of the District includes locking or otherwise restraining the meter in the closed position. Should the Consumer cut or remove the lock or other restraint by other measure, Consumer will be liable for up to an amount as outlined in the Fee Schedule in addition to the charges prescribed in Article II, Section 2.3.

Section 5.2 Meters and boxes to be free from rubbish and obstructions

After a meter has been set, the Consumer shall at all times keep the space occupied by the meter and the box free from rubbish or obstructions of any kind.

ARTICLE VI

Septic System and Private Water Supply Systems

Section 6.1 Septic System and Private Water Supply Systems

The construction and operation of private septic systems or private water supply systems within the District shall be prohibited, unless stated otherwise in the deed restrictions of the Consumer's property or by prior written consent of the Board of Directors and satisfactory

arrangements are made with all regulatory agencies with jurisdiction over such matters. The District shall not provide water service to a Consumer until all regulatory agencies have provided written approval of completed installation of septic systems.

ARTICLE VII

Grease Traps

Section 7.1 Grease trap inspections

a) The operator or other duly authorized representative of the District shall be authorized, after providing reasonable notice to the landowner in advance, to enter upon any tract within the District to determine the necessity for a grease trap as defined in Section 1.1 e) of this Order.

b) Any person who is responsible for a discharge into the District's sanitary sewer system for which, in the sole opinion of the District and its operator, a grease trap is required and who does not have an approved grease trap in place shall have 60 days from the date of notice by the District within which to construct and install the required grease trap and secure necessary approvals thereof.

c) The operator or other duly authorized representative of the District shall be authorized to conduct monthly inspections of all grease traps within the District that are subject to this Order to ensure that grease traps are being maintained in effective operating condition, and that all necessary manholes, inspection chambers and related facilities are being maintained and are fully operational.

d) In the event a grease trap or any related facilities are found in an unserviceable condition or in need of cleaning or maintenance, the operator or other duly authorized representative of the District shall give written notice to the person responsible for the discharge for which the grease trap is required advising such person of the deficiencies and requesting prompt attention to the matter. The operator shall conduct such follow-up inspections as may be necessary until the grease trap is in effective operating condition.

e) The District may invoke the procedure described in Section 2.3 of this Order to discontinue water service to a tract or establishment in the event the owner or proprietor of said tract or establishment either:

(1) refuses to permit an inspection pursuant to this Section; or

(2) fails, within seven days after receiving written notice issued by the operator, the board of directors or other duly authorized representative of the District, to correct any condition found to be in violation of the District's requirements for installation, maintenance and operation of the grease traps. In addition, the District may assess a fine to any party that fails, within seven (7) days after receiving written notice of violation, to correct the condition prompting the notice, in accordance with the provisions of Section 1.8 of this Order.

ARTICLE VIII.

Enforcement

Section 8.1 Penalties

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 civil penalties, payable to the District, for the breach or violation of any requirement or rule herein stated, which penalties shall not exceed the jurisdiction of a justice court as provided in § 27.031, Texas Gov't Code, currently, up to an amount as outlined in the Fee Schedule, for each violation or each day of a continuing violation. The District may bring an action to recover the penalty in a district court in the county where the violation occurred. Such penalties shall be in addition to any other penalties provided by the laws of the State of Texas. 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 before the court. 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.

ARTICLE IX.

Miscellaneous

Section 9.1 Savings

If any word, phrase, clause, paragraph, sentence, part, portion or provision of this Order or the application thereof to any person or circumstance shall ever be held by a court of competent jurisdiction to be invalid or unconstitutional, the remainder of this Order shall nevertheless be valid, and the Board declares that this Order would have been adopted without such invalid or unconstitutional word, phrase, clause, paragraph, sentence, part, portion or provision.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The President or Vice President is authorized to execute and the Secretary, Assistant Secretary or Secretary Pro Tempore to attest this Order on behalf of the Board and the District.

Passed and adopted, this February 16, 2023.


President

ATTEST:


Secretary

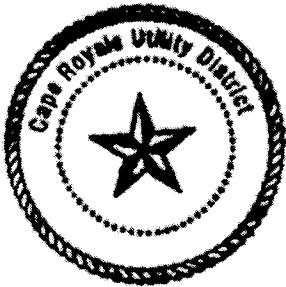


EXHIBIT "A"
CAPE ROYALE UTILITY DISTRICT
RETAIL SERVICE AGREEMENT

I. PURPOSE. CAPE ROYALE UTILITY DISTRICT (the "District") is responsible for protecting the drinking water supply from contamination or pollution which could result from improper system construction or configuration on the retail connection owner's side of the meter. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The District enforces these restrictions to ensure the public health and welfare. Each retail customer must sign this agreement before the District will begin service. In addition, when service to an existing retail connection has been suspended or terminated, the District will not re-establish service unless it has a signed copy of this agreement.

II. RESTRICTIONS. The following unacceptable 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 back-flow 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 back-flow prevention device.

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

D. For plumbing installed after on or after July 1, 1988 and prior to January 4, 2014, no pipe or pipe fitting which contains more than 8.00% lead may be used for the installation or repair of plumbing at any connection which provides water for human use. For plumbing installed after January 4, 2014 no pipe or pipe fitting which contains more than 0.25% lead, or such other minimum standard as may be established by the EPA or TCEQ, may be used for the installation or repair of plumbing at any connection which provides water for human use and should bear the expected labeling indicating $\leq 0.25\%$ lead content.

E. No solder or flux which contains more than 0.2% lead, or such other minimum standard as may be established by the EPA or TCEQ 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 (the "Customer").

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 potential contamination hazards. These inspections shall be conducted by the District or its designated agent prior to initiating new service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution 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 potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.

E. The Customer shall, at his expense, properly install, test, and maintain any back-flow prevention device required by the District. Copies of all testing and maintenance records shall be provided to the District.

IV. NOTICE OF AVAILABILITY OF CONFIDENTIALITY OF CUSTOMER INFORMATION Chapter 182 of the Texas Utilities Code provides that a government-operated utility such as the District may not disclose personal information in a customer's account or any information related to the volume or units of utility usage or amounts billed or collected for such utility usage if the customer requests that such information be kept confidential. The personal information which may be kept confidential is the customer's address, telephone number, and social security number.

The Utility Code requires that customers make a written request for the confidentiality. Therefore, if you wish to have this personal information kept confidential, please check the box below.

NOTE: The confidentiality law will not extend to federal, state or local government officials, to District employees, officials and operations personnel, to Consumer reporting agencies or to any other provider of utility services.

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

The District has adopted rules and policies protecting the drinking water supply and prohibiting tampering with, removing, adjusting or interfering with a meter, meter box or other component part of the water furnishing system. Violation of the District's rules and policies applicable to the water furnishing system is punishable by fines or other penalties up to \$20,000.00, plus the District's attorney's fees and other costs, and such violation shall, at the District's option, result in termination of District utility service.

VI. COMMERCIAL CUSTOMERS See the District office for specifications and requirements.

Request for Confidentiality

PLEASE CHECK BOX IF REQUESTING CONFIDENTIALITY ☐

The undersigned customer of Cape Royale Utility District requests that the District keep confidential the customer's account information and personal information as identified by Texas Utilities Code.

By: _____
Owner's Signature

Date

RETURN THIS SERVICE AGREEMENT
WITH THE WATER/ SEWER
APPLICATION TO:

Cape Royale Utility District
1330 Cape Royale Drive
Coldspring, Texas 77331

EXHIBIT "B"

Customer Service Inspection Certificate

Name of PWS _____

PWS I.D. # _____

Location of Service _____

Reason for Inspection: New Construction

Existing service where contaminant hazards are suspected

Major renovation or expansion of distribution facilities

☐
☐
☐

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

Compliance	Non-Compliance		
<input type="checkbox"/>	<input type="checkbox"/>	(1)	No direct or indirect 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 Commission regulations.
<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 principle backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention assembly 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 water distribution facilities installed on or after July 1, 1988 and prior to January 4, 2014.
<input type="checkbox"/>	<input type="checkbox"/>	(5)	Plumbing installed after January 4, 2014 bears the expected labeling indicating $\leq 0.25\%$ lead content. If not properly labeled, please provide written comment.
<input type="checkbox"/>	<input type="checkbox"/>	(6)	No solder or flux which contains more than 0.2% lead, or such other minimum standard as may be established by the EPA or TCEQ, exists in private water distribution facilities installed on or after July 1, 1988.

I further certify that the following materials were used in the installation of the private water distribution facilities:

Service lines: ☐ Lead

☐ Copper

☐ PVC

☐ Other

Solder: ☐ Lead

☐ Lead Free

☐ Solvent Weld

☐ Other

Remarks: _____

I recognize that this document shall be retained by the aforementioned Public Water System for a minimum of ten years and that I am legally responsible for the validity of the information I have provided.

Signature of Inspector _____

License Type _____

Inspector Name (Print/Type) _____

License Number _____

Title of Inspector _____

Date/Time of Inspection _____

A Customer Service Inspection Certificate should be on file for each connection in a public water system to document compliance with 30 TAC Sections 290.44(h)/290.46(j).

EXHIBIT "C"

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

BACKFLOW PREVENTION ASSEMBLY TEST AND MAINTENANCE REPORT

NAME OF PWS: _____

PWS I.D. # _____

PWS MAILING ADDRESS _____

PWS CONTACT PERSON _____

ADDRESS OF SERVICE: _____

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

TYPE OF BACKFLOW PREVENTION ASSEMBLY (BPA)

- ☐ Reduced Pressure Principle (RPBA) ☐ Reduced Pressure Principle-Detector (RPBA-D) Type II ☐
☐ Double Check Valve (DCVA) ☐ Double Check-Detector (DCVA-D) Type II ☐
☐ Pressure Vacuum Breaker (PVB) ☐ Spill-Resistant Pressure Vacuum Breaker (SVB)
 Manufacturer: Main _____ Bypass: _____ Size Main _____ Bypass: _____
 Model Number: Main _____ Bypass: _____ BPA Locations: _____
 Serial Number: Main _____ Bypass: _____ BPA Serves: _____
 Reason for test: New ☐ Existing ☐ Replacement ☐ Old Model/Serial #: _____

Is the assembly installed in accordance with manufacturer recommendations and/or local codes? Yes ☐ No ☐

Is the assembly installed on a non-potable water supply (auxiliary)? Yes ☐ No ☐

TEST RESULT	Reduced Pressure Principle Assembly (RPBA)		Type II Assembly	Pressure Vacuum Breaker (PVB) and Spill-Resistant Pressure Vacuum Breaker (SVB)	
PASS <input type="checkbox"/>	Double Check Valve Assembly (DCVA)		Bypass Check	Air Inlet	Check Valve
FAIL <input type="checkbox"/>	1st Check	2nd Check ***		Opened at ____ psid Did Not Open <input type="checkbox"/> Did it fully open (Yes <input type="checkbox"/> /No <input type="checkbox"/>)	Held at ____ psid Leaked <input type="checkbox"/>
Initial Test	Held at ____ psid	Held at ____ psid	Opened at ____ psid	Held at ____ psid	
Date: _____ Time _____	Closed tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Closed tight <input type="checkbox"/> Leaked <input type="checkbox"/>	Did not open <input type="checkbox"/>	Closed Tight <input type="checkbox"/> Leaked <input type="checkbox"/>	
Repairs & Materials Used**	Main: _____ Bypass: _____				
Test After Repair	Held at ____ psid	Held at ____ psid	Opened at ____ psid	Held at ____ psid	Opened at ____ psid
Date: _____ Time _____	Closed tight <input type="checkbox"/>	Closed tight <input type="checkbox"/>		Closed tight <input type="checkbox"/>	

*** 2nd check: numeric reading required for DCVA only

Differential pressure gauge used:	Potable <input type="checkbox"/>	Non-Potable <input type="checkbox"/>
Make/Model:	SN:	Date tested for accuracy: _____

Remarks: _____

Company Name:	Licensed Tester Name (Print/Type):
Company Address:	Licensed Tester Name (Signature):
Company Phone #:	BPAT License #: _____ License Expiration Date: _____

* TEST RECORDS MUST BE KEPT FOR AT LEAST THREE YEARS [30 TAC Section 290.46(B)]

** USE ONLY MANUFACTURER'S REPLACEMENT PARTS

The above is certified to be true at the time of testing.

CAPE ROYALE UTILITY DISTRICT WATER AND SEWER TAP APPLICATION

Section 1.0 Customer Information

30

Section 4.0 Sewer Connection

- Section 5.0 Commercial Customers** See the District office for specifications and requirements.

Date _____

Date Application Received _____ Final Billing \$ _____

Date Water Tap Made _____ Request for Confidentiality _____

Date Sewer Tap Inspected _____ Name of Contractor _____

Amount of Deposit \$ _____

CAPE ROYALE UTILITY DISTRICT

Order for Adoption of Schedule of Water and Wastewater Treatment and Solid Waste Disposal Service Fees and Rates

The Board of Directors ("Board") of Cape Royale Utility District ("District") met at the Board's regular meeting place on August 18, 2022 with a quorum of directors present, as follows:

Dale Toronjo, President
Richard D. Masterson, Vice President
Douglas Pulgini, Secretary
Lynn Watkins, Assistant Secretary
Alex Onjanow, Investment Officer

and the following absent:

None

when the following business was transacted:

The Order set out below was introduced and considered by the Board. It was then moved, seconded and unanimously carried that the following Order be adopted:

WHEREAS, the District has adopted an Order Establishing Policy and Rates for Water and Wastewater Treatment and Solid Waste Disposal Service and Establishing Penalties for Non-Compliance (the "Rate Order");

WHEREAS, the Board desires to adopt a Schedule of Water and Wastewater Treatment and Solid Waste Disposal Service Fees and Rates for the services provided in said Rate Order;

WHEREAS, any previous orders and amendments thereto, heretofore adopted by the Board, providing for rates for water and wastewater treatment and solid waste disposal service services for customers within the District, is hereby revoked upon the effective date of this Order;

WHEREAS, the Order hereinafter set forth shall become effective on August 18, 2022.

THEREFORE, be it ordered by the Board of Directors as follows:

I.

The Board hereby approves and adopts the Schedule of Water and Wastewater Treatment and Solid Waste Disposal Service Fees and Rates, attached here to as Exhibit "A."

II.

The Board hereby authorizes and instructs the District's operator to assess and collect water and wastewater treatment and solid waste disposal service fees and rates pursuant to the attached Schedule of Water and Wastewater Treatment and Solid Waste Disposal Service Fees and Rates, attached here to as Exhibit "A," as authorized by the Board in this Order.

III.

The Board hereby authorizes the President or Vice President to execute this Order and the Secretary, Assistant Secretary, or Secretary Pro Tempore to attest to this Order on behalf of the Board and the District, and to do any and all things necessary to give effect to the intent hereof.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Passed and adopted, this August 18, 2022.

DALE TORONJO
President

ATTEST:

DOUGLAS PULGINI

Secretary

EXHIBIT "A"

CAPE ROYALE UTILITY DISTRICT

SCHEDULE OF WATER AND WASTEWATER TREATMENT AND SOLID WASTE
DISPOSAL SERVICE FEES AND RATES

<u>CORRESPONDING SECTION IN RATE ORDER</u>	<u>DESCRIPTION OF FEE/RATE</u>	<u>FEE/RATE</u>
Section 1.6 (b) <u>Plumbing material restrictions: Customer Service Inspection Certifications</u>	Customer service inspections by qualified persons (but not the District's Operator)	Certification fee is per Contractor and is negotiated between Customer and Contractor
	Customer Service Inspections initiated by District	If inspection fails, Customer is charged District costs
Section 1.7 Back-flow Prevention Devices	If tested by the Operator	Cost
Section 2.2. <u>Termination of service upon request of Consumer</u>	Restoring Service	\$100.00
	Customer Request Turn Off Inclement weather	\$29.00
	Turn Off and Lock Off for move out	\$0.00
	Turn off for leak found, courtesy	\$0.00
Section 2.3 (b)(1) <u>Notice of Termination of service upon initiative of District</u>	Delinquent Notice Fee	\$12.00
Section 2.3 (c) <u>Termination of service upon initiative of District;</u>	Restoration of Terminated Service for non-payment of bill	
	Turn on after lock off for non- payment	New Deposit of \$100 (owner) \$200 (renter) + delinquent bill
	Restoration of Terminated Service for non-payment of bill (if meter pulled)	\$219.00

<u>CORRESPONDING SECTION IN RATE ORDER</u>	<u>DESCRIPTION OF FEE/RATE</u>	<u>FEE/RATE</u>
	In either case: Re-open administrative account fee due	\$100.00
Section 2.3 (d) <u>Termination of service upon initiative of District:</u>	Restoration of Terminated Service for violation of Rate Order	\$141.00
	Termination Notice for reasons other than non-payment of bill	\$12.00
	Re-open account fee due	\$100.00
Section 2.6 <u>Deposit to secure payment</u>	Owner Occupants	\$100.00
	Non-Owner Occupants	\$200.00
	Commercial Consumers	\$200.00
Section 2.7 <u>Account Transfer fee</u>	Non-refundable transfer fee	\$100.00
	Turn On for Move-In	\$100.00 admin fee + New Deposit of \$100 (owner)/\$200 (renter)
Section 3.1 <u>Residential water tap charges</u>	Up to and including a ¾" connection	\$1,600.00
	For 1" connection	\$1,700.00
	Connection over 1"	Charge established by separate order or agreement
Section 3.2 <u>Residential sewer tap re-inspection fee</u>	Residential sewer tap re-inspection fee (per visit)	\$29.00
Section 3.3 <u>Commercial water and sewer tap charges</u> a) Commercial entity	Water and sewer tap connection fee	Actual and reasonable costs to the District for construction, installation and inspection of the tap or connection to District water, sanitary sewer or

<u>CORRESPONDING SECTION IN RATE ORDER</u>	<u>DESCRIPTION OF FEE/RATE</u>	<u>FEE/RATE</u>
b) Nontaxable entity	Water and sewer tap connection fee NOTE: In addition, the District may charge to any Consumer which is a Nontaxable Entity an amount not to exceed the costs for all facilities that are necessary to provide District services to such Nontaxable Entity and that are financed or are to be financed in whole or in part by tax-supported bonds of the District.	drainage facilities, including all necessary service lines and meters, plus 200% of such costs Actual costs to the District for construction, installation and inspection of the tap or connection to the water, sanitary sewer or drainage facilities, including all necessary service lines and meters.
c) Initial Payment	Initial Payment	\$1,600.00 plus \$57.00 inspection fee AND upon completion any remaining tap charges due above and beyond Cost of construction, installation and inspection PLUS 200%
Section 3.4 (c) <u>Facility inspections</u>	Pre-Construction and Post-Construction Total	\$57.00
	Re-Inspections	\$57.00
Section 4.1 (a) and (b) <u>Monthly rates for water service</u>	<u>5/8" or 3/4" connection" – Residential and Commercial:</u> First 1,000 gallons of water used Each 1,000 gallons of water used from:	\$25.78

<u>CORRESPONDING SECTION IN RATE ORDER</u>	<u>DESCRIPTION OF FEE/RATE</u>	<u>FEE/RATE</u>
	1,001 to 4,000 gallons 4,001 to 12,000 gallons 12,001 to 20,000 gallons Over 20,000 gallons Minimum monthly charge for which 1,000 gallons of water may be used <u>1" connection" – Residential and Commercial:</u> First 1,000 gallons of water used Each 1,000 gallons of water used from: 1,001 to 4,000 gallons 4,001 to 12,000 gallons 12,001 to 20,000 gallons Over 20,000 gallons Minimum monthly charge for which 1,000 gallons of water may be used <u>2" connection" – Residential and Commercial:</u> First 1,000 gallons of water used Each 1,000 gallons of water used from: 1,001 to 4,000 gallons 4,001 to 12,000 gallons 12,001 to 20,000 gallons Over 20,000 gallons Minimum monthly charge for which 1,000 gallons of water may be used <u>Over 2" connection" – Residential and Commercial:</u>	\$2.05 \$3.22 \$3.96 \$4.56 \$25.78 \$36.73 \$2.05 \$3.22 \$3.96 \$4.56 \$36.73 \$115.70 \$2.05 \$3.22 \$3.96 \$4.56 \$115.70 Charge established by separate order or agreement
Section 4.1 (c) <u>Monthly rates for water service</u>	Apartment water service rates (5/8" or 3/4" residential rate per unit)	See 4.1(a) and 4.1(b) above and

<u>CORRESPONDING SECTION IN RATE ORDER</u>	<u>DESCRIPTION OF FEE/RATE</u>	<u>FEE/RATE</u>
	EXAMPLE: (1) No. of Units = 20 (2) Occupancy 17 Units (85%) (3) Water Used 180,000 gals $\text{Usage} = \frac{180,000 \text{ gals}}{20 \text{ units}} = 9,000 \text{ gallons per unit}$ Cost/unit = \$20.00 [for first 1,000 gallons] +\$ 6.15 [for next 3,000 gallons] +\$16.10 [for next 5,000 gallons] \$42.25/unit Total = \$42.25 x 20 = \$845.00	Until 85% occupied: $\frac{\text{Total number of gallons used}}{\text{Total number of units occupied}}$ After 85% occupied: $\frac{\text{Total number of gallons used}}{\text{Total number of units in project}}$
Section 4.1 (d) <u>Monthly rates for water service</u>	Bulk sales of water through fire hydrants, flushing valves or other connections for which established rates do not apply	\$15.30 / 1,000 gallons
Section 4.2 (a) and (b) <u>Monthly rates for wastewater treatment and solid waste disposal service</u>	Monthly rates for solid waste disposal service (applies to single family residential consumers and per unit of a multi-unit dwelling when it reaches 85% occupancy) Monthly rates for residential wastewater treatment service (applies to single family residential consumers and per unit of a multi-unit dwelling when it reaches 85% occupancy)	\$25.78 (flat rate) \$25.78 (flat rate)
Section 4.2 (c) <u>Monthly rates for wastewater treatment and solid waste disposal service</u>	Commercial Connections – Wastewater treatment service: For first 1,000 gallons of water used For each 1,000 gallons of water used over 1,000 Minimum monthly charge Commercial Connections – Solid Waste Disposal service:	\$42.56 \$1.10/1,000 \$42.56 \$16.00 (flat rate)

<u>CORRESPONDING SECTION IN RATE ORDER</u>	<u>DESCRIPTION OF FEE/RATE</u>	<u>FEE/RATE</u>
Section 4.3 <u>Monthly rates to builders for water and wastewater treatment service to unoccupied residences</u>	Regular residential water and wastewater treatment rates, except that if no sewer connection has been made, then the charge will be for water only	See all of Section 4.2 above EXCLUDING solid waste disposal service fee
Section 4.5 <u>Penalty for failure to pay bill before delinquent and insufficient funds charges</u>	Delinquent account fee Returned check fee	10% each month when such bill becomes delinquent \$30.00
Section 4.6 <u>Regulatory Commission assessment</u>	Regulatory assessments (listed on bill)	0.5% of District's charges for water and sewer service
Section 4.7 <u>Water and wastewater treatment service to out-of-district customers</u>	Water and wastewater treatment rates (whether residential or commercial)	Regular rates multiplied by 150%
Section 4.8 <u>Additional fees for Lower Trinity Groundwater Conservation District ("LTGCD")</u>	Groundwater use and transportation fees	\$0.43 / month (flat rate)
Section 5.1 (b) <u>Title, tampering, maintenance, setting (Meters)</u>	Damage Fee	Actual repair costs + \$62.00
Section 5.1 (e) <u>Title, tampering, maintenance, setting (Meters)</u>	Damage Fee if Consumer cuts or removes meter box lock or other restraint by other measure	\$219.00 + charges in Article II, Section 2.3
Section 8.1 <u>Penalties</u>	For each violation or each day of a continuing violation	Up to \$20,000

I, the undersigned Secretary of the board of directors of Cape Royale Utility District, hereby certify that the foregoing is a true and correct copy of the Order for Adoption of Schedule of Water and Wastewater Treatment and Solid Waste Disposal Service Fees and Rates for the District, adopted by said board at its **regular** meeting of August 18, 2022, 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 Tex. Gov't. Code Ann. § 551.001 et seq.

Witness my hand and the official seal of said District this August 18, 2022.

Secretary

