

Control Number: 46988



Item Number: 16

Addendum StartPage: 0



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	4/10/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Anderson Water		
Physical Location:		P. O. Box 9009, Verhalen, 79772		
CCN No.	PWS ID No. (Optional)	County(ies)		
11675	0930011, 0930014, 0930015, 0930016	Grimes		
Utility Contact:		Jessica Hurst		
Title:	Office Manager	Phone Number:	936/873-2941	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input checked="" type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
The utility needs assistance in completing the Class B rate application. She requested Refugio but understands if he's not available.				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				

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Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Anderson Water				
Water CCN Number:	11675	No. of Active Connections:	317	PWS ID No:	0930011, 0930014, 0930015, 0930016
Sewer CCN Number:	N/A	No. of Active Connections:		WW Permit No:	
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	04/10/2018	
Staff:	Phillip Givens		Priority of Referral:	Routine	
Person Contacted:	Jessica Hurst		Title:	Office Manager	
Address:	P.O. Box 9009, Verhalen, TX 79772		County:	Grims	
Phone Number:	936/873-2941		Email:	andersonwaterco@yahoo.com	
Report Status:	Final				

Type of Assistance Provided
09) – Rate/Tariff Change Applications
Summary of Assistance Provided, Findings, and Outcomes
<p>04/16/18 – Telephoned Jessica Hurst and discussed the nature of the assignment and the assistance program. Scheduled an appointment and emailed her a copy of the Class B Rate Application, the Notice form, and the Instructions.</p> <p>04/27/18 – Traveled to Anderson Water meeting located at 1212 Becker Lane, Anderson, TX 77830. Met with Jessica Hurst. Assisted her in the completion of the PUC Class B Rate Application page-by-page, schedule-by-schedule, line-by-line. Responded to numerous questions related to the same. Explained that the related receipts, invoices, check stubs and other documentation are not required to be attached to the application.</p> <p>Discussed the requirement to also submit a completed income statement and balance sheet along with the rate application. Stressed that both of these documents are included with the Annual Report and suggested</p>



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that she submit a copy of the Annual Report along with the Rate Application as a way of fulfilling this requirement. Discussed that any items listed in the known and measurable column must also be supported with documentation. Responded to questions related to the same.

Discussed the records required to complete the depreciation schedule, rate of return worksheet, and revenue requirement sections as well as the rate design page. Ms. Hurst presented a depreciation table that was completed by the CPA for tax return purposes. Reviewed the depreciation table and explained that more detailed information is required that clearly shows what equipment applies to which water system. Suggested that she review the property tax and/or appraisal district records for land installation dates etc.

Jessica Hurst indicated that she will schedule a meeting with the CPA to obtain the needed information, as well as research the information needed for the payroll table. She added that she would like to schedule another appointment to complete the application after she has gathered the needed information.

Explained that I will include the request for a second appointment in my report to the PUC. She expressed their appreciation for the assistance provided.

04/30/18 – Completed Report

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Client needs additional time to gather the equipment installation dates and original cost data for each of the four water systems.			
Follow-Up Needed:	Yes	If Yes, By Whom:	Field Assistance Provider
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			
A second appointment was requested to assist client with completion of the application.			

Report Filed By:	Phillip Givens	Date:	April 30, 2018
Approved By:	Click here to enter text.	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	03/23/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		City of Goliad		
Physical Location:		P. O. Box 939, Goliad, 77963		
CCN No.	PWS ID No. (Optional)	County(ies)		
10540	0880001	Goliad		
Utility Contact:		Tony Saenz		
Title:	Utility Supervisor	Phone Number:	361/645-9038	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input checked="" type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
The City needs assistance in completing the CCN amendment application, water CCN only.				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
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April 2018

Name of Utility or Proposed Utility:	City of Goliad				
Water CCN Number:	10540	No. of Active Connections:	976	PWS ID No:	0880001
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Municipality				
Referred By:	Lisa Fuentes		Date of Referral:	3/23//2018	
Staff:	Refugio Rodriguez, Jr		Priority of Referral:	Routine	
Person Contacted:	Tony Sanez		Title:	Utility Supervisor	
Address:	P.O. Box 939 Goliad TX		County:	Goliad	
Phone Number:	361-645-9038		Email:	Tony.sanez@goliadtx.net	
Report Status:	Final				

Type of Assistance Provided

Certificate of Convenience and Necessity (CCN)

Summary of Assistance Provided, Findings, and Outcomes

On March 23, 2018, Mr. Refugio Rodriguez contacted Mr. Tony Sanez with the City of Goliad and briefly explained the PUC assistance. Mr. Sanez welcomed the assistance and agreed to meet on April 6, 2018.

April 5, 2018, Mr. Rodriguez confirmed the meeting with the City of Goliad on April 6, 2018.

April 6, 2018, Mr. Refugio Rodriguez traveled to the City of Goliad, TX and met with Mr. Tony Sanez, Utility Supervisor. Mr. Sanez inquired about the process of amending a CCN for the City of Goliad.

Mr. Rodriguez provided Mr. Sanez with a copy of the application to obtain and/or amend a Certificate of Convenience and Necessity. Likewise, a copy of the instructions on how to complete the application were given. Mr. Rodriguez answered questions regarding completing sections such as maps outlining the proposed service area boundaries and locations of existing services. Mr. Rodriguez confirmed with PUC that the facility lines are still part of the CCN area.



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They continued through the application and Mr. Rodriguez answered questions that arose. The completed application will be reviewed with Director of Public Works and engineering to include all digital and proposed maps. Mr. Sanez would be in touch if any additional assistance is needed.

Concluded the assignment.

All Assigned Tasks Completed:	Yes	If No, Provide Explanation:	
Follow-Up Needed:	No	If Yes, By Whom:	N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Refugio Rodriguez	Date:	April 6, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



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Date Sent to Contractor:	12/5/2017	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Dog Ridge WSC		
Physical Location:		7480 FM 2410, Belton, Texas 76513		
CCN No.	PWS ID No. (Optional)	County(ies)		
10048	TX0140044	Bell		
Utility Contact:		Wayne Rutherford		
Title:	President	Phone Number:	254-258-1587	Fax Number: 254-939-3620

Type of Utility:	<input checked="" type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
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Nature of Referral:**Available Tasks for each Assignment and Referral (Select up to three tasks):**

- | | |
|---|---|
| <input type="checkbox"/> 1) - Billing and Accounting
<input type="checkbox"/> 2) - Budgeting
<input type="checkbox"/> 3) - Business Plans

<input type="checkbox"/> 4) - Managing Collections/Disconnections
<input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations
<input type="checkbox"/> 6) - Debt Payments
<input type="checkbox"/> 7) - Financial Records and Record Keeping
<input checked="" type="checkbox"/> 8) - Financial Statements
<input type="checkbox"/> 9) - Rate/Tariff Change Applications
<input type="checkbox"/> 10) - Rate Study
<input type="checkbox"/> 11) - Reserve Accounts
<input type="checkbox"/> 12) - Tariff Preparation and Completion
<input checked="" type="checkbox"/> 13) - Capital improvement Plans
<input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas
<input type="checkbox"/> 15) - Customer Complaint Issues | <input type="checkbox"/> 16) - Customer Service Agreements
<input type="checkbox"/> 17) - Customer Service and Relations
<input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members
<input type="checkbox"/> 19) - Petitions to Cease Operations
<input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility

<input type="checkbox"/> 21) - Record Keeping
<input type="checkbox"/> 22) - Sale/Transfer/Merger Applications
<input type="checkbox"/> 23) - Stock Transfer Applications
<input type="checkbox"/> 24) - Tax Exempt Status Matters
<input type="checkbox"/> 25) - Termination Agreements
<input type="checkbox"/> 26) - Annual Reports
<input type="checkbox"/> 27) - WSC Conversions
<input type="checkbox"/> 28) - PUC Compliance Regulation
<input checked="" type="checkbox"/> 29) - Board/Council Training

<input type="checkbox"/> 30) - Consolidation Assistance
<input type="checkbox"/> 00) - Other |
|---|---|

Narrative Description

The board had their election in March and now has new board members. As of June, another position has been vacated. That particular individual had the financial background so it has created a big loss for the WSC. The board members could use training in the aspects of being a board member and also some long-range planning based on their assets and available resources.

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



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Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Dog Ridge Water Supply Corporation				
Water CCN Number:	10048	No. of Active Connections:	4830	PWS ID No:	140044
Sewer CCN Number:	N/A	No. of Active Connections:	N/A	WW Permit No:	N/A
Utility Classification:	Water Supply Corporation				
Referred By:	Lisa Fuentes		Date of Referral:	12/5/17	
Staff:	Garry Smith		Priority of Referral:	Routine	
Person Contacted:	Wayne Rutherford		Title:	President	
Address:	7480 F.M. 2410 Belton, Texas		County:	Bell	
Phone Number:	254-939-3620		Email:	Wayner2@att.com	
Report Status:	Final				

Type of Assistance Provided

Financial Statement, Capital Improvement Plan, and Board/Council Training

Summary of Assistance Provided, Findings, and Outcomes

12/8/17 – TRWA representative, Garry Smith, telephoned the system and left a message for Mr. Wayne Rutherford, President, to return the call. No return call was received.

12/12/17 – TRWA representative, Garry Smith, telephoned the system and left a message for Mr. Wayne Rutherford, President, to return the call. No return call was Received.

12/26/17 – TRWA representative, Garry Smith, telephoned the system and spoke to Mr. Wayne Rutherford, President. He explained the nature of the assignment. Mr. Rutherford indicated that there are new board members and there will be another election in March of 2018. He indicated that he would like to make an appointment in the month of March because there will be 3 new board members and he would like them all to attend the meeting since they will be new and unfamiliar.

1/31/2018 – No activity needed until March 2018 at the request of system official Wayne Rutherford, President.

3/23/18 – Contacted the system and spoke with Mr. Rutherford, board member. An appointment was scheduled for April 23, 2018 at 1:00 pm.

4/23/18 – TRWA representative, Garry Smith, met with the Dog Ridge Water Supply Corporation representatives, Mr. Doug McKerry - Secretary/Treasurer, Angela Martinez - Vice President, Wayne



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Rutherford - President, Mr. Brian Williams - board member, and Mrs. La Fonda Wilsey - General Manager.

The purpose of the meeting was explained. Mr. Rutherford indicated that there has been a major board and management change. There are three new board members just voted in and the General Manager has been on staff for one month. Mr. Rutherford indicated that he would like for Mr. Smith to explain to the board regarding how the Water Supply Corporation is managed and the duties and responsibilities of the boards of directors.

Mr. Smith began to discuss with the group how the water supply corporation is created. He passed each attendee a copy of the Articles of Incorporation, Bylaws, and a copy of the system tariff. They discussed the Article of Incorporation and the Bylaws, specifically the duties of the board of directors with respect to each position. They discussed board meetings and how they are conducted and recorded. Many questions were asked and answered.

They reviewed the system's tariff in great detail. They discussed the purpose of the tariff, as well as policies and procedures for day to day operation. They discussed the role of the General Manager and suggested items to include on the General Manager report including the financial statements. Mr. Smith reviewed the importance of maintaining accurate financial statements and how to use them as a tool for budgeting and CIP. Many questions were asked and answered. They discussed other items such as grants and loan information and how they benefit the system as a Water Supply Corporation.

The General Manager indicated that she is new and is still gathering needed information on the system. Mr. Smith explained the information needed to be included in the CIP and the GM indicated that she will be working on the Capital Improvement Plan very soon. The board indicated that they appreciated Mr. Smith's assistance and discussing the important information and thanked him for the assistance.

All Assigned Tasks Completed:	Yes	If No, Provide Explanation:	
Follow-Up Needed:	No	If Yes, By Whom:	Choose an item.
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Garry Smith	Date:	April 30, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

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Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	02/26/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Lil Countryside WSC (newly formed WSC)		
Physical Location:		9077 Private Road 2329, Terrell, 75160		
CCN No.	PWS ID No. (Optional)	County(ies)		
11923 (W Oaks Phoenix)	1160097	Hunt		
Utility Contact:		Tracy Lyric		
Title:	President	Phone Number:	469/774-9295	Fax Number:

Type of Utility:	<input checked="" type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
Nature of Referral: STM application				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input checked="" type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input checked="" type="checkbox"/> 12) - Tariff Preparation and Completion <input checked="" type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
The WSC needs assistance with above noted items.				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



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Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Lil Countryside WSC				
Water CCN Number:	11923	No. of Active Connections:	15	PWS ID No:	1160097
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Water Supply Corporation				
Referred By:	Lisa Fuentes		Date of Referral:	2/26/2018	
Staff:	Steven Mindt		Priority of Referral:	Routine	
Person Contacted:	Tracey Lyric		Title:	Finance Director	
Address:	9077 PR 2329, Terrell, TX		County:	Hunt	
Phone Number:	469-774-9295		Email:	N/A	
Report Status:	Final				

Type of Assistance Provided
10) Rate Study 12) Tariff Preparation and Completion 13) Capital Improvement Plan
Summary of Assistance Provided, Findings, and Outcomes
<p>Mr. Steven Mindt, Technical Assistance and Training Specialist, received the assignment on February 27, 2018, and called the Lil Countryside WSC and scheduled the meeting for April 18, 2018.</p> <p>Mr. Steven Mindt met with Ms. Tracey Lerich, President, on April 18, 2018 at the system office located at 9077 PR 2329 at approximately 8:30 AM and assisted her in preparing a Capital Improvement Plan (CIP) and doing a rate study to assist in setting proper water rates. Mr. Mindt made several suggestions for the water rates based on the information that Ms. Lerich provided. Mr. Mindt then assisted Ms. Lerich in filling out an example RUS tariff. Mr. Mindt completed the assistance at approximately 5:00 PM.</p>



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All Assigned Tasks Completed:	Yes	If No, Provide Explanation:	
Follow-Up Needed:	No	If Yes, By Whom:	N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Steven Mindt	Date:	April 23, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	03/09/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Cedar Creek Water Supply and Big Creek West Water Supply		
Physical Location:		141 L County Road 908, Jewett, 75846		
CCN No.	PWS ID No. (Optional)	County(ies)		
12660, 12677	1470032, 1470021	Limestone		
Utility Contact:		Glenda Ruddle		
Title:	bookkeeper	Phone Number:	936/661-2076	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input checked="" type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>Ms. Ruddle needs assistance with the Class B Rate Application. The owner, Paul Hill, has 2 Class C utilities with 2 CCNs, each with a different rate schedule. The two rate applications will need to be filed at the same time.</p>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



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April 2018

Name of Utility or Proposed Utility:	Cedar Creek WS and Big Creek West WS				
Water CCN Number:	12660 & 12677	No. of Active Connections:	50 19	PWS ID No:	1470032 & 1470021
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	3/9/2018	
Staff:	Steven Mindt		Priority of Referral:		
Person Contacted:	Glenda Ruddle		Title:	Bookkeeper	
Address:	1 Nassau Lane, Hilltop, TX		County:	Limestone	
Phone Number:	936-661-2076		Email:	N/A	
Report Status:	Interim				

Type of Assistance Provided
9) Rate/Tariff Change Application
Summary of Assistance Provided, Findings, and Outcomes
Called Ms. Glenda Ruddle on March 9, 2018 and scheduled a meeting for May 15, 2018 at 8:30 AM.

All Assigned Tasks Completed:	No	If No, Provide Explanation:
Follow-Up Needed:	N/A	If Yes, By Whom: N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:		

Report Filed By:	Steven Mindt	Date:	May 14, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



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FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	02/21/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		City of Cooper		
Physical Location:		91 N Side Square, Cooper, TX 75432		
CCN No.	PWS ID No. (Optional)	County(ies)		
none, P0603	0600001	Delta		
Utility Contact:		Darren Braddy		
Title:	Mayor	Phone Number:	903-272-5880	Fax Number: 903-395-0377

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input checked="" type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input checked="" type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input checked="" type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>The City of Cooper operates a Wastewater System (TCEQ permit # WQ0010449001) and a Public Water System. The city is requesting a rate study to assist in future capital improvements and to aid in potential current purchasing decisions and budgeting. The Mayor believed rate studies were done approximately six and twelve years ago. I informed Mr. Braddy that he should arrange for the entire council to be present when the contractor provides them with the results of the rate study and capital improvement plan.</p>				
NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov				
Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	City of Cooper				
Water CCN Number:	P0603	No. of Active Connections:	2244	PWS ID No:	0600001
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Municipality				
Referred By:	Lisa Fuentes		Date of Referral:	2/21/2018	
Staff:	Steven Mindt		Priority of Referral:	Routine	
Person Contacted:	Darren Braddy		Title:	Mayor	
Address:	91 N. Side Square, Cooper, TX		County:	Delta	
Phone Number:	903-272-5880		Email:		
Report Status:	Interim				

Type of Assistance Provided
2) Budgeting 10) Rate Study 13) Capital Improvement Plan
Summary of Assistance Provided, Findings, and Outcomes
<p>Steven Mindt, TRWA Technical Assistance and Training Specialist, called Mayor Darren Braddy on February 22, 2018, and left a message offering assistance. Mayor Braddy returned the phone call and scheduled a meeting for April 17, 2018 at 9:00 AM.</p> <p>Mr. Mindt arrived at the Cooper City Hall at 8:30 AM on April 17, 2018, and met with Mayor Braddy. Mr. Mindt assisted Mayor Braddy assemble a Capital Improvement Plan (CIP) and list every system component. They then assigned each item a life expectancy and replacement cost. They then discussed how to budget and developed a budget based on the previous year's expenses and a slight increase based on the current inflation rate. Mr. Mindt then discussed how to set rates. Unfortunately, the city has a contract to sell water until 2025 for \$2.98 per 1,000 gallons. Mr. Mindt explained that he would have to calculate the water rates for residents, commercial and wholesale users. The wholesale user rates will not be able to be raised until 2025. This will make the other rates higher, or the reserves lower. Mr. Mindt stated that due to that restriction the city will have to make some hard choices. Mr. Mindt was able to come up with an average water rate and was able to suggest a residential rate, wholesale rate and a commercial rate. Mr. Mindt</p>



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told Mayor Braddy he would continue to work on the water rates and get back to him with some options. Mr. Mindt left at approximately 5:00 PM

April 27, 2018 Mr. Mindt called Mayor Braddy and discussed the potential rates and the short falls of each, because of the long-term contract for wholesale water. Mr. Mindt is working with Mr. Braddy to come up with a reasonable solution to the long-term contract.

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Still working on rates			
Follow-Up Needed:	N/A	If Yes, By Whom:	N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Steven Mindt	Date:	May 7, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	02/26/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		City of Kennedale		
Physical Location:		405 Municipal Drive, Kennedale, 76060		
CCN No.	PWS ID No. (Optional)	County(ies)		
10090, 20034	2200017, 2200064	Tarrant		
Utility Contact:		Brady Olsen		
Title:	Finance Director	Phone Number:	817/985-2110	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input checked="" type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>The city would like a rate study done for water and sewer rates. I informed Mr. Olsen that he should arrange for the entire council to be present when the contractor provides them with the results of the rate study.</p>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	City of Kennedale				
Water CCN Number:	10090	No. of Active Connections:	3062	PWS ID No:	2200017
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Municipality				
Referred By:	Lisa Fuentes		Date of Referral:	2/26/2018	
Staff:	Steven Mindt		Priority of Referral:	Routine	
Person Contacted:	Brady Olsen		Title:	Finance Director	
Address:	405 Municipal Drive, Kennedale, TX		County:	Tarrant	
Phone Number:	817-985-2110		Email:		
Report Status:	Interim				

Type of Assistance Provided

10) Rate Study

Summary of Assistance Provided, Findings, and Outcomes

Mr. Steven Mindt, Technical Assistance and Training Specialist, received the assignment on February 27, 2018, and called the City of Kennedale and scheduled a meeting for April 19, 2018.

Mr. Brady Olsen sent Mr. Mindt a copy of the City's Budget for Water and Wastewater. Mr. Mindt asked Mr. Olsen to separate items from water and waste water, as these should be calculated separately. Mr. Olsen was not able to break all the numbers out before the meeting on April 19, 2018. Mr. Mindt downloaded information on the systems facilities to get a start on the CIP to assist in calculating the proper reserves.

Mr. Mindt arrived at the City of Kennedale City Hall on April 19, 2018 at 8:30 AM and met with Mr. Olsen. Mr. George Campbell, City Manager also joined the meeting for a short time. Mr. Mindt worked with Mr. Olsen to put together a complete CIP and Budget to come up with a viable water rate. There were several budget numbers that needed to be broken out from the wastewater. Mr. Olsen said that he would do that, but it would take some time. Mr. Olsen said that he would send that information to Mr. Mindt. Mr. Mindt left at approximately 1:00 pm.

Mr. Olsen emailed the information to Mr. Mindt on April 26, 2018. Mr. Mindt reviewed it and entered the information into the spreadsheet for calculations. Mr. Mindt calculated potential/proposed



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water rates. Mr. Mindt is working to modify rates for commercial and residential rates with Mr. Olsen.

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Still working on rates			
Follow-Up Needed:	N/A	If Yes, By Whom:	N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Steven Mindt	Date:	May 7, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	04/30/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		City of Paradise		
Physical Location:		No street address on file. SW corner of SH 114 & Main St, S of Bridgeport		
CCN No.	PWS ID No. (Optional)	County(ies)		
	2490010	Wise		
Utility Contact:		Teresa Moody		
Title:	City Secretary	Phone Number:	940-969-2114	Fax Number: N/A

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
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Nature of Referral:**Available Tasks for each Assignment and Referral (Select up to three tasks):**

- | | |
|--|--|
| <input type="checkbox"/> 1) - Billing and Accounting
<input type="checkbox"/> 2) - Budgeting
<input type="checkbox"/> 3) - Business Plans

<input type="checkbox"/> 4) - Managing Collections/Disconnections
<input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations
<input type="checkbox"/> 6) - Debt Payments
<input type="checkbox"/> 7) - Financial Records and Record Keeping
<input type="checkbox"/> 8) - Financial Statements
<input type="checkbox"/> 9) - Rate/Tariff Change Applications
<input checked="" type="checkbox"/> 10) - Rate Study
<input type="checkbox"/> 11) - Reserve Accounts
<input type="checkbox"/> 12) - Tariff Preparation and Completion
<input type="checkbox"/> 13) - Capital improvement Plans
<input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas
<input type="checkbox"/> 15) - Customer Complaint Issues | <input type="checkbox"/> 16) - Customer Service Agreements
<input type="checkbox"/> 17) - Customer Service and Relations
<input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members
<input type="checkbox"/> 19) - Petitions to Cease Operations
<input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility

<input type="checkbox"/> 21) - Record Keeping
<input type="checkbox"/> 22) - Sale/Transfer/Merger Applications
<input type="checkbox"/> 23) - Stock Transfer Applications
<input type="checkbox"/> 24) - Tax Exempt Status Matters
<input type="checkbox"/> 25) - Termination Agreements
<input type="checkbox"/> 26) - Annual Reports
<input type="checkbox"/> 27) - WSC Conversions
<input type="checkbox"/> 28) - PUC Compliance Regulation
<input type="checkbox"/> 29) - Board/Council Training

<input type="checkbox"/> 30) - Consolidation Assistance
<input type="checkbox"/> 00) - Other |
|--|--|

Narrative Description

Follow-up to a Capacity Assessment conducted 01/18/18

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	City of Paradise				
Water CCN Number:	N/A	No. of Active Connections:	200	PWS ID No:	2490010
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Municipality				
Referred By:	Lisa Fuentes		Date of Referral:	4/30/2018	
Staff:	Steven Mindt		Priority of Referral:	Routine	
Person Contacted:	Teresa Moody		Title:	City Secretary	
Address:			County:	Wise	
Phone Number:	940-969-2114		Email:		
Report Status:	Interim				

Type of Assistance Provided
10) Rate Study
Summary of Assistance Provided, Findings, and Outcomes
<p>Steven Mindt, TRWA Technical Assistance and Training Specialist, received the assignment on April 30, 2018 and printed the assignment to start a file. Called and left a message offering assistance on May 4, 2018 and May 7, 2018.</p>



**Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report**

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All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Follow-Up Needed:	N/A	If Yes, By Whom:	N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Steven Mindt	Date:	May 7, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	04/02/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		C-Willow		
Physical Location:		1911 B Street, Floresville, 78114		
CCN No.	PWS ID No. (Optional)	County(ies)		
12240 and 12090	2470019, 2470018, 2470017, 2470016	Wilson		
Utility Contact:		Sandy Strozier		
Title:	owner	Phone Number:	830/391-4406	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input checked="" type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>Ms. Strozier is requesting assistance with the Class B rate increase application. CCN 12240 and 12090 have separate tariffs with separate rates. Ms. Strozier stated she wanted to increase each CCN's rates independently.</p>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
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Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	C-Willow				
Water CCN Number:	12240	No. of Active Connections:	237	PWS ID No:	2470019
Sewer CCN Number:	N/A	No. of Active Connections:		WW Permit No:	
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	04/02/2018	
Staff:	Phillip Givens		Priority of Referral:	Routine	
Person Contacted:	Sandy Strozier		Title:	Owner	
Address:	1911 B Street, Floresville, TX. 78114		County:	Wilson	
Phone Number:	830/391-4406		Email:	dsstrozier@gmail.com	
Report Status:	Interim				

Type of Assistance Provided
09) – Rate/Tariff Change Applications
Summary of Assistance Provided, Findings, and Outcomes
<p>04/16/18 – Emailed Sandy Strozier about the assignment and included a copy of the Class B rate application along with the instructions. Telephoned Sandy Strozier and left a voicemail message asking her to call me to discuss the assignment.</p> <p>04/17/18 – Telephoned Sandy Strozier and scheduled a telephone conference to review the application.</p> <p>04/19/18 – Telephoned Sandy Strozier and reviewed the Rate Application along with the Instructions page-by-page, line-by-line as she made notes. Responded to her questions related to the same. She indicated that she will follow up with accounting to get the 2018 Annual Report (2017 test year data) completed. She added that she will research her records for the last rate application to obtain the equipment information needed to complete the depreciation table. She indicated that she will contact me she has the information needed to proceed with completing the application.</p> <p>04/26/18 – Completed Interim Report</p>



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

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All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Follow-Up Needed:	Choose an item.	If Yes, By Whom:	Choose an item.
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Phillip Givens	Date:	April 30, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	12/05/2017	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		H2O Tech		
Physical Location:		P. O. 1133, League City, 77574		
CCN No.	PWS ID No. (Optional)	County(ies)		
12934	1013011	Harris		
Utility Contact:		Dennis O'Keffe		
Title:	Owner	Phone Number:	281/704-1448	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral: alternate # 281/557-2286 office				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input checked="" type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
A rate study is needed to support a rate increase he will file with the City of League City. He also needs assistance coming with rate increase proposal for the City.				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	H2O Tech				
Water CCN Number:	12934	No. of Active Connections:	18	PWS ID No:	1013011
Sewer CCN Number:	N/A	No. of Active Connections:	N/A	WW Permit No:	N/A
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	12/5/2017	
Staff:	Garry Smith		Priority of Referral:	Routine	
Person Contacted:	Dennis O'Keeffe		Title:	Owner	
Address:	P.O. Box 1133 League, City, TX		County:	Harris	
Phone Number:	281/704-1448		Email:	N/A	
Report Status:	Interim				

Type of Assistance Provided
(9) Rate/Tariff/ Rate Change Application
Summary of Assistance Provided, Findings, and Outcomes
<p>12/8/17 – TRWA representative, Garry Smith, telephoned the system and left a message for the system to return the call. No return call.</p> <p>12/12/17 – TRWA representative, Garry Smith, telephoned the system and spoke to Mr. Dennis O'Keeffe, owner. Mr. Smith explained the nature of the assistance. Mr. O'Keeffe discussed his interest in a rate hike. He indicated that he had been exploring the possibility of consolidating with the City of League City. However, he indicated that he has tried to call them in the past month and the City has stop talking with him. He indicated that he has to get an approval from the City before he can raise his rates. He wanted to wait until he got more information from the City of League City. He indicated that he has been communicating with Mr. John Baumgartner, City Manager. Mr. Smith told Mr. O'Keeffe that he would call him back in January to see if he still wants to complete the PUC rate application. Mr. O'Keeffe indicated that he is interested in completing the application and that he just wants to communicate with the City of League City for clarification of the City requirement.</p> <p>1/31/18 – Contacted Mr. O'Keeffe and he indicated the he has made many calls to the City of League City and left messages with Mr. John Baumgartner, City manager with no return phone call. He indicated that because they will not return his call, he would like to go ahead and schedule to conduct the Rate Study with me. A Meeting has been scheduled for February 19, 2018 at 10:00.</p>



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2/16/18 – The meeting With Mr. O’Keeffe was cancelled. A new meeting will be scheduled and notification will follow later.

2/28/28 – Completed interim report.

3/23/18 – Contacted the system and left a message for Mr. O’Keeffe to return my call. Left several available dates to choose from.

3/23/18 – Received an email from Mr. O’Keeffe and he indicated that he had the flu and will call me back when he is well.

3/30/38 – Have not received a return call regarding rescheduling the assignment at this time.

4/27/18 – Contacted the system and scheduled a meeting for June 8, 2018.

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Meeting scheduled for June 8, 2018			
Follow-Up Needed:	N/A	If Yes, By Whom:	Choose an item
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Garry Smith	Date:	April 30, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	04/30/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		K & B Water Works		
Physical Location:		12508 28th Street, Sante Fe, 77510		
CCN No.	PWS ID No. (Optional)	County(ies)		
12084	0840187	Galveston		
Utility Contact:		Richard and Cynthia Keenan		
Title:	Owners	Phone Number:	409/925-5957	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input checked="" type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>The utility needs assistance in completing the Class B rate application. They currently have a flat rate but will be seeking a metered rate. The meter installation for all customers will be completed before rate application is filed.</p>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	K & B Water Works				
Water CCN Number:	12084	No. of Active Connections:	35	PWS ID No:	0840187
Sewer CCN Number:	N/A	No. of Active Connections:	N/A	WW Permit No:	N/A
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	4/30/18	
Staff:	Garry Smith		Priority of Referral:	Routine	
Person Contacted:	Richard and Cynthia Keenan		Title:	Owner	
Address:	12508 28 th St., Santa Fe. 77510		County:	Galveston	
Phone Number:	409-925-5957		Email:	N/A	
Report Status:	Interim				

Type of Assistance Provided
(9) Rate/Tariff Change Application
Summary of Assistance Provided, Findings, and Outcomes
4/30/18 – Contacted the system and left a message regarding the assistance.
Completed interim report.

All Assigned Tasks Completed:	No	If No, Provide Explanation:
Follow-Up Needed:	N/A	If Yes, By Whom: Choose an item.
If Yes, provide specific goals and details of the expected outcome of the additional assistance:		

Report Filed By:	Garry Smith	Date:	April 30, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	3/09/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Mountain River Water		
Physical Location:		392 Live Oak Road, Santo, 76472		
CCN No.	PWS ID No. (Optional)	County(ies)		
12139	1840077	Palo Pinto		
Utility Contact:		Ms. Robbie Evans		
Title:	Secretary/Treasurer	Phone Number:	940/682-4200	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input checked="" type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input checked="" type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>The homeowners have voted to form a WSC and buy the system from Mr. Frank Sparks. Mr. Sparks has agreed to sell the system to the homeowners but is unsure of the selling price due to TCEQ violations and fines. The homeowners and Mr. Sparks would like the contractor to assist in determining an appropriate selling price taking into consideration the TCEQ violations and fines.</p>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Mountain River Water				
Water CCN Number:	12139	No. of Active Connections:	129	PWS ID No:	1840077
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	3/9/2018	
Staff:	Steven Mindt		Priority of Referral:		
Person Contacted:	Ms. Robbie Evans		Title:	Secretary/Treasurer	
Address:	451 Red Bluff Circle, Milsap		County:	Palo Pinto	
Phone Number:	940-682-4200		Email:	Robbiedevans68@gmail.com	
Report Status:	Interim				

Type of Assistance Provided
5) WSC formation 00) Other - Assist in determining an appropriate selling price taking into consideration the TCEQ violations and fines.
Summary of Assistance Provided, Findings, and Outcomes
Called Ms. Robbie Evans on March 9, 2018 and scheduled a meeting for May 9, 2018 at 9:00 AM.

All Assigned Tasks Completed:	No	If No, Provide Explanation:
Follow-Up Needed:	N/A	If Yes, By Whom: N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:		

Report Filed By:	Steve Mindt	Date:	May 11, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	4/10/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Rochelle WSC		
Physical Location:		No street address on file. Highway 190, 10 miles N of Brady.		
CCN No.	PWS ID No. (Optional)	County(ies)		
10460	1540004	McCulloch		
Utility Contact:		Preasley Cooper		
Title:	Manager	Phone Number:	325-456-5341	Fax Number: N/A

Type of Utility:	<input checked="" type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input checked="" type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input checked="" type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Rochelle WSC				
Water CCN Number:	10460	No. of Active Connections:	133	PWS ID No:	1540004
Sewer CCN Number:	N/A	No. of Active Connections:		WW Permit No:	
Utility Classification:	Water Supply Corporation				
Referred By:	Lisa Fuentes		Date of Referral:	04/10/2018	
Staff:	Phillip Givens		Priority of Referral:	Routine	
Person Contacted:	Preasley Cooper		Title:	Manager	
Address:	5902 Lafayette Ave, Rochelle, TX 76872 (School Cafeteria)		County:	McCulloch	
Phone Number:	325-456-5341		Email:	cooper@centex.net	
Report Status:	Interim				

Type of Assistance Provided
10) – Rate Study
Summary of Assistance Provided, Findings, and Outcomes
<p>04/16/18 – Telephoned Preasley Cooper and discussed the nature of the assignment and the assistance program. Mr. Cooper responded that the he did not request the assistance but will ask around to see if anyone else with the WSC requested assistance with a rate study. He requested that I text him my contact information and he will call me back. Texted him my contact information. Sent him a follow up email about the conversation and the assignment.</p> <p>04/17/18 – Telephoned Preasley Cooper about the assignment. He apologized for not calling me back and indicated that he discovered that the request for assistance was made by Dean Sharp. Scheduled an appointment and emailed him a list of records needed to conduct the rate study.</p> <p>04/23/18 – Received a voicemail message from Preasley Copper. He indicated that the requested records are being faxed to me.</p> <p>04/24/18 – Reviewed the faxed records and emailed a copy to Preasley Cooper. Explained that the first two pages are related to the records I requested and that the other twenty-four pages are blank. Telephoned Mr. Cooper and left a message about the faxed pages.</p>



Public Utility Commission of Texas
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Assistance Activity Report

04/25/18 – Received a call from Mr. Copper. He indicated that records will be faxed again.

04/26/18 – Reviewed the fax pages and emailed a copy to Mr. Cooper. Telephoned Mr. Cooper to discuss fax pages and get clarity on conflicting data. Mr. Cooper indicated that he could not talk right then because they are in the middle of a tank clean out. Emailed Mr. Cooper a list of questions. Texted him to check his email for the list of questions. Begin working on first draft of rate study.

04/27/18 – Telephoned Mr. Copper and discussed conflicting data in the faxed report relating active number of connections, gallons sold, etc. He indicated that he will get with the staff on Monday and verify the information.

04/27/18 – Completed Interim Report

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Follow-Up Needed:	Choose an item.	If Yes, By Whom:	Choose an item.
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

Report Filed By:	Phillip Givens	Date:	April 30, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	04/3/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Southwest Garden Water		
Physical Location:		4601 66th Street, Suite C, Lubbock, TX 79414-4875		
CCN No.	PWS ID No. (Optional)	County(ies)		
12891	1520214	Lubbock		
Utility Contact:		Charles Quisenberry		
Title:	owner	Phone Number:	806-787-2296	Fax Number: 806-979-2843

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input type="checkbox"/> Municipality	<input checked="" type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input checked="" type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input checked="" type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
Mr. Quisenberry needs assistance in forming a WSC and with the STM application. He does not have email.				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Southwest Garden Water				
Water CCN Number:	12891	No. of Active Connections:	120	PWS ID No:	1520214
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	4/3/2018	
Staff:	Steven Mindt		Priority of Referral:	routine	
Person Contacted:	Charles Quisenberry		Title:	Owner	
Address:	4601 66 th Street, Suite C, Lubbock, TX		County:	Lubbock	
Phone Number:	806-787-2296		Email:		
Report Status:	Interim				

Type of Assistance Provided

5) Water Supply Corporation Formation/Creation

Summary of Assistance Provided, Findings, and Outcomes

Print assignment 4/3/2018.
 Called 4/4/2018 and left a message.
 Called 4/16/2018 and scheduled a meeting for 7/17/2018.

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Follow-Up Needed:	N/A	If Yes, By Whom:	N/A
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			

PROJECT 46988

APRIL 2018



**Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report**

Report Filed By:	Steven Mindt	Date:	May 11, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018



PUBLIC UTILITY COMMISSION

FM Assistance Contract

Financial and Managerial Assistance Referral Form

Date Sent to Contractor:	2/12/2018	Referred By:	Lisa Fuentes	Priority: <input checked="" type="checkbox"/> Routine <input type="checkbox"/> High Priority
Name of Utility:		Village of Vinton		
Physical Location:		436 E. Vinton, Vinton, 79821		
CCN No.	PWS ID No. (Optional)	County(ies)		
A0549	0710163	El Paso		
Utility Contact:		Andrea Carrillo		
Title:	City Secretary	Phone Number:	915/886-5104	Fax Number:

Type of Utility:	<input type="checkbox"/> WSC	<input type="checkbox"/> District	<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> Investor-owned
Nature of Referral:				
Available Tasks for each Assignment and Referral (Select up to three tasks):				
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> 1) - Billing and Accounting <input type="checkbox"/> 2) - Budgeting <input type="checkbox"/> 3) - Business Plans <input type="checkbox"/> 4) - Managing Collections/Disconnections <input type="checkbox"/> 5) - Water Supply Corporation (WSC) Formations/Creations <input type="checkbox"/> 6) - Debt Payments <input type="checkbox"/> 7) - Financial Records and Record Keeping <input type="checkbox"/> 8) - Financial Statements <input type="checkbox"/> 9) - Rate/Tariff Change Applications <input checked="" type="checkbox"/> 10) - Rate Study <input type="checkbox"/> 11) - Reserve Accounts <input type="checkbox"/> 12) - Tariff Preparation and Completion <input checked="" type="checkbox"/> 13) - Capital improvement Plans <input type="checkbox"/> 14) - Certificate of Convenience and Necessity (CCN) Applications and Service Areas <input type="checkbox"/> 15) - Customer Complaint Issues </div> <div style="width: 50%;"> <input type="checkbox"/> 16) - Customer Service Agreements <input type="checkbox"/> 17) - Customer Service and Relations <input type="checkbox"/> 18) - Meeting with Home Owners Associations, Property Owners Associations or Water Supply Corporation Members <input type="checkbox"/> 19) - Petitions to Cease Operations <input type="checkbox"/> 20) - Receivership/Temporary Manager/Supervision of a Utility <input type="checkbox"/> 21) - Record Keeping <input type="checkbox"/> 22) - Sale/Transfer/Merger Applications <input type="checkbox"/> 23) - Stock Transfer Applications <input type="checkbox"/> 24) - Tax Exempt Status Matters <input type="checkbox"/> 25) - Termination Agreements <input type="checkbox"/> 26) - Annual Reports <input type="checkbox"/> 27) - WSC Conversions <input type="checkbox"/> 28) - PUC Compliance Regulation <input type="checkbox"/> 29) - Board/Council Training <input type="checkbox"/> 30) - Consolidation Assistance <input type="checkbox"/> 00) - Other </div> </div>				
<u>Narrative Description</u>				
<p>The city would like a rate study done for water and sewer rates. I informed that he should arrange for the entire council to be present when the contractor provides them with the results of the rate study and capital improvement plan.</p>				

NOTE: If background information cannot be attached to email, please mail hard copies to Jay Stone: jay.stone@puc.texas.gov

Background information attached:	<input type="checkbox"/> Letter of Inquiry	<input type="checkbox"/> Letters, Memos	<input type="checkbox"/> Tariff	<input type="checkbox"/> Survey Letter, etc.
Other:				



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 2018

Name of Utility or Proposed Utility:	Village of Vinton				
Water CCN Number:	A0549	No. of Active Connections:	3	PWS ID No:	0710163
Sewer CCN Number:		No. of Active Connections:		WW Permit No:	
Utility Classification:	Investor Owned Utility				
Referred By:	Lisa Fuentes		Date of Referral:	2/13/18	
Staff:	Refugio Rodriguez		Priority of Referral:		
Person Contacted:	Andres Carrillo		Title:	City Secretary	
Address:	436 E. Vinton, Vinton TX		County:	El Paso	
Phone Number:	915-886-5104		Email:	acarrillo@vintontx.us	
Report Status:	Interim				

Type of Assistance Provided
Rate Study
Summary of Assistance Provided, Findings, and Outcomes
<p>February 13, 2018. received a request from Village of Vinton for rate study Contacted system and left voice message.</p> <p>February 23, 2018, Mr. Rodriguez called Mrs. Carrillo with Village of Vinton and provided some information on what a rate study would comprise of. Mrs. Carrillo would forward a contract from El Paso showing current rates.</p> <p>February 26, 2018, Mr. Rodriguez received information and began reviewing.</p> <p>March 2, 2018, Mr. Rodriguez notified Mrs. Carrillo on a possible date at the end of March to meet on the rate study.</p> <p>March 14, 2018, Mr. Rodriguez and Mrs. Carrillo agreed to meet on April 10, 2018.</p> <p>April 2, 2018, due to conflicting schedules the Village of Vinton assignment was changed to April 17, 2018. All parties agreed on new date.</p>



Public Utility Commission of Texas
Financial and Managerial Assistance Program
Assistance Activity Report

April 16, 2018, Mr. Rodriguez traveled to El Paso, TX Lodging

April 17, 2018, Mr. Rodriguez met with Andrea Carrillo, Mike Ramirez, Kim Labree, and Jannette.

Mr. Rodriguez provided information on the rate study and a recent contract Village of Vinton is proposing to enter in to with El Paso Utilities. Village of Vinton will be purchasing water from El Paso Utilities and redistributing to the community. At this time, no set up of fees have been established in the tariff. Village of Vinton is looking for assistance in this area. Mr. Rodriguez states that Village of Vinton should have all CCN applications approved first. Next would be to set up expenses in order to establish a rate. Village of Vinton should include any debt service, office expenses, operations and maintenance, capital improvements cost, and all meter sizes.

Village of Vinton will provide these items to Mr. Rodriguez in order to begin a spreadsheet. Once the information is forwarded Mr. Rodriguez and is reviewed, a conference call or webinar with the Village of Vinton will be had to explain and proceed with any other steps.

On April 30, 2018, no information has been forwarded from Village of Vinton. An email was sent to Ms.Carrillo about the status of the information and inquired if assistance is still needed.

All Assigned Tasks Completed:	No	If No, Provide Explanation:	
Follow-Up Needed:	Yes	If Yes, By Whom:	Field Assistance Provider
If Yes, provide specific goals and details of the expected outcome of the additional assistance:			
Mr. Rodriguez is giving the system some time to respond if more assistance is needed.			

Report Filed By:	Refugio Rodriguez	Date:	April 30, 2018
Approved By:	Jason Knobloch	Review Date:	May 14, 2018

45224
APRIL 2018

TARIFF

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2014 OCT -6 AM 11:04

PUBLIC UTILITY COMMISSION
FILING CLERK

or

DOG RIDGE WATER SUPPLY CORPORATION

P.O. Box 232
Belton, Texas 76513
(254) 939-6533

A WATER UTILITY

revision date: September 1, 2014
adopted date: September 1, 2014

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RECEIVED
AUG 20 2014

UTILITIES & DISTRICTS
SECTION

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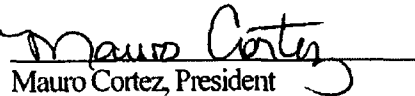
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UTILITIES & DISTRICTS
SECTION

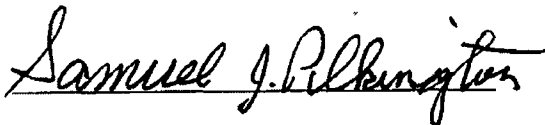
**SECTION A RESOLUTIONS BY BOARD OF
DIRECTORS**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DOG RIDGE WATER SUPPLY CORPORATION THAT:

- 1.) This Tariff of Dog Ridge Water Supply Corporation serving parts of Bell County, is hereby adopted and enacted as the current regulations which shall supersede all policies passed by the Board of Directors before September 1, 2014, to the extent provided in paragraph 2 hereof.
- 2.) No prior agreement executed by the Board of Directors is repealed by any provisions contained herein, save and except as provided in the terms of the agreement.
- 3.) The adoption of the provisions of this Tariff shall not affect any offense or act committed or done, or any penalty or forfeiture incurred, or any contract or vested right established or accruing before the effective date of this Tariff.
- 4.) An official copy of this tariff shall be available to the membership of Dog Ridge Water Supply Corporation during regular office hours of the Corporation. Requests for copy of this tariff shall be subject to reproduction charges. The Secretary of the Corporation shall maintain the original copy as approved, and clearly exhibit all additions, deletions, and amendments separately
- 5.) This tariff shall take effect immediately upon its approval as provided by law, and according to its terms. Rules and regulations of State and Federal agencies having applicable jurisdiction, promulgated under any applicable State or Federal Law, shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase word or, words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected thereby.

PASSED and APPROVED the 7th day of July 2014


Mauro Cortez, President



Attested:
Samuel Pilkington, Secretary

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SECTION B.**STATEMENTS**

1. **Organization.** Dog Ridge Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code, Chapter 67, Nonprofit Water Supply or Sewer Service Corporations, and as supplemented by the Texas Non-Profit Corporation Act, for the purpose of furnishing potable water utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.
2. **Non-Discrimination Policy.** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, religion, creed, color, national origin, sex, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water services provided by Dog Ridge Water Supply Corporation, also referred to as Corporation, DRWSC, or Dog Ridge WSC. Failure on the part of a Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. **Corporation Bylaws.** The Corporation Members have adopted bylaws which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is or may become available on any part or portion of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The Corporation reserves the right to remove any hydrant or flush valve, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors or Members unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the specific contract shall apply.
6. **Damage Liability.** Dog Ridge WSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of Dog Ridge WSC is the extent of the cost of the water utility service provided. By acceptance of Membership in Dog Ridge WSC, each Member consents to waive of such liability of Dog Ridge WSC to the fullest extent allowed by law.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation's business office in Bell County, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Open Records Act. An

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individual customer may request in writing that their name, address, or telephone number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing fees associated for such request.

8. Customer Notice Provisions. The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least thirty (30) days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.

9. Grievance Procedures. Any Member of the Corporation or an individual demonstrating an interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:

- A. By presentation of concerns to the Corporation's manager or authorized staff member. If not resolved to the satisfaction of the aggrieved party; then,
- B. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result; then,
- C. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing; and,
- D. Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.

10. Customer Service Inspections. The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and non-standard service. Customer service inspections are also required on any existing service when the corporation has reason to believe that cross-connections or other potential contamination hazards exist, or after any material improvement, correction or addition to the member's water distribution facilities. This inspection is limited to the identification and prevention of cross connections, potential contamination hazards and illegal lead materials. (30 TAC 290.46(i-j))

11. Sub-metering Responsibility. Sub-metering and Non-Submetering by Master Metered Accounts may be allowed in the Corporation's water distribution system provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality's rules pertaining to Sub-

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metering. The Corporation has no jurisdiction or responsibility to a member's tenants. Tenants receiving water under a Master Metered Account are not and shall not be considered customers of the Corporation. Any interruption or impairment of water service to tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding sub-metering should be directed to the Texas Commission on Environmental Quality.

SECTION C.

DEFINITIONS

Active Service - The status of any Member receiving authorized service under the provisions of this Tariff.

Applicant - A person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with Dog Ridge WSC.

Board of Directors - The governing body elected by the Members of Dog Ridge WSC or as appointed pursuant to the Corporation's Bylaws.

Bylaws - The rules pertaining to the governing of Dog Ridge WSC adopted by the Corporation's Members.

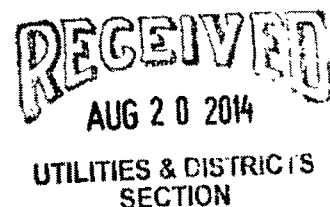
Certificate of Convenience and Necessity (CCN) - The authorization granted under Chapter 13, Subchapter G, of the Texas Water Code for Dog Ridge WSC to provide water utility service within a defined territory. Dog Ridge WSC has been issued Certificate Number 10048. Territory defined in the CCN shall be the Certificated Service Area.

City - A municipal corporation created or organized under the laws of the State of Texas and recognized as such by the Secretary of State of Texas or the Comptroller of Public Accounts.

Commercial Customer - Any Member who consumes water at a business, commercial, or industrial location during the ordinary course of the Member's operations which is intended to produce income. Included in this definition are commercial nurseries, farms, ranches, dairies, and other agricultural operations.

Commission - Texas Commission on Environmental Quality.

Construction Costs - All direct costs (including, but not limited to, labor, materials and professional fees), and other indirect and incidental costs (such as inspection fees, recording fees, costs of flushing new lines, water quality testing, etc.), that are incurred by reason of or directly in connection with the provision of water service to a particular tract of real property.



Corporation - Dog Ridge Water Supply Corporation.

Development Subdivision Fee - A fee assessed of developers for service for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet the customer growth needs of the Corporation.

Developer - Any person or legal entity, public or private, that subdivides any tract of real property into one or more tracts often (10) acres or less, that requests more than two (2) water service connections on a single contiguous tract of land of less than ten (10) acres or as defined in Water Code §13.2502 (e)(1).

Delinquent Account - A Member's water service account that is past due and remains unpaid. A delinquent account is subject to disconnection of service upon notice to the member.

Disconnection of Service - The discontinuance of water service by the Corporation to a Member / Customer.

Easement - A private perpetual dedicated right-of-way upon or over real property for the installation, operation, maintenance, facility upgrades, facility replacements, and/or additions of water pipelines and necessary facilities which allows the Corporation perpetual access to real property. This also includes restrictions on areas adjacent to the easement to limit the installation of sewer lines or other facilities that would restrict or limit the use of any easement held by the Corporation.

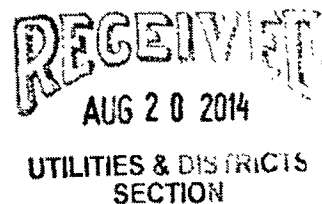
Engineer - A person or entity duly authorized and properly registered under the provisions of the Texas Engineering Registration Act, to practice the profession of engineering.

Farmers Home Administration (FmHA) - An agency of the United States Department of Agriculture.

Final Plat - A complete plan for the subdivision of a tract of land which shall comply with the subdivisions rules and regulations of the County Commissioners' Court of Bell County, Texas or other governmental subdivision having jurisdiction over the land to be subdivided. A final plat shall indicate easements for the placement of all proposed utilities within the subdivision. In its sole discretion, Dog Ridge WSC shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat.

Hazardous Condition - Any condition that jeopardizes the health and welfare of the Members/Consumers of the Corporation, presents any manner of disruption of water service, or presents an actual or potential contamination threat to the Corporation's water service, as determined by the Corporation or a regulatory authority.

Indication of Interest Fee - A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and / or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This fee also applies to applicants applying for, or receiving, Temporary Service.



Installation Fee - The cost of direct materials, labor, and equipment that Dog Ridge WSC incurs when installing a residential meter on an existing distribution main located on the same side of a public thoroughfare as the property to be served is located. Dog Ridge WSC will install a valve box and shut-off valve on the Customer's side of the meter for the customer's use. The installation fee applies only to a new connection and is not retroactive for existing service at any location served by Dog Ridge WSC.

Liquidated Membership - A Membership that has been canceled due to a delinquent account whose delinquent balance exceeds the Membership Fee or for other reasons as specified in this Tariff.

Local Government - A county, city or town (whether such city or town is a home rule or other type of municipal corporation, so long as the entity is recognized by the Secretary of the State of Texas as an incorporated governmental entity or subdivision) and includes the local government's agencies.

Member - Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and has received a Membership in accordance with the Corporation's Tariff.

Membership Certificate - A non-interest bearing stock certificate purchased from the Corporation evidencing a Member's interest in the Corporation.

Membership Fee - A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service and surrendering the Membership Certificate.

Meter - A device or instrument that is used to measure the volume or quantity of water transmitted or transferred into the member's / customer's water supply or service lines. All meters are owned by the Corporation and meters are only available to members.

Meter Test or Testing - A verification or test of a meter performed in accordance with the standards of the American Waterworks Association and performed by an individual or firm accredited by the American Waterworks Association, to determine the accuracy of the meter's recording the actual transmission or transfer of water.

Multi-meter - A Multi-meter is any service connection which:

- (a) has one meter set by the Corporation through which serves more than one residence, and there is only one meter to be read and billed to the Member; or
- (b) has multiple-meters on a single tract of real property for the purpose of each meter serving one residence, and for which there may or may not be a "master meter" through which all potable water is transmitted or transferred. The Member is responsible to the Corporation for

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payment of all potable water supplied to each meter for each month. Where there is a master meter serving the tract of land and there are sub-meters, the Owner shall pay to the Corporation the cost of service as determined and measured by the master meter.

Non-Standard Service Investigation Processing Fee - A fee paid by an Applicant filing of a Non-standard Application for Service with the Corporation as reimbursement of the Corporation's administrative and handling expenses of each request for Non-Standard Service.

Plat - A complete map, plan or schematic for the subdivision of a tract of real property into one or more separate tracts or lots often (10) acres or less for the purposes of sale or lease.

Pressure Regulator - Any mechanical device or instrument designed and used to regulate water pressure located on the discharge side of a meter. No pressure regulator shall be installed without approval by the Corporation and all installations shall be inspected by the Corporation. All pressure regulators are owned and shall be maintained by the Member at the Member's sole expense.

Proof of Ownership - Texas Water Code § 67.016 (d) gives authority to the Corporation to require ownership of real estate designated to receive service as a condition of membership and service. For the purpose of this tariff, applicants for service and membership shall provide proof of ownership presenting a copy of a warranty deed, deed of trust or other recordable instrument indicating the fee simple ownership to real property to be served by the Corporation.

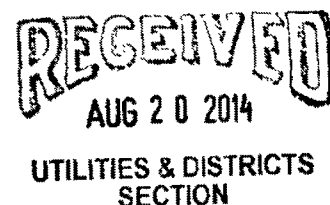
Pro-rated Charge - A fee charged to a Member who has water service less than an entire regular monthly billing cycle. In a month in which the Corporation starts initial service, the charge for the first month's initial service shall be the greater of (a.) the Service Availability Charge divided by thirty (30) and multiplied by the number of days of actual service, or (ii) the actual water usage charge for that month based on metered transmission or transfer of water.

Rural Utilities Service (RUS) - An Agency of the United States Department of Agriculture Rural Development Mission Area that provides loan and grant funds for development of rural water and sewer systems serving communities with a population of less than ten thousand (10,000) people.

Renter - A consumer who rents or leases real property from a Member or who may otherwise be termed a tenant.

Service - The actual delivery or transmission of water to a Member's meter, and includes any act done or performed by the Corporation in accomplishing the delivery or transmission.

Service Availability Charge - (Also known as "minimum monthly charge", "minimum", or the "base rate.") The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the installed meter size.



Service Application and Agreement - A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished by the Corporation.

Service Unit - The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter.

Subdivide - To divide the surface area of a tract or parcel of real property into tracts, parcels or lots of ten (10) acres or less.

Subdivider - An individual or other legal entity that owns any interest in real property and that directly or indirectly subdivides land into tracts often (10) acres or less as a part of a common promotional plan or scheme in the ordinary course of business.

Subdivision - An area of real property that has been subdivided into tracts often (10) acres or less for the purposes sale or lease.

Surrendered Member - A membership which been terminated and that potable water service has been discontinued upon the Member's request and the Member's account is not delinquent.

Surveyor - A person or entity that is licensed as a Registered Public Land Surveyor and is authorized by the State of Texas to practice the profession of surveying.

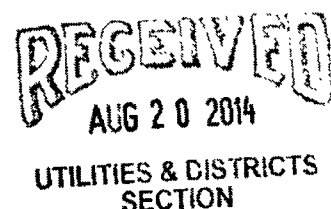
Tariff- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved tariff is on file at the Corporation office and as required since September 1, 1989 at the offices of the Texas Commission on Environmental Quality.

Temporary Service - The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent service (such as agricultural, road construction, drilling, livestock, etc.). Temporary Service is service for ninety (90) days or less. Applicant shall make the required service deposit, must have paid an Application Fee and shall pay all Service Availability Charges accruing during usage.

Texas Commission on Environmental Quality (TCEQ) - State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-profit Water and Sewer Service Corporations.

Transferee - An Applicant receiving a Membership in the Corporation by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity.

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Transferor - A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation.

SECTION D.

GEOGRAPHIC AREA SERVED BY DOG RIDGE WATER SUPPLY CORPORATION

1. **Area Served** - Dog Ridge Water Supply Corporation provides potable water service primarily to unincorporated areas of central Bell County, Texas, generally north of the Lampasas River and Stillhouse Hollow Reservoir to south of Lake Belton. The Corporation also provides water service to areas lying within the municipal boundary of the City of Belton and within the extraterritorial jurisdiction of both the Cities of Belton and Harker Heights, Texas. Pursuant to its certificate of convenience and necessity, the Corporation may provide potable water service to areas that may come within the municipal boundaries or extraterritorial jurisdiction of Nolanville and Salado, Texas.

2. **Map of Service Area** - Dog Ridge Water Supply Corporation maintains a map of its current service area, as filed with and approved by the Texas Commission on Environmental Quality, in the Corporation's business office and which Service Area Map is made a part of this tariff for all purposes.

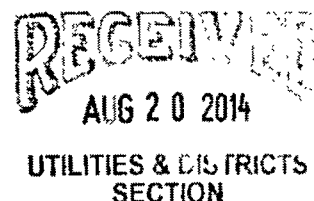
SECTION E.

SERVICE RULES AND REGULATIONS

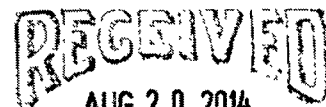
1. **Service Entitlement.** An Applicant shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. No Applicant shall be entitled to water utility service without membership in the Corporation and then only upon full payment of all costs to extend the water utility service to the Applicant's property.

2. **Service Location and Classification.** For the purposes of this Tariff, service requested by an Applicant(s) shall be for real property designated to receive the service provided by the Corporation. Service shall be through a meter located on that designated real property unless otherwise expressly approved by the Board. Service shall be divided into the following two classes:

A.) **Standard Service** is defined as service on an existing distribution pipeline or main to a single family residence where pipeline or service facility extensions are not required and special design or engineering considerations are unnecessary. Typically, this is a 5/8" X 3/4" sized water meter service set on existing distribution pipelines or service main located on the same side of a public roadway or other public thoroughfare as the property requesting service.



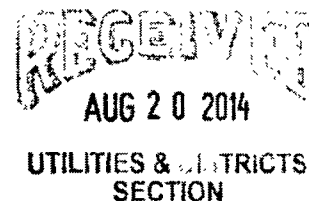
- B.) Non-Standard Service** is defined as any service request which does not meet the requirements for "Standard Service" in the immediately preceding paragraph (e.g. requiring a larger meter service than standard service, service to a Master Metered Account, any addition to the supply, storage and/or distribution system, road bores, etc.). The service requirements as prescribed by Section F of this Tariff shall be required of all Non-Standard Service Applicants prior to providing service.
- C.) Service Requirements.** The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable, in addition to the applicant, any other person having an ownership interest in the real property and receiving service at that property shall also sign the Service Application and Agreement Form. Additionally, all applicants are required to:
- i.) Execute a Right-of-Way Easement Form or other such easement form as required by the Corporation, in its sole and absolute discretion, for the purpose granting the Corporation perpetual access to the Applicant's real property for the purposes of future facility additions and/or servicing existing water distribution facilities.
 - ii.) Provide proof of ownership of the real property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of copy of a recorded warranty deed, substitute trustee's deed, judgment of a court of record, or other recorded documentation showing or indicating an ownership in the real property coupled with a present right of possession of the real property that is requested to receive service.
 - iii.) For service to any tract or parcel of real property that is less than ten (10) contiguous acres, the Applicant shall provide proof to the Corporation that property has been properly subdivided in accordance with the applicable statutes, ordinances, rules or regulations of the local governmental unit having jurisdiction, whether original or extraterritorial, over the property or the Applicant shall provide the Corporation with satisfactory written proof that such property of less than ten (10) acres is not subject to the original or extraterritorial jurisdiction of any local governmental unit.
 - iv.) The Corporation shall consider a master metering service to apartments, condominiums, trailer/RV parks, business centers, industrial facilities, and other similar type enterprises at an Applicant's request, provided the total number of units to be served are all:
 - (a.) owned by the same person or entity, but not including a family unit, (b.) directly inaccessible from or to a public right-of-way, (c.) considered a single or unified commercial enterprise unit (e.g. for single business purpose, similar rental units, or lease purposes), and,



- (d.) it is not feasible or it is cost prohibitive to install individual metering of each separate apartment, condominium, lots or other individually identifiable, discrete rental or lease unit.
- v.) Notice of application approval and costs of service as determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service.
- vi.) If the water main serving the Applicant's real property has been previously located in a public right-of-way due to the current or a previous landowner's refusal to grant the Corporation an easement for the purpose of installing a distribution pipeline or water main and appurtenances, then, prior to receiving any requested service, the Applicant shall grant the Corporation a perpetual easement. In addition to the normally required fees for the type of service requested, the Applicant shall pay or reimburse the Corporation for all costs as are necessary for the removal of the existing water main or distribution line from the public right-of-way and for the relocation of the Corporation's water main or distribution pipeline onto the Applicant's property pursuant to such easement.

3. Activation of Standard Service.

- A.) **New Tap** - The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract signed in advance of installation.
- B.) **Re-Service Where Membership Has Been Liquidated Due to Delinquent Account** - Where the Membership in the Corporation has been liquidated due to a delinquent account and the Corporation's meter has been removed from the property, any later request for service to the property shall be considered to be a "new tap." The Corporation shall charge the Membership Fee, a service installation fee based upon the type of requested service (e.g. standard service or non-standard service), and all other costs necessary to restore the requested service to the property.
- C.) **Re-Service Where Membership Has Not Been Liquidated** - On property where service has been disconnected or discontinued but the Corporation's meter has not been removed and the Membership has not been liquidated, the Corporation shall charge the standard reconnection fee, service availability charge(s) retroactive to the date of disconnection, and all other expenses attributable to restoring the requested service to the property.



- D.) **Performance of Work** - All tap and equipment installations specified by the Corporation shall be completed by Corporation staff or the Corporation's designated representative after all applicable requirements have been met by the applicant. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than ten (10) working days. This time may be extended for the installation of necessary equipment or for expansion of facilities for any Non-Standard Service Request.
- E.) **Inspection of Customer Service Facilities** - The property of the Applicant / Member shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or any successor agency. The customer must, at the customer's sole expense, properly install, inspect, test, maintain and provide all required documentation of any backflow prevention device as required by the Corporation.

5. Activation of Non-Standard Service.

- A.) **Activation of Non-Standard Service** shall be conducted as prescribed by terms of Section F of this Tariff.
- B.) **Re-Service** - The same terms that apply under the Activation of Standard Service Section on Re-Servicing shall also apply to Non-Standard Re-Service requests.

6. **Changes in Service Classification.** If, at any time, the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant / Member to re-apply for service under the terms and conditions of this Tariff. Any Applicant / Member failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff.

7. Membership.

- A.) **Eligibility** - Eligibility for Membership shall not guarantee water utility service to the Applicant or Transferee; however, qualification for water utility service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
- B.) **Membership Certificates** - Upon qualification for water utility service, qualification for Membership, and payment of all required fees, the Corporation shall issue a Membership Certificate to the Applicant. The Membership Certificate provides proof of Membership in the Corporation and shall entitle the Member to one (1) connection to the Corporation's water utility service and one (1) share of Corporation Stock. The Membership Certificate also entitles the Member to one (1) vote in conducting the affairs of any Annual or Special Membership

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Meeting of the Members of the Corporation as prescribed by the Corporation Bylaws. An original or a copy of each Membership Certificate shall be held on file in the Corporation's Office. Ownership of more than one (1) Membership Certificate shall not authorize any Member to cast more than one (1) vote at any annual or special meeting. Each Membership Certificate and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (Texas Water Code 67.016)

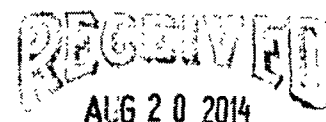
NOTE (1): In the event that the Corporation is conducting a potential Members' survey for indications of interest in future service for the purpose of determining the feasibility of an initial construction or expansion project under RUS guidelines, regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership Certificate) if service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with the Rural Utilities Service or FmHA.

NOTE (2): In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and all required forms are returned to the Corporation. (See Sections C and E, Service Entitlement)

- C.) **No Water Utility Service Without Membership.** Except for Temporary Service, the Corporation shall not provide water utility service to a non-member of the Corporation, to whom a membership has been surrendered and no new membership issued, nor whose membership has been liquidated due to a delinquent account.

8. Transfers of Membership.

- A.) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
- i.) The Membership and real property to which the Membership is attached is transferred by will or by operation of law to a person related to the Transferor within the second degree of affinity or consanguinity; or
 - ii.) The Membership and the real property to which the Membership is attached is transferred without compensation to a person related to the Transferor within the second degree of affinity or consanguinity; or
 - iii.) The Membership is transferred as a part of the conveyance of real property from which the Membership arose or to which the Membership is attached.



- B.) In the event that Membership is transferred pursuant to the provisions of the immediately preceding subsection, such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall not be binding on the Corporation until such transfer has been approved as provided by the following subsection (C).
- C.) Qualifications for service upon transfer of Membership pursuant to the provisions of the immediately two (2) preceding subsections above shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
- (i.) A Transfer Authorization Form has been completed by the Transferor and Transferee;
 - (ii.) The Transferee has completed the required Application Packet;
 - (iii.) All indebtedness due the Corporation has been paid;
 - (iv.) The Membership Certificate has been surrendered, properly endorsed, by the Transferor, a court appointed personal representative of the Transferor or Transferor's estate, or a Lender who has become an owner of the property to which the membership interest is attached by reason of foreclosure of a security interest in that real property or in the membership interest; and,
 - (v.) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
- D.) If the application packet and other information is not completed on the day that transfer of the membership is requested, the Corporation will give the transferee written notice often (10) additional business days to produce completed documentation to the Corporation's office. Service will be disconnected on the day following the tenth (10th) business day according to disconnection with notice requirements. Additional time may be allowed at the discretion of the Board or the manager

9. Cancellation of Membership - To keep a Membership in good standing, a Service Availability Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate prior to termination of service. Rights to future service to the property connected with a surrendered membership shall be extended on an as available basis and shall be subject to the terms of the Activation of Service of this Tariff. (Texas Water Code 67.016) If the Corporation transfers or conveys a portion of its Certificated Area to another entity and the real property to which the Membership is attached is within the area that is transferred or conveyed by the Corporation, then the Membership within the transferred or conveyed area shall be

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cancelled, the Member shall cease to be a Member of the Corporation and the Corporation shall refund the Membership fee to the holder of the Membership.

10. *Liquidation Due To Delinquency* - When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership Certificate, the Corporation may liquidate as many of the Member or Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given. The Corporation shall collect any remaining account balances by initiation of legal action. Reinstatement of service shall be subject to the terms of the Activation of Service of this Tariff.

11. *Cancellation Due To Policy Noncompliance* - The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the real property from which the Membership arose or is attached. (Texas Water Code 67.016)

A.) *Reassignment of Canceled Membership* - The Corporation, upon cancellation of Membership under the provisions of this Tariff, may reassign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to, proof of ownership of the real property from which the Membership arose or is attached. (Texas Water Code 67.016)

B.) *Mortgaging of Memberships* - Nothing herein shall preclude a Member from mortgaging the Member's Membership. However, notification to the holder of any security interest in the real property (mortgagee / lienholder / beneficiary under deed of trust) of the account status of Member / mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Corporation's Membership Mortgage Agreement. If a Membership Mortgage Agreement is entered into, then prior to the cancellation or liquidation of any Membership as provided under the subsection above entitled Cancellation of Membership, the Corporation will notify the holder of a security interest in the Membership. The holder of the security interest in the Membership also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation or liquidation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has become the owner of the real property from which the Membership arose or is attached. The Corporation may withhold cancellation or liquidation of a Membership pending the resolution of any foreclosure proceeding or similar legal proceedings by the holder of the security interest in the real property.

C.) *Cancellation and Re-Assignment of Membership as a Result of Bankruptcy Proceedings* -

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Upon notice of the filing of a petition in bankruptcy, the Corporation may require the posting of a deposit or other form of security, acceptable to the Corporation, as a condition for continuing water utility service. Unless special circumstances require otherwise, the amount of security shall equal the amount of charges for the month of greatest use during the preceding twelve (12) months. The Corporation shall not require the payment of any security prior to the expiration of twenty (20) days following the date on which the petition is filed. Failure to provide this security by the date specified by the Corporation may result in termination of service according to the Disconnection With Notice Provisions of this tariff, with a copy of the notice to the bankruptcy trustee.

- 12.) ***Owners and Renters.*** Any Member renting or leasing real property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due the Corporation. The Corporation may bill the renter or lessee for utility service (at the Member's Request) as a third party, but the Member remains fully responsible for all unpaid bills left by the Member's renter/lessee. The Member/Owner shall be required to sign and agree to the Corporation's Alternate Billing Agreement. The Corporation may notify the Member of the renter's past due payment status subject to assessment of a service charge for the type of notification elected by the Member.

13. ***Denial of Service.*** The Corporation may deny service for the following reasons:

- A.) Failure of an Applicant or Transferee to complete all required forms and pay all required fees and charges;
- B.) Failure of an Applicant or Transferee to comply with this tariff or the rules, regulations, policies, or bylaws of the Corporation;
- C.) Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
- D.) Failure of Applicant or Transferee to provide the Corporation's representatives or employees reasonable access to property for which service has been requested;
- E.) Failure of Applicant or Transferee to comply with all governmental rules and all regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
- F.) Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which service has been requested, and/or
- G.) Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

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14. ***Applicant's or Transferee's Recourse.*** In the event the Corporation refuses to serve an Applicant or Transferee under the provisions of these rules, the Corporation must notify the Applicant, in writing, of the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.

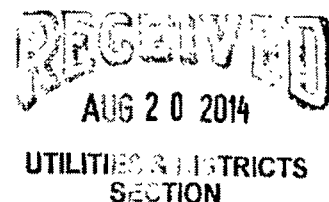
15. ***Insufficient Grounds for Refusal of Service.*** The following shall not constitute sufficient cause for the refusal of service to an Applicant:

- A.) Delinquency in payment for service by a previous occupant of the premises to be served;
- B.) Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;
- C.) Violation of the Corporation's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded a reasonable opportunity to comply with said requirements;
- D.) Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
- E.) Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or attempt to evade payment of a utility bill;
- F.) Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

16. ***Deferred Payment Agreement*** The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. All deferred payment agreements shall be in writing, signed by the Member requesting the deferred payment plan, and shall be approved by the Board of Directors.

17. Charge Distribution and Payment Application.

- A.) **The Service Availability Charge** is for the billing period from the first day of the month to the last day of the month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the first (1st) of the succeeding month for which the charge is due. Each tap shall be subject to this charge whether or not the water utility service is in use by the Member.



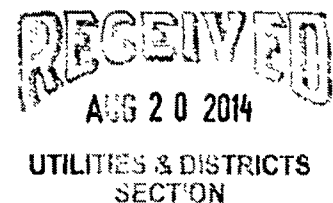
- B.) **Gallage Charge** shall be billed at the rate specified in Section G and billing shall be calculated in one hundred (100) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- C.) **Posting of Payments** - All payments shall be posted against previous balances prior to posting against current billings.

18. Due Dates, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or before the first (1st) day of each month. All bills are considered the responsibility of each person signing the Service Application and Agreement Form. All bills shall be due and payable upon receipt and are past due on the fifteenth (15th) day of each month as indicated on the bill. On the 16th day of each month, a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. A ten (10) day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a Saturday, Sunday or Federally recognized holiday, the past due date for payment purposes shall extend to the next business day the Corporation office is open for business and that is not a Federally recognized holiday after said weekend or holiday. For all disputed payment deadlines, the date received by the Corporation's office shall be deemed to be conclusive.

Upon written request, any residential customer sixty (60) years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings.

19. Rules for Disconnection of Service. The following describes the rules and conditions for disconnection of service.

- A.) **Disconnection with Notice** - Water utility service may be disconnected for any of the following reasons after proper notification has been given:
- i.) **Returned Checks** - The Corporation shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation's office and payment of the returned check service fee. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12-month period shall be considered evidence of bad credit risk



by the Corporation. The Member/Customer in violation shall be placed on a "cash-only" basis for a period of not less than twelve (12) months.

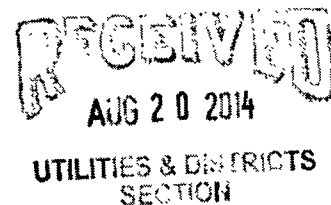
NOTE: "cash only," means certified check, money order, or cash.

- ii.) Failure to pay a delinquent account for utility service, failure to timely provide a deposit or other security under the subsection Cancellation and Re-assignment of Membership as a result of Bankruptcy Proceedings, or failure to comply with the terms of a deferred payment agreement;
- iii.) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;
- iv.) A Member has previously been sent two (2) notices of violations of multiple connections to a single tap, in violation of Subsection 27 of this Section, during any thirty-six (36) month period;
- v.) Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff, Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and the Member has failed to comply within a specified amount of time after notification.
- vi.) Failure to provide access to the meter under the terms of this Tariff or to the real property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
- vii.) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required for the initiation or continuation of water service to the Applicant's or Transferee's real property.
- viii.) Failure of a Member to reapply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
- ix.) Cancellation of Membership by the Member on an account that the Member holds for water service to the Member's renter/lessee, even if the renter/lessee has kept the account balance current under an Alternate Billing Agreement. (Note: The cancellation of membership must be in writing and signed by the Member.) The Corporation assumes no liability to any renter/lessee of any Member. Members renting or leasing real property that receive water service from the Corporation are solely responsible to the Member's renter/lessee for compliance with and liability under any Federal, State or local law.

B.) Disconnection Without Notice - Water utility service may be disconnected without notice for any of the following conditions:

- i.) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law, or there is reason to believe a

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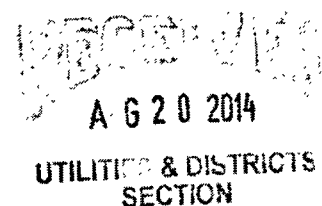
- dangerous or hazardous condition exists and the Member refuses to allow access to the Corporation for the purpose of determining the existence of such condition and/or abating the dangerous or hazardous condition (30 TAC 290.46 (j)); or
- ii.) Service is connected without the Corporation's authority by a person who has not made application for service or who has reconnected service without the Corporation's authority following termination of service for nonpayment; or
 - iii.) In instances of tampering or attempting to tamper with the Corporation's meter or equipment, bypassing the Corporation's meter or equipment, or other diversion of service.

NOTE: Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected without notice.

C.) Disconnection Prohibited - Utility service may not be disconnected for any of the following reasons:

- i.) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
- ii.) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
- iii.) Failure of the Member to pay charges arising from an under-billing occurring due to any misapplication of rates more than six (6) months prior to the current billing;
- iv.) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;
- v.) Failure of the Member to pay charges arising from an under-billing due to any faulty metering, unless the meter has been tampered with or unless such under-billing charges are due under the Inoperative Meters subsection of this tariff; and,
- vi.) Failure of the Member to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control.

D.) Disconnection on Holidays and Weekends - Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.



E.) Disconnection Due to Utility Abandonment - The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Commission on Environmental Quality.

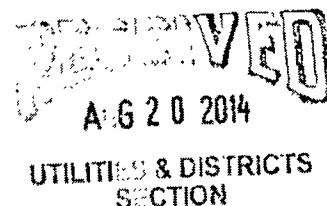
F.) Disconnection for Ill and Disabled - The Corporation may not discontinue service to a delinquent Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this Subsection, the Member must have the attending physician contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the Corporation and Member's physician. The Member shall enter into a Deferred Payment Agreement.

G.) Disconnection of Master Metered Accounts and Non-Standard Services - When a bill for water utility services is delinquent for a master metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply: (30 TAC§ 291.126)

- i.) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
- ii.) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post notices, stating "Termination Notice," in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
- iii.) The tenants may pay the Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.

H.) Disconnection of Temporary Service - When an applicant with a Temporary Service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff service may be terminated with notice.

20. Billing Cycle Changes. The Corporation reserves the right to change its billing cycles if the workload requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.



21. *Backbilling.* The Corporation may backbill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. Backbilling shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided in this Section.

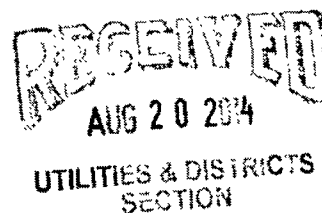
22. *Disputed Bills,* In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on the disputed bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee.

23. *Inoperative Meters,* Water meters found to be inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless bypassed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

24. *Bill Adjustment Due To Meter Error,* The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test.

25. *Meter Tampering and Diversion,* For purposes of this Section, meter tampering, bypassing, or diversion shall all be defined as tampering with the Corporation's service equipment, bypassing the same, or other instances of diversion, such as, but not limited to:

removing a locking or shutoff device used by the Corporation to discontinue service,
installation of any device, including an unauthorized meter, for the purposes of receiving water without complying with the requirements for service or re-service as set forth in this Tariff,
physically disorienting the meter,
attaching objects to or upon the meter to divert service, to bypass the meter or attempt to cause the meter to improperly register or record water usage,
inserting any object into the meter, or



any other electrical and mechanical means of tampering with, bypassing, or diverting service or causing the meter to improperly register or record.

The burden of proof of meter tampering, bypassing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter tampering as provided for in this Section is initiated. A court finding of meter tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the fullest extent allowed by law.

26. *Meter Relocation.* Relocation of service shall be allowed by the Corporation provided that:

- A.) No transfer of Membership is involved and there is no change of ownership of the real property to which the membership has attached is being transferred;
- B.) An easement for the proposed relocation has been previously granted to the Corporation;
- C.) The Member pays the actual cost of relocation plus administrative fees; and
- D.) Service capacity and availability is available at proposed relocation.

27. *Prohibition of Multiple Connections To A Single Tap.* No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home / RV park to apply as a "Master Metered Account" and have a single meter. Any unauthorized sub-metering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff. If service has been discontinued pursuant to the provisions of Subsection 19(A)(iv) of this Section, the Corporation shall only restore service if: (1) the Member purchases and an additional tap is installed for each residence, commercial building or industrial facility located on the real property where service has been disconnected; (2) the Member pays the reserved service charges for any required additional tap(s) retroactive to the date the Corporation first gave notice to the Member of multiple connections to a single tap; (3) the Member demonstrates compliance with all applicable laws, ordinances, rules and regulations imposed by any governmental entity or subdivision having or exercising jurisdiction over the Member's real property; and (4) an Inspection of Customer Service Facilities shall have been satisfactorily performed.

28. *Member's Responsibility.*

- A.) The Member shall provide access to the meter as provided in the Service Agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and the Corporation shall send a notice to the effect that



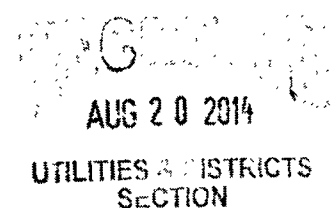
access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice to the Member.

B.) The Member shall be responsible for compliance with all state and local utility codes, ordinances, and regulations concerning on-site service and plumbing facilities.

- i.) All connections shall be designed to ensure against backflow or siphonage into the Corporation's water distribution system. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC § 290.46)**
- ii.) The use of pipe and pipe fittings containing more than 8.0% lead or solder and flux containing more than 0.2% lead is prohibited for any plumbing installation or repair of any facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TAC § 290.46)**

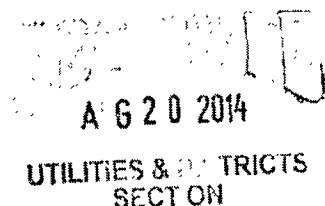
Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.

- C.) A Member owning more than one (1) Membership Certificate shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable pursuant to the Service Application and Agreement executed by the Member.**
- D.) The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.**
- E.) The Corporation shall require each Member to have a cutoff valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure and water supply. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. (This additional cut-off valve may be installed as a part of the original meter installation by the Corporation.)**



SECTION F.**DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS**

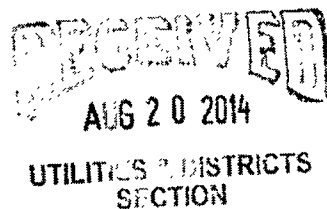
1. ***Corporation's Limitations.*** All Applicants shall recognize that Dog Ridge Water Supply Corporation must comply with Federal, state and local laws, rules and regulations as promulgated from time to time, and with covenants in the current indebtedness of the Corporation. Dog Ridge WSC is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property has failed to comply with the terms of this policy. Texas Water Code § 13.2502 requires that notice be given herein or by publication or by alternative means to all Developers/Applicants.
2. ***Purpose.*** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions are determined including the Applicant's / Developer's and Dog Ridge WSC's respective costs.
3. ***Application of Rules.*** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are or will be required to furnish water service. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when Dog Ridge WSC extends its indebtedness. The Board of Directors of Dog Ridge WSC shall apply this Section on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
4. ***Non-Standard Service Investigation /Application.*** The Applicant shall meet the following requirements prior to the initiation of a Service Contract by DRWSC:
 - A.) The Applicant shall provide Dog Ridge Water Supply Corporation with a fully completed Service Application and Agreement giving special attention to the item on "SPECIAL SERVICE NEEDS OF THE APPLICANT" section of the Agreement.
 - B.) A final plat, as approved by Dog Ridge Water Supply Corporation, must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising or having jurisdiction over lot sizes, sewage or septic control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of actual or estimated demand requirements.



- C.) At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal and engineering fees shall be paid to Dog Ridge WSC. The Applicant shall pay the balance of actual expenses, if any, incurred as a result of efforts by Dog Ridge WSC to study service requirements within fifteen (15) days of Dog Ridge WSC's submission of additional expenses to Applicant. Applicant's failure to pay or reimburse Dog Ridge WSC for the additional expenses shall result in the automatic rejection of the Application for service and immediate termination of the application process. Any Nonstandard Service Investigation Fee not expended by Dog Ridge WSC shall be refunded to the Applicant.
- D.) If, after the service investigation has been completed, Dog Ridge WSC determines that the Applicant's service request is for real property outside the area described in Dog Ridge WSC's Certificate of Convenience and Necessity, service may be extended provided that:
- i. The service location is contiguous to or within one-fourth (1/4th) mile of Dog Ridge WSC's Certificated Service Area;
 - ii. The service location is not in an area receiving similar service from another utility;
 - iii. The service location is not within the area of another utility's Certificate of Convenience and Necessity; and
 - iv. If Dog Ridge WSC extends service under these conditions, the Applicant shall fully support any subsequent efforts by Dog Ridge WSC to amend its Certificate of Convenience and Necessity to include the applicant's property within Dog Ridge WSC's certificated service area.

5. Design. Dog Ridge WSC shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:

- A.) Dog Ridge WSC's Consulting Engineer shall design all service facilities for the Applicant's requested service within Dog Ridge WSC's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service. Applications for water utility service which lie within the extraterritorial jurisdiction of a municipality shall comply with all of the rules, regulations and ordinances of the municipality. All line extensions, service mains, distribution main extensions, main extensions and the like will be a minimum of eight inch (8") lines or sufficiently larger size to provide for future expansion of the water supply systems and for the possible future provision of fire service. All subdivisions shall be master-metered on the service main with an appropriate sized meter and vault for the subdivision. All subdivisions shall provide for adequate rights-of-way for Dog Ridge WSC's maintenance of and any future expansion or upgrade of water facilities.
- B.) Dog Ridge WSC's Consulting Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If Dog Ridge

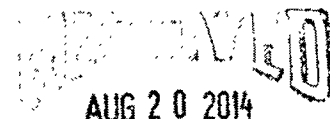


WSC's Consulting Engineer's fees for services exceed the allotted fee, the Applicant shall pay the balance of the engineering fees prior to commencing with the service investigation.

- C.) Dog Ridge WSC's Consulting Engineer shall submit to Dog Ridge WSC a set of detailed plans, specifications, and cost estimates for the proposed project. No appeal of any decision or declaration of the Consulting Engineer regarding design of service facilities or the requirements of such service facilities shall be available to any Applicant unless the Applicant shall first present the written opinions of three (3) registered professional engineers that unequivocally states that Dog Ridge WSC's Consulting Engineer's decision or declaration is arbitrary, capricious, not supported by any known or recognized engineering principals and can never be in the best interests of Dog Ridge WSC for future facilities expansion or the provision of additional water utility services (including future or potential fire service).
- D.) If no governmental authority imposes other design criteria on the Applicant's service request, Dog Ridge WSC's Consulting Engineer shall design all facilities for any Applicant to meet the demand for service as requested in the plans or plat submitted in the application for service so long as all estimated future water utility service demands and potential demands for water service (including fire service) are deemed unnecessary by both Dog Ridge WSC's consulting engineer, Dog Ridge WSC's system manager and Dog Ridge WSC's Board of Directors.

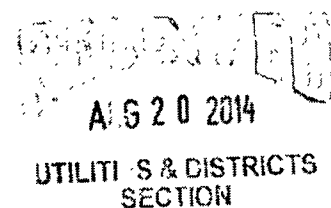
6. Non-Standard Service Contract. All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by Dog Ridge WSC's Attorney, in addition to submitting Dog Ridge WSC's Service Application and Agreement. The Non-Standard Service Contract shall define the terms of service prior to the beginning of any construction of required service facilities. Guidelines for the Non-Standard Service Contract shall include, but are not limited to:

- A.) Applicant's payment of all costs associated with required administration, design, construction, engineering, installation, surveying, and inspection of facilities for water service to the Applicant's service area and the terms by which these costs are to be paid. Only Dog Ridge Water Supply Corporation's Consulting Engineer shall design the service facilities. All line extensions, service mains, distribution main extensions, main extensions and the like will be a minimum of eight inch (8") lines or sufficiently larger size to provide for future expansion of the water supply systems and the possible future provision of fire service. Any subdivision or plat of a subdivision with or containing a lot size of less than ten (10) acres shall be master-metered on the service main with appropriate sized meter, meter vault, etc. for the subdivision.
- B.) Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the proposed project.
- C.) Applicant's payment of a Front-end Capital Contribution as set by Dog Ridge WSC's Board in addition to all other costs required under this Section.



- D.) The amount of costs incurred by the Corporation to reserve service facilities or to provide adequate services facilities (i.e., raw water purchases from the State of Texas, expansion of treatment facilities, etc., including the lead time that the Corporation may incur such charges shall apply as applicable to the service request).
- E.) Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact that the Applicant's service request will have upon Dog Ridge WSC's system capability to meet any other known or contemplated future or further service requests.
- F.) Terms by which DRWSC shall administer the Applicant's project with respect to:
- i. Design of the Applicant's service facilities;
 - ii. Securing and qualifying bids for the construction of facilities or improvements with an estimated cost in excess of twenty-five thousand dollars (\$25,000.00);
 - iii. Execution of the Service Agreement;
 - iv. Selection of a qualified bidder for construction;
 - v. Dispensing advanced funds for construction of facilities required for the Applicant's service;
 - vi. Inspecting construction of facilities; and
 - vii. Testing facilities and closing the project.
- G.) The Applicant shall indemnify Dog Ridge WSC from all third party claims or any lawsuit(s) in connection with the project contemplated by procurement of a payment bond issued by an insurer admitted and licensed to do business within the State of Texas and shall be rated not less than A+ by Best Rating Service or AA by Standard and Poor's Rating Service.
- H.) Terms by which the Applicant shall deed all constructed facilities to Dog Ridge WSC and by which Dog Ridge WSC shall assume operation and maintenance responsibility, including any enforcement of warranties, in connection with construction of the Applicant's project.
- I.) Terms by which the Applicant shall grant title or easements for right-of-ways, constructed facilities, facility sites, and/or terms under which the Applicant shall provide for the securing of required right-of-ways and sites for Dog Ridge WSC's usage and enjoyment.
- J.) Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

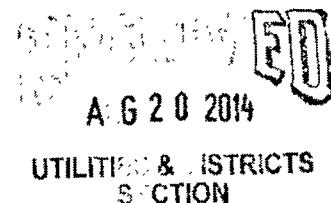
7. Property and Right-of-Way Acquisition. With regard to construction of facilities, Dog Ridge WSC shall require right-of-way easements or the acquisition of private property for Dog Ridge WSC by the Applicant under the following conditions:



- A.) If Dog Ridge WSC determines that right-of-way easements or that facility sites outside the Applicant's property are required, Dog Ridge WSC shall require the Applicant make and demonstrate good faith efforts to secure easements or title to facility sites on behalf of Dog Ridge WSC. All right-of-way easements and property titles shall be researched, validated, and filed by Dog Ridge WSC at the sole expense of the Applicant.
- B.) All facilities required to be installed in any public right-of-ways on behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to any private right-of-way, or subject to the cost of installation under condemnation procedures, as decided by the Board of Directors of Dog Ridge WSC, in their sole and absolute discretion
- C.) Dog Ridge WSC shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by Dog Ridge WSC) and title to property required for other on-site facilities. If property is to be conveyed to Dog Ridge WSC, Applicant shall provide an appropriate title policy to Dog Ridge WSC in an amount not less than the Applicant's purchase price of the acquired property, on a per acre or per tract basis, whichever is less plus the costs of the required on-site facilities.
- D.) Easements and facilities sites shall be prepared for the construction of Dog Ridge WSC's pipeline and facility installations in accordance with Dog Ridge WSC's requirements and at the sole expense of the Applicant.

8. Bids for Construction. Dog Ridge WSC's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although Dog Ridge WSC reserves the right to reject any bid or contractor, Dog Ridge WSC shall generally award the contract to the lowest and best bidder in accordance with the following criteria:

- A.) The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall deposit with Dog Ridge WSC all estimated costs in advance of construction associated with the project;
- B.) The Contractor shall provide an adequate bid bond under terms acceptable to Dog Ridge WSC;
- C.) The Contractor shall secure adequate performance and payment bonding for the project from an insurer rated at least A+ (Best's Rating) or AA (Standard and Poor's Rating Service) in the minimum amount of the bid and under such other terms as are acceptable to Dog Ridge WSC;
- D.) The Contractor shall supply not less than three (3) favorable references acceptable to Dog Ridge WSC;



E.) The Contractor shall qualify with Dog Ridge WSC as competent to perform and complete the work in a good and workmanlike manner; and,

F.) The Contractor shall provide adequate certificates of insurance as required by Dog Ridge WSC.

9. *Pre-Payment for Construction and Service.* After the Applicant has executed the Service Agreement, the Applicant shall pay to Dog Ridge WSC all costs necessary for completion of the project prior to initiation of construction and in accordance with the terms of the Service Contract.

10. *Construction.*

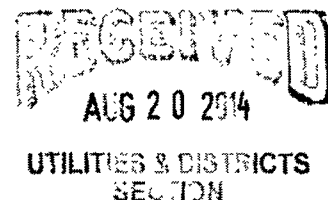
A.) All roadwork pursuant to state, county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

B.) Dog Ridge WSC shall, at the expense of the Applicant, inspect the facilities to ensure that Dog Ridge WSC standards are achieved.

C.) Construction plans and specifications shall be strictly adhered to, but Dog Ridge WSC reserves the right to change any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts as the result of any change in specifications or construction of facilities shall be charged to the Applicant and Applicant will promptly pay to Dog Ridge WSC the amount of the change order.

D.) Until the Applicant has conveyed the easements, right-of-ways, constructed facilities and facility sites to the Corporation, the Applicant shall pay for all water usage metered by the subdivision's master meter (which is required to be installed for water utility service to any proposed subdivision containing less than a ten (10) acre tract) at the rate then in effect for the amount of water used for that billing period). The Corporation shall read and bill the master meter monthly to the Applicant and the Applicant shall not be entitled to water service to any part of the subdivision if a delinquent bill shall be or remain outstanding.

11. *Service within Subdivisions* - Dog Ridge WSC's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchasers of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to Dog Ridge Water Supply Corporation but may have recourse to the Applicant/Developer.



SECTION G.**RATES AND SERVICE FEES**

Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be nonrefundable. All rates, fees, and charges stated in this Section shall be effective on the first day of the next calendar month following sixty (60) days from the date of approval by the Board of Directors.

1. *Service Investigation Fee.* The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:

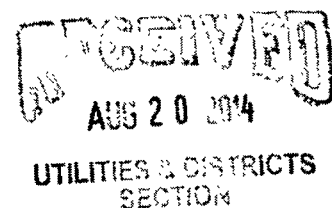
A.) **Standard Service Request** - A Standard Service request shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) business days (excluding federal and state holidays) of the filing of a completed application with the Corporation.

B.) **Non-Standard Service Request** - A non-refundable Non-Standard Service Investigation Processing Fee of one hundred fifty dollars (\$150.00) shall be submitted with each Non-standard Service request. The Non-Standard Service Investigation shall only determine if the Corporation's current facilities are adequate to service the requested Non-Standard Service and if the Corporation has current availability of sufficient treated water sources to furnish the requested Non-Standard Service.

C.) **Facilities Planning and Determination Fee** - All Non-Standard Service requests shall also be subject to a Facilities Planning and Determination Fee, appropriate to each request, in a sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to:

- i.) provide cost estimates of furnishing water service to applicant's property, project or subdivision;
- ii.) to prepare detailed plans and specifications pursuant to Applicant's final plat;
- iii.) to advertise and accept bids for the construction of any required facilities to serve the applicant's property, project or subdivision;
- iv.) to prepare a Non-Standard Service Contract for the Applicant; and,
- v.) to provide other services required by the Corporation for such investigation.

A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)



2. **Membership Fee.** At the time the application for service is approved, anon-refundable Membership Fee must be paid before service shall be provided to the Applicant by the Corporation. The Membership Fee for water service is TWO HUNDRED DOLLARS (\$200.00) for each service unit or tap.

3. **Easement Fee.** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such rights-of-way or easements in addition to tap fees and all other fees otherwise required pursuant to the provisions of this Tariff. The costs may include legal fees and expenses necessary to secure or attempt to secure right-of-way, easements and/or facilities sites on behalf of the Applicant or in furnishing service to the Applicant.

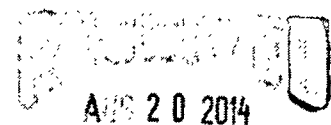
4. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:

A.) **Standard Service Installation Fee** - A Standard Service Installation Fee of one thousand six hundred fifty dollars (\$1,650.00) shall be charged for initial 5/8" X 3/4" meter standard residential service tap and includes all labor, materials, engineering, legal, initial customer service inspection, and administrative costs necessary to provide individual metered water service to a single family residence and shall be charged on a per meter basis. This fee includes the installation of a Dog Ridge WSC meter on the same side of the public road or other publicly dedicated thoroughfare as the location of Dog Ridge WSC's service main or service facility. Dog Ridge WSC will additionally install a ball valve and valve box on the customer's side of the meter for the customer's use. Installation of a ball valve and valve box applies only to new connections and is not retroactive.

B.) **Non-Standard Service Fee** - Shall include any and all construction labor and materials, inspection, administration, legal and engineering fees, as determined by the Corporation under Section F of this Tariff. In no event shall the Non-standard service fee be less than one thousand seven hundred fifty dollars (\$2,000.00).

C.) **Standard and Non-Standard Service Installations** - Shall include all costs of any pipeline relocations, road bores, and extensions of service facilities or lines as set forth in Section E of this Tariff.

5. **Equity Buy-In Fee.** The Board of Directors may, in addition to the Membership Fee, adopt an "equity buy-in fee" which shall provide that each Applicant for non-standard service shall be required to achieve parity with existing Members by contributing capital in an amount projected to defray the cost of upgrading system facilities to meet growth demands created by adding customers to Dog Ridge WSC's water distribution system. This fee shall be assessed immediately prior to providing or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested. The formula applied to such fee shall be determined



annually by the Board of Directors after receipt of the system audit and shall be calculated as follows:

Total Assets of the Corporation (+)
 minus (-) Accumulated Depreciation
 minus (-) Outstanding Corporation Debt Principal
 minus (-) Developer Contributions to the Corporation
 minus (-) Grants received by the Corporation
 divided by Total Number of Existing Members / Customers
 equals – Average Net Equity Buy-In Fee

6. Monthly Charges.

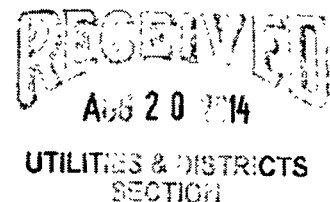
A.) **Service Availability Charge** - The monthly charge for metered water service is based upon meter size and does not include allowable gallonage. The Service Availability Charge is assessed monthly and is based on the number of 5/8" X 3/4" meters (as per American Water Works Association) maximum continuous flow specifications equivalent to the size indicated. Rates and equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$ 35.00
3/4"	1.5	\$ 49.50
1"	2.5	\$ 82.50
1 1/2"	5.0	\$165.00
2"	8.0	\$264.00
3" DISP.	9.0	\$297.00
3" CMPD.	16.0	\$528.00
3" TURB.	17.5	\$577.50

A pro-rata monthly rate will be charged on the date when service is established (based upon a 30 day month) and shall continue for each month or portion of a month that service remains available.

B.) **Gallonage Charge** - In addition to the Service Availability Charge, a gallonage charge shall be added at the following rates for usage during any one (1) billing period.

Gallons Used or Metered	Charge per 1,000 Gallons
0 to 5,000	\$4.57
5,001 to 10,000	\$4.72
10,001 to 15,000	\$4.87



15,001 to 20,000	\$5.02
20,001 to 25,000	\$5.17
25,001 to 30,000	\$5.32
30,001 to 35,000	\$5.47
35,001 to 40,000	\$5.62
40,001 to 45,000	\$5.77
45,001 to 50,000	\$5.92
Over 50,001	\$6.07

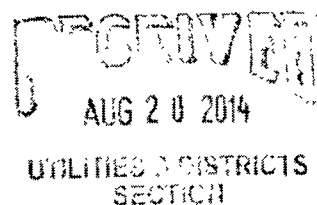
C.) Regulatory Fee - As required by Texas Water Code § 5.235, the Corporation shall collect from each of its retail customers a regulatory assessment equal to one-half of one percent (.5%) of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges imposed under Section G, Subsection 6, Monthly Charges, of this tariff. (30 TAC 291.76 d.(3)(i))

7. Construction Water or Temporary Service - In addition to any other fees applicable pursuant to this Tariff, when Temporary Non-Standard Service is requested for construction purposes, a deposit of two thousand dollars (\$2,000.00) is required from each applicant for Temporary Non-Standard Service. Any deposit under this subsection shall be applied only to monthly service charges and gallonage charge. No Temporary Service shall be provided to any Applicant for a continuous time period in excess of ninety (90) days.

8. Late Payment Fee - Once per billing period, a penalty of fifteen dollars (\$15.00) or five percent (5%) of the delinquent bill, whichever amount shall be the greater, shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

9. Owner Notification Fee - The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$10.00 per notification, if the owner requests notice by regular mail, or \$20.00 per notification, if the owner requests notice by certified mail. Any Member requesting notice of a renter/lessee delinquent account shall have filed an Alternative Billing Agreement for Rental Accounts with the Corporation and shall have elected a method of notification in that Agreement. The Corporation shall enter upon the Member's account records the date upon which notice was mailed, the type of mailed notice and charge for the notice. The facts of the giving and mailing of notice contained in the Corporation's records shall be conclusive proof thereof irrespective of whether the Member receives or received the notice or did not receive the notice.

10. Mortgage/Guarantor Notification Fee - The Corporation shall assess a fee of \$10.00 for each notification by regular mail or \$20.00 for each notification by certified mail to a Membership lienholder under agreement prior to Membership cancellation. A lienholder shall have entered into and filed with the Corporation a Membership Mortgage Agreement and shall have elected a method of notification in



that Agreement. The Corporation shall enter upon the Member's account records the date upon which notice was mailed, the type of mailed notice and charge for the notice. The facts of the giving and mailing of notice contained in the Corporation's records shall be conclusive proof thereof irrespective of whether the Mortgagee/Guarantor receives or received the notice or did not receive the notice.

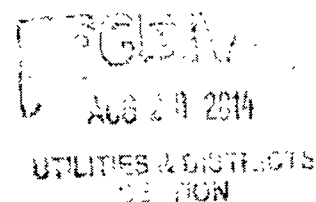
11. Returned Check Fee - In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or nonnegotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of thirty dollars (\$30.00).

12. Reconnect Fee - The Corporation shall charge a fee of seventy-five dollars (\$75.00) for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service or re-service as provided under Section E, Re-Service.

13. Service Relocation Fee - A fee of ninety-five dollars (\$95.00) plus the actual cost of relocating the member's meter, will be charged to relocate a member's meter elsewhere on the member's property if the relocation is within Dog Ridge WSC's service area and only if there is no change of membership, no change in ownership of the property to which the membership is attached and the member has granted DRWSC any easements necessary for operation of Dog Ridge WSC's water delivery systems or facilities.

14. Service Trip Fee - The Corporation shall charge a trip fee of one hundred dollars (\$100.00) for any service call or trip to the Member's tap as a result of a request by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities) or for the purpose of disconnecting or collecting payment for services.

15. Equipment Damage Fee - If the Corporation's facilities or equipment have been damaged by tampering, bypassing, installing unauthorized taps, reconnecting service without authority, or other service diversion, in addition to applicable Service Trip Fee(s), a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions (including estimated gallonage charges for unmetered or unregistered water usage). The total amount of the fees shall be charged and paid before service is reestablished. If the Corporation's equipment has not been damaged, in addition to applicable Service Trip Fees, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged (including estimated gallonage charges for unmetered or unregistered water usage). All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shutoff valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.



16. Customer History Report Fee - A fee of five dollars (\$5.00) shall be charged to provide a copy of the Member's record of past water purchases during the thirty-six (36) month period preceding the date of the request for the Customer History Report. A Member's request for the Member's record of past water purchases exceeding the previous thirty-six (36) month period shall be incur research fees at the rate of thirty-nine dollars (\$39.00) per hour of staff time required to research and compile the Member's record of past water purchases exceeding the most recent thirty-six (36) months' billings.

17. Meter Test Fee - The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of one hundred fifty dollars (\$150.00) shall be imposed on the affected account.

18. Transfer Fee - An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of thirty-five dollars (\$35.00).

19. Membership Certificate Copy Fee - A fee of five dollars (\$5.00) will be charged to provide a duplicate copy of the Membership Certificate.

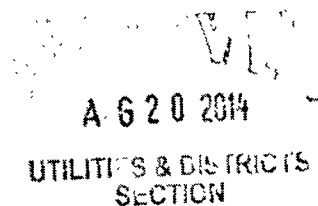
20. Non-Disclosure Fee - A fee of five dollars (\$5.00) shall be assessed any customer requesting in writing that personal information under the terms of this tariff not be disclosed to the public.

21. Information Disclosure Fee - All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Open Records Act: Chapter 552, Texas Government Code.

22. Customer Service Inspection Fee - A customer service inspection fee will be assessed each Applicant before permanent continuous service is provided to new construction. The customer service fee shall be fifty dollars (\$50.00) for each other structure to be connected.

23. Franchise Collection Fee. If, at anytime, a municipality imposes a franchise fee or tax upon Dog Ridge WSC for customers located inside the corporate limits of a city that imposes a franchise tax, Dog Ridge WSC shall additionally impose that franchise fee or tax upon the individual Member or account which gives rise to such franchise fee or tax.

24. Other Fees. All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.



SECTION H.**DROUGHT CONTINGENCY AND EMERGENCY
WATER DEMAND MANAGEMENT PLAN**

1. Declaration of Policy, Purpose and Intent In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, fire protection, and to protect and preserve the public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Dog Ridge WSC adopts these regulations and restrictions on the delivery and consumption of water through resolution.

2. Public Involvement. Opportunity for the public to provide input into the preparation of the Plan was provided by the Board by scheduling and providing public notice of a meeting to accept the public's and our customers' input on the Plan. In the adoption of this plan, the Board considered all comments.

3. Public Education. The Corporation will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of notices upon the customers' utility bills, inserts enclosed with utility bills and/or public press releases.

4. Coordination with Regional Planning Groups. The service area for the Corporation is located within the jurisdiction of the Brazos River Authority and a copy of this Plan has been provided to them as well as Central Texas Water Supply Corporation.

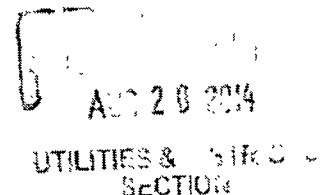
5. Authorization. The General Manager is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The General Manager, of his or her designee, shall have the authority to initiate drought or other water supply emergency response measures as described in this Plan.

6. Application. The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by Dog Ridge Water Supply Corporation. The terms "person" and "customer" as used in this Plan includes individuals, corporations, partnerships, associations, and all other legal entities.

7. Definitions. For the purposes of this Plan, the following definitions shall apply:

Aesthetic Water Use - water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and Institutional Water Use - water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail



establishments, hotels and motels, restaurants, and office buildings.

Conservation - those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer - any person using water supplied by Dog Ridge Water Supply Corporation.

Domestic Water Use - water use for personal needs, for household needs, or for sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even Numbered Addresses - street addresses, box numbers or rural postal route numbers ending in 0,2,4,6, or 8, and those locations that do not have or have not been assigned a street address.

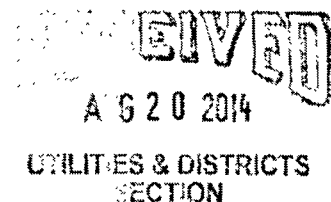
Industrial Water Use - the use of water in processes designed to convert materials of lower value into forms having a greater usability and value.

Landscape Irrigations Use - water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential Water Use - water uses that are not essential nor required for the protection of the public health, safety and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except as provided in this plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice of directing the repair of such leak(s); and,

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- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd Numbered Addresses - street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7 or 9.

8. Criteria for Initiation and Termination of Drought Response Stages. The General Manager shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based upon known system capacity limits and the level of the raw water sources for treatment.

Stage 1 Triggers - Mild Water Shortage Conditions

Requirements for Initiation - Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section Seven (7) - Definitions, when:

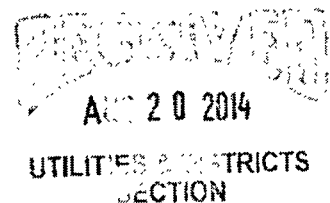
- When notification is received requesting initiation of Stage 1 of the Drought Contingency Plan from any wholesale water supplier to Dog Ridge WSC; or
- Continually falling treated water reservoir levels which do not refill above eighty (80%) for three (3) consecutive days; or
- Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month; or
- There is an extended period (of at least eight (8) weeks) of low rainfall and daily use has risen 20 percent above the use for the same period during the previous year.

Requirements for Termination - Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days.

Stage 2 Triggers - Moderate Water Shortage Condition

Requirements for Initiation - Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section 9 of this Plan when:

- Water consumption has reached ninety percent (90%) of the amount available for three consecutive days.



- The water level in any of the Corporation's water storage tanks cannot be replenished for three (3) consecutive days.
- Failure of a major component of the Corporation's system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of twenty-four (24) hours or longer.
- Reduction of any wholesale water supply due to drought conditions.
- Other unforeseen events which could or does cause imminent health or safety risks to the public.

Requirements for Termination - Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination for Stage 2, Stage 1 becomes operative.

Stage 3 Triggers - SEVERE Water Shortage Conditions

Requirements for Initiation - Customers shall be required to comply with the requirements and restrictions on certain nonessential water uses for Stage 3 of this Plan when

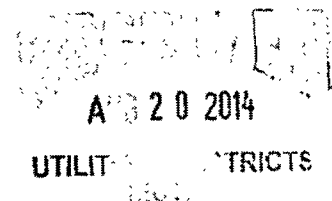
- Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
- The level in the water storage tanks continues to decline for three (3) consecutive days.
- The declaration of a state of disaster due to drought conditions in Bell County.

Requirements for termination - Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Stag 4 Triggers - CRITICAL Water Shortage Conditions

Requirements for initiation - Customers shall be required to comply with the requirements and restrictions on certain nonessential water uses for Stage 4 of this Plan when:

- Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one contiguous forty-eight (48) hour period.
- Natural or man-made contamination of the water supply source(s).



Requirements for termination - Stage 4 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for period of three (3) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

Stage 5 Triggers - EMERGENCY Water Shortage Conditions

Requirements for initiation - Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when the general manager, or his/her designee, determines that a water supply emergency exists based on:

- Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or
- Natural or man-made contamination of the water supply source(s).

Requirements for termination - Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of forty-eight (48) consecutive hours.

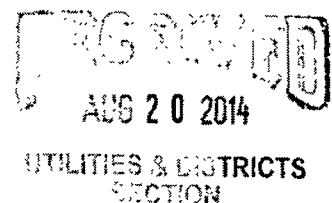
Stage 6 Triggers - WATER ALLOCATION

Requirements for initiation - Customers shall be required to comply with the water allocation plan prescribed in Section 9 of this Plan and comply with the requirements and restrictions for Stages 4 and 5 of this Plan when:

- Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one consecutive seventy-two (72) hour period.
- Natural or man-made contamination of the water supply source(s).
- Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service

Requirements for termination - Water allocation may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of forty-eight (48) consecutive hours.

9. Drought Response Stages. The general manager, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section Eight of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:



Notification

Notification to the Public: The general manager or his/her designee shall notify the public by means of:

direct mail to each customer, public
service announcements, and signs
posted in public places.

Additional Notification: The general manager or his/her designee shall notify directly, or cause to be notified directly, the following individuals and entities:

Fire Chief(s) - Stage 3 or above
County Emergency Management Coordinator - Stage 3 or above
TCEQ (when mandatory restrictions are imposed) - Stage 4 or above
County Judge - Stage 4 or above
Bell County Department of Health - Stage 4 or above

Stage 1 Response - MILD Water Shortage Conditions

Target: Achieve a voluntary six percent (6%) reduction in daily water demand.

Best Management Practices for Supply Management: Reduced flushing of water mains.

Voluntary Water Use Restriction for Reducing Demand:

- a.) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in a even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight to 6:00 a.m. and 9:00 p.m. to midnight on designated watering days.
- b.) All operations of the Dog Ridge Water Supply Corporation shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
- c.) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Response - MODERATE Water Shortage Conditions

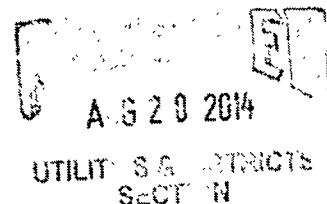
Target: Achieve a twelve percent (12%) reduction in daily water demand.

Best Management Practices for Supply Management: Discontinue flushing of water mains and

discontinue irrigation of public landscaped areas.

Water Use Restrictions for Demand Reduction: The following water use restrictions shall apply to all persons:

- a.) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in a even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 8:00 a.m. and between 9:00 p.m. until 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- b.) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 9:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- c.) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 8:00 a.m. and between 9 p.m. and 12:00 midnight.
- d.) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e.) Use of water from hydrants shall be limited for fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from Dog Ridge WSC.
- f.) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 8:00 a.m. However, if the golf course utilizes a water source other than that provided by Dog Ridge WSC, the facility shall not be subject to these regulations.



- g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- h) The following uses of water are defined as non-essential and are prohibited:
 - i. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - ii. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - iii. use of water for dust control;
 - iv. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - v. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

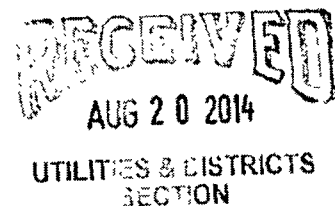
Stage 3 Response - SEVERE Water Shortage Conditions

Target: Achieve a twenty-four percent (24%) reduction in daily water demand.

Best Management Practices for Supply Management: Dog Ridge Water Supply Corporation shall manage limited water supplies and/or reduce water demand by all possible means, including continual leak detection, break management, and any other means available to conserve water loss and reduce daily demand.

Water Use Restrictions for Demand Reduction: Under threat of penalty, all requirements of Stage 2 shall remain in effect during Stage 3 except:

- a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 6:00 a.m. and between 9 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- b) The watering of public facilities is prohibited unless the public facility utilizes a water source other than provided by Dog Ridge Water Supply Corporation.
- c) The use of water for construction purposes from designed flush valves or fire hydrants under special permit will to be discontinued.



Stage 4 Response - CRITICAL Water Shortage Conditions

Target: Achieve a thirty-six percent (36%) reduction in total water use.

Best Management Practices for Supply Management: Dog Ridge Water Supply Corporation shall manage limited water supplies and/or reduce water demand by all possible means, including continual leak detection, break management, and any other means available to conserve water loss and reduce daily demand.

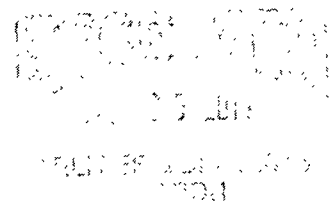
Water Use Restrictions for Reducing Demand: All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 6:00 a.m. and shall be by means of hands-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 4:00 a.m. and 8:00 a.m. and between 8:00 p.m. and 11:00 p.m.
- c.) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
- d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e) No application for new, additional, expanded, or increase-in-size water service connections, meters, service lines, pipelines extensions, mains, or water service facilities or any kind shall be approved, and time limits for approval of such applications shall be suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

Stage 5 Response - EMERGENCY Water Shortage Conditions

Target: Achieve a fifty percent (50%) reduction in total water use.

Best Management Practices for Supply Management: Dog Ridge Water Supply Corporation shall manage limited water supplies and/or reduce water demand by all possible means, including continual



leak detection, break management, and any other means available to conserve water loss and reduce daily demand.

Water Use Restrictions for Reducing Demand. All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

- (a) Irrigation of Landscaped areas is absolutely prohibited.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.
- (c) Construction activities using water is absolutely prohibited.

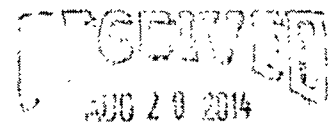
Stage 6 Response - WATER ALLOCATION

In the event that water shortage conditions threaten public health, safety, and welfare, the general manager is hereby authorized to allocate water according to the following water allocation plan:

Single-Family Residential Customers - The allocation to residential water customers residing in a single-family dwelling shall be as follows:

Persons per Household	Gallons per Month
1 or 2	5,000
3 or 4	10,000
5 or 6	15,000
7 or 8	20,000
9 or 10	25,000
11 or more	30,000

"Household" means the residential premises served by the customer's meter. "Persons per Household" includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer's household is comprised of two (2) persons unless the customer notifies Dog Ridge WSC of a greater number of persons per household on a form prescribed by the general manager. The general manager shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to Dog Ridge WSC's office to complete and sign the form claiming more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the general manager. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify Dog Ridge WSC on such form and the change will be implemented in the next practicable billed period. If



the number of persons in a household is reduced, the customer shall notify Dog Ridge WSC in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household, the general manager shall adopt methods to insure the accuracy of the claim.

Residential water customers shall pay the following surcharges:

- \$0.50 each thousand gallons for the first 5,000 gallons over allocation.
- \$0.75 each thousand gallons for the second 5,000 gallons over allocation.
- \$1.00 each thousand gallons for the third 5,000 gallons over allocation.
- \$1.50 for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Master-Metered Multi-Family Residential Customers - The allocation to a customer billed from a master meter which jointly measures water to multiple permanent residential dwelling units (example: apartments, mobile homes) shall be allocated 6,000 gallons per month for each dwelling unit. It shall be assumed that such a customer's meter serves two dwelling units unless the customer notifies Dog Ridge WSC of a greater number on a form prescribed by the general manager. The general manager shall give his/her effort to see that such forms are mailed, otherwise provided, or made available to every such customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to Dog Ridge WSC's office to complete and sign the form claiming more than two (2) dwellings. A dwelling unit may be claimed under this provision whether it is occupied or not. New customers may claim more dwelling unit at the time of applying for water service on the form prescribed by the general manager. If the number of dwelling units served by a master meter is reduced, the customer shall notify the Dog Ridge WSC in writing within two (2) days. In prescribing the method for claiming more than two (2) dwelling units, the general manager shall adopt methods to insure the accuracy of the claim. Customers billed from a master meter under this provision shall pay the following monthly surcharges:

\$0.50 for each 1,000 gallons over allocation up through 5,000 gallons for each dwelling unit.

\$0.75, thereafter, for each additional 1,000 gallons over allocation up through a second 5,000 gallons for each dwelling unit.

\$1.00, thereafter, for each additional 1,000 gallons over allocation up through a third 5,000 gallons for each dwelling unit.

\$1.50, thereafter for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Commercial Customers - A monthly water allocation shall be established by the manager, or his/her

designee, for each nonresidential commercial customer other than an industrial customer who uses water for processing purposes. The non-residential customer's allocation shall be approximately seventy-five (75%) percent of the customer's usage for corresponding month's billing period for the previous twelve (12) months. If the customer's billing history is shorter than twelve (12) months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists. Provided, however, a customer, whose monthly usage is less than 6,000 gallons, shall be allocated 6,000 gallons. The General Manager shall give his/her best effort to see that notice of each non-residential customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact Dog Ridge WSC to determine the allocation. Upon request of the customer or at the initiative of the manager, the allocation may be reduced or increased if, (1) the designated period does not accurately reflect the customer's normal water usage, (2) one nonresidential customer agrees to transfer part of its allocation to another nonresidential customer, or (3) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to Dog Ridge WSC's Board of Directors. Nonresidential commercial customers shall pay the following surcharges:

Customers whose allocation is 6,000 gallons per month:

\$.50 per thousand gallons for the first 1,000 gallons over allocation. \$.75 per thousand gallons for the second 1,000 gallons over allocation. \$1.00 per thousand gallons for the third 1,000 gallons over allocation. \$1.50 per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is 100,000 gallons per month or more:

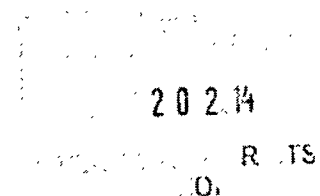
1.25 times the block rate for each 1,000 gallons in excess of the allocation up through 10 percent above allocation.

1.50 times the block rate for each 1,000 gallons from 10.1 percent through 20 percent above allocation.

1.75 times the block rate for each 1,000 gallons from 20.1 percent through 30 percent above allocation.

2.5 times the block rate for each 1,000 gallons more than 30 percent above allocation.

The surcharge shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.



Industrial Customers - A monthly water allocation shall be established by the general manager, or his/her designee, for each industrial customer, which uses water for processing purposes. The industrial customer's allocation shall be approximately eighty percent (80%) percent of the customer's water usage baseline. Ninety (90) days after the initial imposition of the allocation for industrial customers, the industrial customer's allocation shall be further reduced to sixty percent (60%) percent of the customer's water usage baseline. The industrial customer's water use baseline will be computed on the average water use for the six month period ending prior to the date of implementation of Stage 3 of the Plan. If the industrial water customer's billing history is shorter than six (6) months, the monthly average for the period for which there is a record shall be used for any monthly period for which billing history exists. The general manager shall give his/her best effort to see that notice of each industrial customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact Dog Ridge WSC to determine the allocation, and the allocation shall be fully effective notwithstanding the lack of receipt of written notice. Upon request of the customer or at the initiative of the General Manager, the allocation may be reduced or increased, (1) if the designated period does not accurately reflect the customer's normal water use because the customer had shutdown a major processing unit for repair or overhaul during the period, (2) the customer has added or is in the process of adding significant additional processing capacity, (3) the customer has shutdown or significantly reduced the production of a major processing unit, (4) the customer has previously implemented significant permanent water conservation measures such that the ability to further reduce water use is limited, (5) the customer agrees to transfer part of its allocation to another industrial customer, or (6) if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Board of Directors. Industrial customers shall pay the following surcharges:

Customers whose allocation is 6,000 gallons through 100,000 gallons per month:

\$0.50 per thousand gallons for the first 10,000 gallons over allocation. \$0.75 per thousand gallons for the second 10,000 gallons over allocation. \$1.00 per thousand gallons for the third 10,000 gallons over allocation. \$1.50 per thousand gallons for each additional 10,000 gallons over allocation.

Customers whose allocation is 200,000 gallons per month or more:

1.25 times the block rate for each 1,000 gallons in excess of the allocation up through 10 percent above allocation.

1.5 times the block rate for each 1,000 gallons from 10.1 percent through 20 percent above allocation.

1.75 times the block rate for each 1,000 gallons from 20.1 percent through 30 percent above allocation.

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2.5 times the block rate for each 1,000 gallons more than 30 percent above allocation.

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

10. Enforcement.

- a) No person shall knowingly or intentionally allow the use of water from Dog Ridge WSC for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the General Manager, or his/her designee, in accordance with provisions of this Plan.
- b.) If a member violates one or more of the provisions in this Plan, the General Manager shall give notice of violation to the customer. The General Manager is authorized to discontinue water service to the premises where such violations occur if a member has been notified of three (3) violations within any sixty (60) day period.. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$200.00, and any other costs incurred by Dog Ridge WSC in discontinuing service. In addition, suitable assurance must be given to the General Manager that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in any district court.
- c) Any person, including a person classified as a water customer of Dog Ridge WSC, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation.
- d) Any employee of Dog Ridge WSC or other employee designated by the General Manager, may issue a notice of violation to a person he/she reasonably believes to be in violation of this Plan.

11. Variances

The General Manager, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.

- b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with Dog Ridge WSC within five (5) days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the General Manager, or his/her designee, shall include the following:

- a) Name and Address of the petitioner(s).
- b) Purpose of water use.
- c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- e) Description of the relief requested.
- f) Period of time for which the variance is sought.
- g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- h) Other pertinent information.

Variances granted by Dog Ridge WSC shall be subject to the following conditions, unless waived or modified by the manager or his/her designee:

- a) Variances granted shall include a timetable for compliance.
- b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

NON-STANDARD SERVICE AGREEMENT

THE STATE OF TEXAS §
COUNTY OF BELL §

THIS AGREEMENT is made and entered into by and between _____, hereinafter referred to as "Developer," and Dog Ridge Water Supply Corporation, hereinafter referred to as "DRWSC" or "Dog Ridge WSC".

WHEREAS, Developer is engaged in developing that certain tract containing approximately _____ acres of land in Bell, County, Texas, more particularly described in exhibit "A" attached hereto and incorporated herein, said land being hereinafter referred to as "the Property"; and,

WHEREAS, Dog Ridge WSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

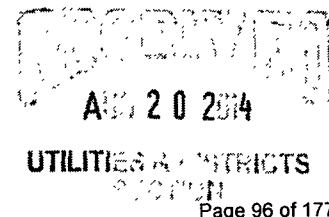
WHEREAS, Developer has requested Dog Ridge WSC to provide such water service to the Property through an extension of Dog Ridge WSC's water system, such extension being hereinafter referred to as "the Water System Extension";

NOW THEREFORE:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and Dog Ridge WSC agree as follows:

1. Engineering and Design of the Water System Extension.
 - (A.) The Water System Extension shall be engineered and designed Dog Ridge Water Supply Corporation's Consulting Engineer who is a Texas Registered Professional Engineer and shall be in accordance with the applicable specifications of Dog Ridge WSC, in compliance with law and with the rules and regulations of all governmental agencies having jurisdiction. All plans and specifications must be approved by Dog Ridge WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by Dog Ridge WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference, shall not be modified without the consent of Dog Ridge WSC and shall particularly define "the Water System Extension."
 - (B.) The Water System Extension must be sized to provide continuous and adequate water service to the property based on plans for the development as the provided to Dog Ridge WSC by the Developer. All service and/or distributions mains within or to the property

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shall be a minimum of eight inches (8"). All taps on Dog Ridge WSC's distribution main shall be contained in a vault and that vault shall contain a suitably sized meter for the purposes of metering all water flowing to the property to be developed. Dog Ridge WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of Dog Ridge WSC or for the provision or potential provision of future or additional water utility service within or outside of the property, at Dog Ridge WSC's sole and unfettered discretion.

2. **Required Easements or Rights-of-Way.**

- (A.) Developer shall be responsible for dedicating and/or acquiring any easements across privately owned land which are necessary for the construction of the Water System Extension and for obtaining any governmental approvals necessary to construct the Water System Extension in public right-of-way.
- (B.) Any easements for the placement of water lines or water service facilities acquired by the Developer shall be assigned to Dog Ridge WSC upon proper completion of the construction of the Water System Extension. The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to Dog Ridge WSC must be approved by Dog Ridge WSC's attorney.

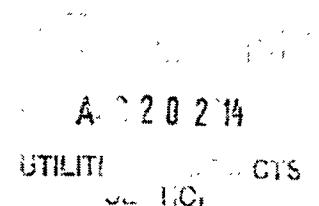
3. **Construction of the Water System Extension.**

- (A.) Developer shall advertise for bids for the construction of the Water System Extension in accordance with generally accepted bidding practices and shall award the contract for the construction of the Water System Extension subject to the approval of Dog Ridge WSC. Dog Ridge WSC may reject any bid for any reason or for no stated reason and at the sole and absolute discretion of Dog Ridge WSC's Board of Directors.
- (B.) The Water System Extension shall be constructed in accordance with the approved plans and specifications. Dog Ridge WSC shall have the right to inspect all phases of the construction of the Water System Extension. Developer must give written notice to Dog Ridge WSC of the date on which construction is scheduled to begin so that Dog Ridge WSC may assign an inspector. Dog Ridge WSC shall charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus ten percent (10%) for Dog Ridge WSC's overhead.

4. **Dedication of Water System Extension to Dog Ridge WSC.** Upon proper completion of construction of the Water System Extension and final inspection thereof by Dog Ridge WSC, the Water System Extension shall be dedicated and conveyed to the Dog Ridge WSC by an appropriate legal instrument approved by Dog Ridge WSC's Attorney. The Water System Extension shall thereafter be owned and maintained by Dog Ridge WSC.

5. **Cost of the Water System Extension.**

- (A.) Developer shall pay all costs associated with the Water System Extension as a contribution in aid of construction, including, without limitation, the cost of the following:
 - (i) engineering and design;
 - (ii) easement or right-of-way acquisition;
 - (iii) construction;



- (iv) inspection, including all fees for water use in flushing any Water System Extension, costs of sampling (including but not limited to transportation costs of samples to the Corporation's testing laboratory, fees of the testing laboratory, etc.);
- (v) attorneys' fees; and
- (vi) governmental or regulatory approvals and fees required to lawfully provide service.

(B.) Developer shall indemnify Dog Ridge WSC and hold Dog Ridge WSC harmless from all of the foregoing costs. Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication, conveyance and acceptance for maintenance by Dog Ridge WSC.

6. **Service From the Water System Extension.**

(A.) After proper completion and dedication of the Water System Extension to Dog Ridge WSC, Dog Ridge WSC shall provide water service to the Property, subject to all duly adopted rules and regulations of Dog Ridge WSC and the payment of the following:

- (i) All standard rates, fees and charges as reflected in Dog Ridge WSC's approved tariff;
- (ii) Any applicable impact fee adopted by Dog Ridge WSC;
- (iii) Any applicable reserved service charge adopted by Dog Ridge WSC.
- (iv) It is understood and agreed by the parties that the obligation of Dog Ridge WSC to provide water service in the manner contemplated by this Agreement is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.

(B.) Unless the prior approval of Dog Ridge WSC is obtained, the Developer shall not:

- (i) construct or install additional water lines or facilities to service areas outside the Property;
- (ii) add any additional lands to the Property for which water service is to be provided pursuant to this agreement; or
- (iii) connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

7. **Effect of Force Majeure.** In the event either party is rendered unable by force majeure to carry out any of its obligations under this Agreement, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party. The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes,

word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein. The parties further agree that this contract is not and that no part of this contract shall ever be deemed to be any manner of an "adhesion" or mandatory contract for the provision of water utility service and shall not be construed more or less favorably against either party.

10. **Entire Agreement.** This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein. There are no prior or contemporaneous agreements, oral or written, that are not contained within this agreement.
11. **Amendment.** No amendment of this Agreement shall be effective unless and until it is duly approved by each party, reduced to a writing, and signed by the authorized representatives of Dog Ridge WSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.
12. **Governing Law.** This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Bell County, Texas.
13. **Venue and Jurisdiction.** Venue for any suit arising hereunder shall be in Bell County, Texas and jurisdiction shall be in the district courts of Bell County, Texas. EACH PARTY HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY and FURTHER AGREES TO SUBMISSION OF ANY DISPUTE ARISING UNDER THIS AGREEMENT TO COMMERCIAL ALTERNATIVE DISPUTE RESOLUTION PURSUANT TO THE PROVISIONS OF THE TEXAS CIVIL PRACTICE AND REMEDIES CODE. The decision of any arbiter shall be by substantial evidence only and no other standard shall apply.
14. **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties. There are no third-party beneficiaries of this agreement and no benefit is intended to be conferred upon or in connection with this agreement upon any party not specifically named herein unless such party is specifically an heir, successor or assign of or to this agreement.
15. **Assignability.** The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of Dog Ridge WSC. Dog Ridge WSC, in the sole and absolute discretion of its Board of Directors and without the Board of Directors giving or stating any reason whatsoever, may decline to permit any requested assignment or transfer of this agreement or, in Dog Ridge WSC's Board of Directors' sole and absolute discretion, may impose additional conditions, guaranties, limitations or requirements upon any assignment of this agreement by the Developer.
16. **Effective Date.** This Agreement shall be effective from and after the date of due execution by all parties.