ARTICLE III SERVICE RATES

<u>Section 3.01.</u> <u>Water Service Rates</u>. The following monthly rates for the sale of water shall be in effect for each Separate Connection within the District from the effective date hereof until such time as the Board of Directors amends said rates.

Single-Family Homes

Single-family homes shall be billed as follows:

First 5,000 gallons	\$12.00 (minimum)
5,001 to 15,000 gallons	\$ 1.00 per 1,000 gallons
15,001 to 20,000 gallons	\$ 1.25 per 1,000 gallons
20,001 to 25,000 gallons	\$ 2.00 per 1,000 gallons
25,001 to 35,000 gallons	\$ 3.00 per 1,000 gallons
35,001 to 50,000 gallons	\$ 4.00 per 1,000 gallons
All over 50,000	\$ 5.00 per 1,000 gallons

<u>Section 3.02.</u> <u>Sewer Service Rates</u>. The following monthly rates for the collection and disposal of sewage shall be in effect for each Separate Connection within the District from the effective date hereof until such time as the Board amends said rates:

Single-Family Homes: \$40.00 per month (flat rate)

Section 3.04. North Harris County Regional Water Authority Regulatory Assessment.

Pursuant to the Groundwater Reduction Plan adopted by the North Harris County Regional Water ("NHCRWA"), the District is required to pay a monthly fee to the NHCRWA based on the total amount of ground water pumped at the District's water wells and/or the total amount of surface water delivered to the District by the NHCRWA (the "NHCRWA Water Fee").

To cover the NHCRWA Water Fee assessed to the District, the District hereby imposes a monthly charge (the "NHCRWA Charge") equivalent to the NHCRWA's current groundwater assessment rate per 1,000 gallons of metered water usage, plus an additional 5% to cover water that is not billed to customers, such as water loss due to leaks, flushing and other uses. At such time as surface water is delivered to the District, the monthly charge imposed by the District for the NHCRWA Charge shall be equal to the NHCRWA's Surface Water rate plus 10% to cover water that is not billed to customers, such as water loss due to leaks, flushing and other uses. The Operator shall list the NHCRWA Charge on the customer's bill as a separate line item and shall collect the NHCRWA Charge in addition to other charges. Failure by a Customer to pay the NHCRWA Fee shall result in the termination of water and sewer service in accordance with the provisions of this Rate Order.