



Filing Receipt

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PUC DOCKET NO. 52493
COMPLAINT OF BRAD WHITE § PUBLIC UTILITY COMMISSION
AGAINST ARLEDGE RIDGE § OF TEXAS
WATER SUPPLY CORPORATION §

ARLEDGE RIDGE WATER SUPPLY CORPORATION'S
RESPONSE TO COMPLAINT

COMES NOW Arledge Ridge Water Supply Corporation (Arledge Ridge) and files this Response to Complaint of Brad White. Arledge Ridge would show the following:

I. PROCEDURAL BACKGROUND

On July 8, 2021, Brad White filed an informal complaint against Arledge Ridge with the Commission's Consumer Protection Division alleging Arledge Ridge refused to provide water service in violation of Texas law and Commission rules (Informal Complaint). On September 1, 2021, Mr. White filed a formal complaint against Arledge Ridge under 16 Texas Administrative Code (TAC) § 22.242 reiterating his allegation that Arledge Ridge refused to provide him service (Formal Complaint). Order No. 1, issued on September 2, 2021, established a deadline of October 4, 2021, for Arledge Ridge to file a response to the Formal Complaint. This response is timely filed. Order No. 1 also established a deadline of October 11, 2021, for Staff to file a statement of position on the case and whether Mr. White complied with the requirement for informal resolution.

II. COMMISSION'S JURISDICTION

Arledge Ridge is a non-profit water supply corporation operating under Chapter 67 of the Texas Water Code (TWC). Arledge Ridge holds Water CCN No. 10175 and has filed its Tariff with the Commission. Mr. White claims to own property within the certificated service areas of Arledge Ridge's Water CCN. The Commission has jurisdiction over this matter.

III. ALLEGATION RAISED

Mr. White claimed in his Informal Complaint that Arledge Ridge refused to provide him service. He reiterates this claim in his Formal Complaint and argues the Formal Complaint is warranted. Both the Informal Complaint and the Formal Complaint are premature and unwarranted. Arledge Ridge has not refused service to Mr. White because (1) Mr. White has not applied for service as required under Arledge Ridge's Tariff, and (2) Arledge Ridge is both willing and able to provide Mr. White service.

IV. APPLICABLE STATUTES, RULES, ORDERS, AND TARIFF PROVISIONS

Specifically, Chapters 13 and 67 of the TWC, Chapter 24, Subchapter F of the Commission's Rules, and Arledge Ridge's Tariff (the Tariff, attached as Exhibit A) apply to this proceeding. Generally, Chapter 13 of the TWC, and Chapters 22 and 24 of the Commission's Rules apply.

V. RESPONSE

Arledge Ridge has not denied Mr. White water service because to date Mr. White is neither qualified nor entitled to water utility service. Mr. White failed follow the Tariff's procedure and as Arledge Ridge's operator explained to obtain service. Specifically, Mr. White failed to make proper application, meet the terms and conditions of Non-Standard Service and Membership, and pay all fees as prescribed and required by the Tariff.¹ Additionally, Mr. White has failed to follow the grievance procedures outlined in the Tariff. Specifically, Mr. White exchanged only a single phone call with Arledge Ridge's operator before filing the Informal Complaint and Formal

¹ See Tariff §§ E.1., E.2.c., F (2011).

Complaint. Contrary to Mr. White's claim, Arledge Ridge is both willing and able to provide Mr. White service. Accordingly, Mr. White's Formal Complaint is premature and should be dismissed.

A. Mr. White has not applied for service from Arledge Ridge and is therefore currently ineligible.

Mr. White has not applied for service or submitted any of the other items the Tariff requires to Arledge Ridge. The only time Mr. White communicated with Arledge Ridge was by phone when he first inquired about Arledge Ridge's services.² During this call, Arledge Ridge's operator explained that the water line Mr. White would connect to requires additions.³ Because of the additions and as is Arledge Ridge's practice for potential non-standard service applicants, the operator explained Mr. White would need to contact Arledge Ridge's engineer for more information and to apply for service.⁴

In his Formal Complaint, Mr. White claims he delivered an application for water utility service to Arledge Ridge on August 25, 2021 ("Membership Signup Sheet"), well after he filed his Informal Complaint.⁵ Arledge Ridge did not receive this Membership Signup Sheet except to the extent it was attached to the notice of complaint sent by the Commission with a copy of the Formal Complaint on September 1, 2021.⁶ Subsequently, Arledge Ridge then received the Alleged Application by mail on September 3, 2021.⁷

² See Affidavit of Michael Granstaff, Exhibit D.

³ See *id.*

⁴ See *id.*

⁵ Formal Complaint at 4 (Sept. 1, 2021).

⁶ See Affidavit of Penni Smallwood, Exhibit B.

⁷ See *id.*

The Membership Signup Sheet is not an application for service, nor is it treated as one by Arledge Ridge or the Tariff.⁸ It is an administrative form that is filled out after all application documents have been completed. This form ensures Arledge Ridge can prepare the Membership Certificate.⁹ If Mr. White had contacted Arledge Ridge's engineer as its operator instructed, he would have been provided the Water Service Investigation Request form.¹⁰ This is the form that Arledge Ridge's engineer requires to be filled out prior to any service agreements can be prepared.¹¹ Arledge Ridge's engineer has no record of Mr. White ever submitting this paperwork.¹²

Even with the Membership Signup Sheet, however, Arledge Ridge does not have a complete application. Pursuant to the Tariff, an applicant must provide an easement to install and maintain Arledge Ridge facilities, such as meters and other connections; provide proof of ownership to the property that the Applicant requests service; pay all fees associated with the Application; and, for non-standard service requests, submit any other documents required under Section F of the Tariff.¹³ Arledge Ridge has not received any of these items from Mr. White.¹⁴

Based on the information Arledge Ridge has received to date, Arledge Ridge believes Mr. White would require non-standard service because Arledge Ridge's supply, storage and/or distribution system requires additions to serve him.¹⁵ Specifically, Arledge Ridge must expand a

⁸ *See id.*

⁹ *See id.*

¹⁰ *See* Affidavit of Jacob Dupuis, Exhibit C.

¹¹ *See id.*

¹² *See id.*

¹³ *See* Tariff §§ E.2.c., F.

¹⁴ *See* Affidavit of Penni Smallwood, Exhibit B.

¹⁵ *See* Affidavit of Jason Dupuis, Exhibit C.

portion of its water distribution system so adequate water pressure will be maintained throughout its system.¹⁶ A water line is limited in the number of connections it may serve before drops in pressure occur, and the Texas Commission on Environmental Quality has requirements for pressure that all public water systems must meet.¹⁷ When consistent water pressure is not maintained, then service interruptions may occur, potable water cannot be ensured, contamination is possible, and boil water notices must be issued.¹⁸

Mr. White's property abuts an existing 3-inch line, which is connected to a 2.5-inch line that is at capacity.¹⁹ To serve Mr. White's property, a portion of the 2.5-inch water line requires additions.²⁰ Arledge Ridge's engineer estimates that replacing 1,000 linear feet of the 2.5-inch water line with a 6-inch water line will ensure adequate water service to Arledge Ridge's customers and Mr. White.²¹ The estimated construction fees Mr. White must pay to receive service are attached hereto in Exhibit D. For these reasons, Arledge Ridge's operator forwarded Mr. White to the engineer to continue the application process, which Mr. White failed to do.

**B. Mr. White only called Arledge Ridge once, and he did not follow the
Tariff's grievance process.**

Mr. White also did not follow the grievance process set forth in the Tariff or attend any of Arledge Ridge's monthly open meetings of the Board of Directors.²² As previously stated, Arledge

¹⁶ *See id.*

¹⁷ *See id.*

¹⁸ *See id.*

¹⁹ *See id.*

²⁰ *See id.*

²¹ *See id.*

²² *See* Affidavit of Penni Smallwood, Exhibit B.

Ridge only received one phone call from Mr. White when he tentatively inquired about obtaining service.²³ Beyond that, Arledge Ridge did not receive any other contact, nor do any records indicate Mr. White followed up with the engineer before he filed his Informal Complaint and Formal Complaint.²⁴ According to Arledge Ridge's grievance procedures:

Any . . . 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.
- c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
- 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.²⁵

Rather, it was only after Arledge Ridge received the Informal Complaint and Formal Complaint from the Commission did it learn Mr. White had a grievance.

Arledge Ridge is both willing and able to provide Mr. White with water service. Pursuant to the Tariff, however, Arledge Ridge cannot provide service to Mr. White without a complete

²³ See Affidavit of Michael Granstaff Exhibit D.

²⁴ See Affidavit of Jason Dupuis, Exhibit C; Affidavit of Michael Granstaff Exhibit D.

²⁵ Tariff § B.9.

application. Mr. White must contact Arledge Ridge's engineer to submit all documents required by Section F of the Tariff, pay all required fees, and provide Arledge Ridge with an easement to install the meter and any other related facilities on his property.

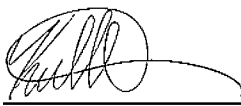
VI. CONCLUSION

Mr. White's Formal Complaint is premature and unwarranted and should be dismissed because Mr. White is neither qualified nor entitled to water utility service from Arledge Ridge. Mr. White has not submitted a complete application for service to Arledge Ridge—moreover, he has only communicated with Arledge Ridge once over the phone. Accordingly, Arledge Ridge could not deny him service because he has not yet requested it. Further, Arledge Ridge has no records reflecting a denial of service, nor did it deny Mr. White service via telephone. On the contrary, Arledge Ridge is both willing and able to provide Mr. White water service. Finally, Mr. White failed to follow the grievance procedures outlined in the Tariff prior to filing the Informal Complaint and Formal Complaint. Accordingly, Mr. White's Formal Complaint is premature and should be dismissed.

VII. PRAYER

Arledge Ridge respectfully requests that Brad White's Formal Complaint be dismissed.

Respectfully submitted,

By: 
Katelyn A. Hammes

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ATTORNEYS FOR ARLEDGE RIDGE WATER
SUPPLY CORPORATION

CERTIFICATE OF SERVICE

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 4th day of October, 2021.


Katelyn A. Hammes

Exhibit A
Arledge Ridge's Tariff

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TARIFF

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PUBLIC UTILITY COMMISSION
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ARLEDGE RIDGE Water Supply Corporation
P.O. Box 233
Bailey, Texas 75413
(903) 583-7514

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SECTION A.
RESOLUTIONS

THE BOARD OF DIRECTORS OF ARLEDGE RIDGE WATER SUPPLY CORPORATION ESTABLISHES THAT :

This Tariff of the Arledge Ridge Water Supply Corporation, serving in Fannin County consisting of Sections A. through H. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of March 8, 2001.

Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.

The adoption of this tariff does not prohibit or limit the Corporation from enforcing previous penalties or assessments from before the current effective date.

An official copy of this and all policies or records shall be available during regular office hours of the Corporation. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.

Rules and regulations of state or federal agencies having jurisdiction 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.

PASSED and APPROVED this 8 day of March, 2001.

Raymond D. Karger
President, Arledge Ridge Water Supply Corporation

SEAL

ATTEST:

Ann Higgins
Secretary, Arledge Ridge Water Supply Corporation

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SECTION B. **STATEMENTS**

1. **Organization.** The Arledge Ridge Water Supply Corporation (charter number 216534) is a member-owned, non-profit corporation incorporated pursuant to the Water Supply/Sewer Service Corporation Act, Article 1434a, Tex. Rev. Civ. Stat. (West 1980, Vernon Supp. 1996 as amended) and as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et seq. (West 1980, Vernon Supp. 1996 as amended) 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, 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 the Arledge Ridge Water Supply Corporation, also referred to as the Corporation, or Arledge Ridge WSC or the WSC. Failure on the part of the 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 (see Article 1396-2.09) 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. MAY 23 2001
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any 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, 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 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 Contract shall apply.
6. **Damage Liability.** The Arledge 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 the Arledge Ridge WSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Bailey, 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 individual customer may request in writing that his or her name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the WSC from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official

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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 associated fees 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 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 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.
 - c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
 - 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. **Plumbing Standards.** The Corporation adopts applicable sections of the Southern Plumbing Code as guidance in the design, installation, and maintenance of plumbing systems and service facilities connecting or connected to the utility's water facilities, to the extent appropriate under the applicable statutes and regulations governing public water utility systems. Any Member may be required to retrofit plumbing systems and service facilities as determined to be necessary by the Corporation for the purposes of compliance with the Southern Plumbing Code. (30 TAC 290.46(i))
11. **Submetering Responsibility.** Submetering 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 Natural Resource Conservation Commission's Chapter 291 Subchapter H rules pertaining to Submetering. The Corporation has no jurisdiction or responsibility to the tenants; tenants receiving water under a Master Metered Account are not considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Texas Natural Resource Conservation Commission.

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NOTE: The system should check with the Master Metered Account Customer to:

1. See if they have registered with the TNRCC, (Chapter 13 Texas Water Code Subchapter M.)
2. See that they do not charge their tenants more than the total amount of charges that you have

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billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the TNRCC to be a separate Public Water System and will be required to comply with all TNRCC regulations.

3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other STATE regulations, the Corporation will need to request a Cease and Desist Order from the TNRCC. (Texas Water Code chap. 13.252 and 30 TAC Chapter 291.118)

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SECTION C. **DEFINITIONS**

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

Applicant -- Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Arledge Ridge Water Supply Corporation.

Board of Directors -- The governing body elected by the Members of the Arledge Ridge Water Supply Corporation. (Art. 1396-1.02 (7))

Bylaws -- The rules pertaining to the governing of the Arledge Ridge Water Supply Corporation adopted by the Corporation Members. (Art. 1396-1.02 (5))

Certificate of Convenience and Necessity (CCN) -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for Arledge Ridge Water Supply Corporation to provide water utility service within a defined territory. Arledge Ridge Water Supply Corporation has been issued Certificate Number 10175. Territory defined in the CCN shall be the Certificated Service Area. (see Section D. Certificated Service Area Map)

Corporation -- The Arledge Ridge Water Supply Corporation. (Section B. 3 of this Tariff)

Developer -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides or requests more than two (2) water service connections on a single contiguous tract of land (Section F.1, F.11, and Miscellaneous Transaction Forms of this Tariff; Chapter 13, Texas Water Code 13.2502 (e) (1) and 30 Texas Administrative Code Chapter 291.85 (e) (4)).

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

Easement -- A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement. (See Sample Application Packet, FmHA Form 442-8 or FmHA Form 442-9)

Equity Buy-In Fee -- A fee assessed of new Applicants 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. This fee is charged for each meter equivalent or service unit for which service has been requested. (Section G. 5., also see Miscellaneous)

Final Plat -- A complete plan for the subdivision of a tract of land. The Arledge Ridge Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. (30 TAC 291.85)

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Hazardous Condition -- A condition which jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.

Indication of Interest Fee -- A fee paid by a potential Member of the Corporation. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (Section E. 6. b., and Sample Application Packet - USDA Form RUS-TX 1942-11 (Rev. 8/96))

Liquidated Membership -- A Membership which has been canceled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff.

Member -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and 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. (see Tariff Section E. 6 b and ART. 1396-2.08 D)

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. (30 TAC 291.3 Definitions, Texas Water Code 13.043(g), Article 1434a, Tex. Rev. Civ. Stat. Sec. 9. A.(c))

Proof of Ownership -- Article 1434a, Tex. Rev. Civ. Stat. Sec. 9A(c) 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 by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served.

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

Renter -- A consumer who rents or leases property from a Member or who may otherwise be termed a tenant. (Section E. 7.)

Re-Service -- Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses. (See Section E. 3. b., E. 4. b., Miscellaneous)

Reserved Service Charge -- A monthly charge assessed for each property where service is being reserved. (see Section F. 6. d., e)

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 meter, service size, or equivalent dwelling unit(s). (See definition of Reserved Service Charge)

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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. (see Sample Application Packet RUS Form 1942-11 or Non-Standard Service Contract)

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. (see Section G. 6. a., Miscellaneous)

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 State office of the TNRCC.

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 (agricultural, road construction, drilling, livestock, etc.). The length of time associated with this classification will be set by the Board. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

Texas Natural Resource Conservation Commission (TNRCC) -- State regulatory agency having jurisdiction of water service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water Service Corporations. (30 TAC - Texas Administrative Code)

Transferee -- An Applicant receiving an Arledge Ridge WSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (see Section E. 6 c., Miscellaneous Transaction Forms)

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. (Art. 1434a Sec.9A)

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SECTION D.
GEOGRAPHIC AREA SERVED

This section should include an area map which shows the Corporation's Certified Service Area, consequently the Corporation should make sure that its service area corresponds to its Certified Area. **It is the responsibility of the Corporation to properly file a map showing its service area with the TNRCC. This copy of the Commission's official service map will serve as documentation in the event of future disputes over service areas.**

SAMPLE

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service Under V.T.C.A., Water Code
and Texas Natural Resource Conservation Commission Substantive Rules

Certificate No. 10175

I. Certificate Holder:

Name: Arledge Ridge Water Supply Corporation

Address: P.O. BOX 233
Bailey, Texas 75413

II. General Description and Location of Service Area:

The area covered by this certificate is located approximately 3 miles south of downtown Bonham, Texas on State Highway 78. The service area is generally bounded on the east by Davis Creek, on the south by State Highway 78, on the west by Valley Creek and on the north by the intersection of State Highway 78 and Farm Road 1629 in Fannin County, Texas. In addition to this is an area adjacent to and east of the city of Leonard Texas which generally extends along a line approximately one-quarter mile south of County Road 4860, east to approximately one-quarter mile east of County Road 4870, thence north to approximately one-quarter mile south of county Road 4850, thence east approximately one half mile to a "dog leg", thence north paralleling county road 4845 to state highway 78 which is the current southern boundary of our service area. In addition to this is an area currently unassigned which starts at the intersection of state highway 11 and county road 3725, proceeding east approximately two miles along county roads 3725 and 3760, thence north paralleling county road 3730 to the current southeast corner of our service area.

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III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS-75, maintained in the offices of the Texas Natural Resource Conservation Commission, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

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This certificate is issued under Application No. 30999-C and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

Issued Dated: November 1, 1978

ATTEST: Ann Higgins

Approved 11-1-1979

For the Commission

WSC

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MAP OF CCN AREA

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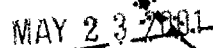


FIGURE 1
ARLEGE RIDGE
WATER SUPPLY CORP
SERVICE AREA

**Revised
1/28/2001**

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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. (30 TAC 291.85 (a))

2. ***Application Procedures and Requirements.*** For the purposes of this Tariff, service requested by an Applicant shall be for real estate designated to receive the service provided by the Corporation and shall be divided into the following two classes:
 - a. **Standard Service** is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.
 - b. **Non-Standard Service** is defined as any service request which requires a larger meter service, service to a Master Metered Account (see E. 2. c. (4) of this section), or an addition to the supply, storage and/or distribution system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.
 - c. **Requirements for Standard and Non-Standard Service.**
 - 1) The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant. (See Sample Application - RUS-TX 1942-11 (Rev. 8/96))
 - 2) A Right-of-Way Easement Form, or other such easement forms, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application - RUS-TX 1942-11 (Rev. 8/96), 30 TAC 290.47 Appendix C.) **NOTE:** This requirement may be delayed for Non-Standard Service requests.
 - 3) The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service. (ART. 1434a, Sec.9A. (c) Vernon's Tex. Civ. Stat., 13.002 (11) of the Texas Water Code)
 - 4) The Corporation shall consider master metering and/or non-standard service to apartments, condos, trailer /RV parks, or business centers 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, partnership, cooperative, corporation, agency, public or private organization of any type but not including a family unit,
 - (b) directly inaccessible to public right-of-way, and
 - (c) considered a commercial enterprise i.e. for business, rental, or lease purposes.
 - 5) Notice of application approval and costs of service 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. (30 TAC 291.81 (a) (1))
 - 6) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement

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to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal recorded in public records file, the Applicant, prior to receiving the requested service, shall grant easement to the Corporation. In addition to the normally required fees for service, the Applicant shall pay such sums as are necessary for the removal of the water main from the public right-of-way and for relocation onto the Applicant's property pursuant to such easement. (see Miscellaneous Transaction Forms)

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 be signed in advance of installation. (30 TAC 291.86 (a)(1)(A))
- b. **Re-Service** -- On property where service previously existed, the Corporation shall charge the Membership Fee, where the Membership Fee has been liquidated, and costs necessary to restore service. In addition, the Corporation shall charge accumulated Reserved Service Fees which have been entered on the in-active account as monthly debits. This is allowing the Corporation to recover the costs of reserving capacity at the location for which re-service has been requested. If restoration of service is not requested, this fee will accumulate monthly until the total balance of Reserved Service Fees equals the amount of the Equity Buy-In Fee previously paid for service to the property. After this time the service equipment may be removed by the Corporation and future request for service shall be treated as a new application. (see Miscellaneous Section)
- c. **Performance of Work** -- After approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative. The tap shall be completed within five (5) working days after approval and receipt of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service Request. (see Section F. , 30 TAC 291.85)
- d. **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 Natural Resource Conservation Commission or successor agency. (30 TAC 290.46(j))

4. **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 which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests. (Section E. 3. b)

5. **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. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff, Sub-Section 15.a.

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6. **Membership.**

- a. **Eligibility** - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new

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Applicants or continued Membership for Transferees.

- b. **Membership Certificates** - Upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall issue a refundable 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 Meeting 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 Office. Ownership of more than one (1) Membership Certificate shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. (Art. 1434a Vernon's Tex. Civ. Stat.) 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. (ART. 1434a, 9A. (c)(e) Vernon's Tex. Civ. Stat.) **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 (see Sample Application Packet - (FmHA) Form RUS TX 1942-1, Membership Survey Data Sheet), 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. **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 the forms are returned as required. (see Section C., Section E. Sub-Section 1. Service Entitlement)
- c. **Transfers of Membership.** (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A.)
- 1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
 - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
 - (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
 - (c) The Membership is transferred without compensation or by sale to the Corporation; or
 - (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
 - 2) In the event that Membership is transferred pursuant to the provisions of Sub-Section 6.c.(1) 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 Sub-Section 6.c.(3).
 - 3) Qualifications for service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(2) 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:
 - (a) A Transfer Authorization Form has been completed by the Transferor and Transferee;
 - (b) The Transferee has completed the required Application Packet;
 - (c) All indebtedness due the Corporation has been paid;
 - (d) The Membership Certificate has been surrendered, properly endorsed, by the Transferor;

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- (e) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
- d. **Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge or a Reserved Service 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. (See Misc. Transaction Forms.) 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 at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section E.3.a. of this Tariff. (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9 A.(d))
- e. **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 Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (see section E, Subsection 15.1a.[4]). The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Sub-Section E. 3. a. of this Tariff.
- f. **Cancellation Due To Policy Non-Compliance** -- 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 property from which the Membership arose. (ART. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A. (e))
- g. **Re-assignment of Canceled Membership** -- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose. (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A.(e))
- h. **Mortgaging of Memberships** -- Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement (See Miscellaneous Transaction Forms). Prior to the cancellation of any Membership as provided under Sub-Section E. 6.d. (Cancellation of Membership), the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest 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, 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 secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.

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7. **Owners and Renters.** Any Member, renting or leasing real estate 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 Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. (See Miscellaneous Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges (see Section: Miscellaneous Transaction Forms).
8. **Denial Of Service.** The Corporation may deny service for the following reasons:
 - a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and 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 representatives or employees of the Corporation reasonable access to property, for which service has been requested;
 - e. Failure of Applicant or Transferee to comply with all governmental rules and 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 the tap 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.
9. **Applicant's or Transferee's Recourse.** In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.
10. **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 non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded 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 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.
11. **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

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determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement. (See Miscellaneous Transaction Forms)

12. Charge Distribution and Payment Application.

- a. **The Service Availability Charge or the Reserved Service Charge** is for the billing period from on or about the 20th day of the month to on or about the 20th 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 25th of the month preceding the month for which this charge is due. All services shall be subject to this charge whether or not the 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.

13. Due Dates, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or about the 25th of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. Final notices shall be mailed on the 11th of the month or the first working day after the 10th of the month. At such time, ten (10) additional days to pay the bill are given beginning on the day the final notice is deposited with the U.S. Postal Service with sufficient postage, after which service will be discontinued. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings. There will be a re-connect charge of fifty dollars (\$50.00) in addition to the TOTAL unpaid bill in order to re-activate service.

- a. Upon written request, any residential customer 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. (HB 670 Effective August 30, 1993)

14. 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.
 - 1) **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 office. 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. (see Miscellaneous Transaction Forms) 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

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Member/Customer in violation shall be placed on a "cash-only" basis for a period of 12 months.

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

- 2) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement (Miscellaneous Transaction Forms);
 - 3) 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 non-standard 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;
 - 4) 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 Member has failed to comply within a specified amount of time after notification.
 - 5) Failure to provide access to the meter under the terms of this Tariff or to 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.
 - 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
 - 7) Failure of Member to re-apply 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.
- b. **Disconnection Without Notice** -- Water utility service may be disconnected without notice for any of the following conditions:
- 1) 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 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (Section E. 3. d., E. 24., 30 TAC 290.46 (j));
 - 2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
 - 3) In instances of tampering with the Corporation's meter or equipment, by-passing the 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.
- c. **Disconnection Prohibited** -- Utility service may not be disconnected for any of the following reasons:
- 1) 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;
 - 2) 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;
 - 3) Failure of the Member to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;
 - 4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the

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Corporation has in writing the guarantee as a condition precedent to service;

- 5) Failure of the Member to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters subsection E. 19. of this tariff.
 - 6) Failure of the Member to pay 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;
 - 7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.
- 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 Natural Resource Conservation Commission.
 - f. **Disconnection for Ill and Disabled** -- The Corporation may not discontinue service to a delinquent residential 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 Sub-section, the Member must have the attending physician call or 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 (see Miscellaneous Transaction Forms).
 - g. **Disconnection of Master-Metered Accounts** -- 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 SUBCHAPTER H. 291.126)
 - 1) 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.
 - 2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post at notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
 - 3) 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.

15. **Billing Cycle Changes.** The Corporation reserves the right to change its billing cycles if the work load requires such practice. After a billing period has been changed, the billings shall be sent on the new

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change date unless otherwise determined by the Corporation.

16. **Back-billing.** The Corporation may back-bill 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. Back-billing 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 Section E. Sub-Section 6.h.
17. **Disputed Bills.** In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and 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 said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.
18. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed 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.
19. **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, as provided under Sub-Section 6.h. 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. (See Misc. Transaction Forms.)
20. **Meter Tampering and Diversion.** For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's service equipment, by-passing the same, or other instances of diversion, such as:
 - a. removing a locking or shut-off device used by the Corporation to discontinue service,
 - b. physically disorienting the meter,
 - c. attaching objects to the meter to divert service or to by-pass,
 - d. inserting objects into the meter,
 - e. and other electrical and mechanical means of tampering with, by-passing, or diverting service.
 The burden of proof of meter-tampering, by-passing, 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 these Sections 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 extent allowed by law under the Texas Penal Code 28.03. (Is a Misdemeanor)

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21. **Meter Relocation.** Relocation of services shall be allowed by the Corporation provided that:

- a. No transfer of Membership is involved;
- b. An easement for the proposed location has been granted to the Corporation;
- c. The Member pays the actual cost of relocation plus administrative fees, and
- d. Service capacity is available at proposed location.

22. **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 (This refers to Section E. 2. c. (4)). Any unauthorized submetering 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. (see Sample Application Packet- RUS Form 1942-11 (Rev. 8/96))

23. **Member's Responsibility.**

- a. The Member shall provide access to the meter as per 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 a notice shall be sent 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. (Section E. 3. d.)
- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
 - 1) All connections shall be designed to ensure against back-flow or siphonage into the Corporation's water supply. 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)
 - 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential 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)
- 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 as per 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 cut-off 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. 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.)

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SECTION F.

DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS

1. **Corporation's Limitations.** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness. The Corporation is not required to extend retail utility service to an applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. 13.2502 of the Texas Water Code requires that notice be given herein or by publication (See Miscellaneous Transaction Forms) or by alternative means to the Developers/Applicants. (also see Section F. 11.)
2. **Purpose.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard.
3. **Application of Rules.** This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret 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 Application.** The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation:
 - a. The Applicant shall provide the Corporation a completed Service Application And Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
 - b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicant's 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 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 the Corporation. The balance of actual expenses shall be refundable to the Applicant and any additional expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant shall be paid by the Applicant.
 - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the area dedicated in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
 - 1) The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area;
 - 2) The service location is not in an area receiving similar service from another utility; and
 - 3) The service location is not within another utility's Certificate of Convenience and Necessity.
5. **Design.** The Corporation shall study the design requirements of the Applicant's required facilities prior

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to initiation of a Service Agreement and if deemed necessary by the corporation the following schedule shall be adopted:

- a. The Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service within the Corporation's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within the enforced extra territorial jurisdiction of a municipality.
- b. The 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 the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.
- c. The Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.
- d. If no local authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands, provided however, that the Corporation pays the expense of such upgrading above the Applicant's facility requirements.

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

- a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
- b. Equity Buy In Fee (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section.
- c. Monthly Reserved Service Charges as applicable to the service request.
- d. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connection with the project contemplated.
- e. Terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
- f. Terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.
- g. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

7. **Pre-Payment For Construction And Service.** After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.

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Arledge Ridge Water Supply Corporation
P.O. Box 233
Bailey Texas 75413
903-583-7514
Fax 903-583-3514

August 22, 2011

TCEQ
P.O. Box 13087
Austin Texas 78711-3087

Subject: Water Rate Structure:

Please find enclosed changes to our rate fees for our tariff. Due to the cost of operations and the high electrical bills, our Board of Directors has approved this rate change at the monthly board of directors meeting, held July 14, 2011 Thank you.

Board Of Directors
Arledge Ridge Water Supply Corporation
Raymond Kluger (president)
John Parfait (vice-president)
Alan McDonald (secretary-treasurer)
Sonny Jeanes (director)
Nick Devincentis (director)
Steve Sutton (director)

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SECTION G. RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be non-refundable.

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. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
 - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of 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:
 - (1) provide cost estimates of the project,
 - (2) to present detailed plans and specifications as per final plat,
 - (3) to present a Non-Standard Service Contract to the Applicant, and
 - (4) to provide other services as 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.)
1. **Membership Fee.** At the time the application for service is approved, a refundable Membership Fee must be paid before service shall be provided or reserved for the Applicant by the Corporation. The Membership Fee for water service is \$100.00 for each service unit.

A special service for membership will be granted to Churches, cemeteries or any NON-PROFIT organization. This special service for Membership, Installation and Equity Buy-In Fee will be \$300.00, instead of the regular fee. Installation fee and Equity Buy-In fees will be waived. The necessary legal documents will be filled out, dated, signed and notarized.

1. **Installation Fee.** The Corporation shall charge a non-refundable installation fee for service as follows:
 - a. **Standard Service** installation fee shall be \$600.00 and shall be charged on a per tap basis immediately prior to such time as metered service is requested and installed.
 - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
 - c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.1.c.(6) of this Tariff.

Equity Buy-In Fee. In addition to the Membership Fee, each Applicant shall be required to achieve parity with existing Members by contributing capital in an amount of \$2,300 projected to defray the cost of up-grading system facilities to meet growth demands created by adding customers. 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.

2. Monthly Charges.

Approved Raymond D. Kueger

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Arledge Ridge Water S

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a. **Service Availability Charge**

Water Service - The monthly charge for metered water service which includes 3,000 gallons is \$35.00 per month.

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

(1) 7.50 per 1000 gallons all above 3000 gallons.

3. **Late Payment Fee.** Once per billing period, a penalty of \$10.00 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.
4. **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.
5. **Reconnect Fee.** The Corporation shall charge a fee of \$50.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E.3.b. Re-Service.
6. **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 \$25.00 shall be imposed on the affected account.

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Approved Raymond D. Kew

Arlidge Ridge Water WSC

DROUGHT CONTINGENCY PLAN

FOR THE

**ARLEDGE RIDGE WATER
SUPPLY CORPORATION**

FANNIN COUNTY

JUNE 2000

MAY 23 2001

RESOLUTION NO. 1-2000

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARLEDGE
RIDGE WATER SUPPLY CORPORATION ADOPTING A DROUGHT CONTINGENCY
PLAN.**

WHEREAS, the Board recognizes that the amount of water available to the Arledge Ridge Water Supply Corporation and its water utility customers is limited and subject to depletion during periods of extended drought;

WHEREAS, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

WHEREAS, Section 12.1272 of the Texas Water Code and applicable rules of the Texas Natural Resource Conservation Commission requires all public water supply systems in Texas to prepare a drought contingency plan; and

WHEREAS, as authorized under law, and in the best interests of the customers of the Arledge Ridge Water Supply Corporation, the Board deems it expedient and necessary to establish certain rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

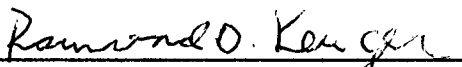
**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
ARLEDGE RIDGE WATER SUPPLY CORPORATION:**

SECTION 1. That the Drought Contingency Plan attached hereto as Exhibit "A" and made part hereof for all purposes be, and the same is hereby, adopted as the official policy of the Arledge Ridge Water Supply Corporation.

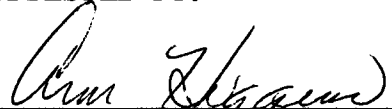
SECTION 2. That the Majority of Board Members is hereby directed to implement, administer, and enforce the Drought Contingency Plan.

SECTION 3. That this resolution shall take effect immediately upon its passage.

**DULY PASSED BY THE BOARD OF DIRECTORS OF THE ARLEDGE RIDGE
WATER SUPPLY CORPORATION ON THIS 10 day of August, 2000.**


President, Board of Directors

ATTESTED TO:


Secretary, Board of Directors

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SECTION H.
EMERGENCY WATER DEMAND MANAGEMENT PLAN
AND EMERGENCY RATIONING PROGRAM

(Insert here the emergency rationing program we approved a couple of months ago.)

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**DROUGHT CONTINGENCY PLAN
FOR THE
ARLEDGE RIDGE WATER SUPPLY CORPORATION
August 10, 2000**

Section I: 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, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water, supply shortage or other water supply emergency conditions, the Arledge Ridge Water Supply Corporation hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply conditions are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the Arledge Ridge Water Supply Corporation by means of attendance at monthly Board of Director meetings

Section III: Public Education

The Arledge Ridge Water Supply 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 press releases, newsletters, or billing inserts.

Section IV: Coordination with Regional Water Planning Groups

The service area of the Arledge Ridge Water Supply Corporation is located within Region C. and Arledge Ridge Water Supply Corporation has provided a copy of this Plan to the Region C Planning Group.

Section V: Authorization

The Majority of Board of Directors or Board designee 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 Majority of Board of Directors or Board designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

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

Section VII: Definitions

For the purpose of this Plan, the following definitions shall apply:

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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 operation 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, company, or organization using water supplied by Arlidge Ridge Water Supply Corporation.

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

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

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

Landscape irrigation 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 public, health, safety, and welfare, including:

- (a) Irrigation of landscape areas, including parks athletic fields, and golf courses, except otherwise provided under 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 protections;
- (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 directing the repair of such leak(s); and
- (i) Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

MAY 23 2001

The Majority of Board of Directors or Board designee 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 on distribution capabilities and customer peak usage

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 VII definitions, when continually failing treated water reservoir levels which do not refill above 100 percent overnight.

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 2 consecutive days.

Stage 2 Triggers – MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when continually falling treated water reservoir levels which do not refill above 90 percent overnight.

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 2 consecutive days. Upon termination of 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 non-essential water uses for Stage 3 of this Plan when continually falling treated water reservoir levels which do not refill above 85 percent overnight.

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 2 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 Triggers –CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when continually falling treated water reservoir levels which do not refill above 75 percent overnight.

Requirements for termination

Stage 4 of this Plan may be rescinded when all conditions listed as triggering events have ceased to exist for a period of 2 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 Majority of Board of Directors or Board designee, determines that a water supply emergency exists based on:

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1. Major water line breaks, or pump or system failure occur, which cause unprecedented loss of capability to provide water service; or
2. 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 2 consecutive days.

Stage 6 Triggers WATER ALLOCATION

Requirements for initiation

Customers shall be required to comply with the water allocation plan prescribed in Section IX of this Plan and comply with the requirements and restrictions for Stage 5 of this Plan when continually falling treated water reservoir levels which do not refill above 50 percent overnight.

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 2 consecutive days.

Note: The inclusion of WATER ALLOCATION as part of a drought contingency plan may not be required in all cases. For example, for a given water supplier, an analysis of water supply availability under drought of record conditions may indicate that there is essentially no risk of water supply shortage. Hence, a drought contingency plan for such a water supplier might only address facility capacity limitations and emergency conditions (e.g. supply source contamination and system capacity limitations).

Section IX Drought Response Stages:

The Majority of Board of Directors, or Board designee shall monitor water supply and/or demand conditions on a daily basis and in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following actions upon publication of notice in a newspaper of general circulation:

Notification of the Public:

The Majority of Board Members or Board designee shall notify the public by means of:

Examples:

Publication in a newspaper of general circulation,
Direct mail to each customer,
Public service announcements,
Signs posted in public places,
Take home fliers at schools.

Additional Notification

The Majority of Board Members or Board designee shall notify directly, or cause to be notified directly, the following individuals and entities:

Examples:

Mayor Chairman and members of the City Council/Utility Board
Fire Chief (s)
City and/or County Emergency Management Coordinator (s)
County Judge & Commissioners
State Disaster District / Department of Public Safety
TNRCC required when mandatory restrictions are imposed)
Major water users
Critical water users, i.e. hospitals
Parks / street superintendents, & public facilities managers

MAY 21 2011

Note: The plan should specify direct notice only as appropriate to respective drought stages.

Stage 1 Response – MILD Water Shortage Conditions

Goal: Achieve a voluntary 10 percent reduction in daily water demand.

Supply Management Measures:

Listed below

Note: Describe measures, if any, to be implemented directly by (name of water supplier) to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes.

Voluntary Water Use Restrictions:

- (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 an 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 and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.
- (b) All operations of the Arledge 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.

State 2 Response – MODERATE Water Shortage Conditions

Goal: Achieve a 15 percent reduction in daily water demand.

Supply Management Measures:

Listed below

Note: Describe measures, if any, to be implemented directly by Arledge Ridge Water Supply Corporation to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped area; use of alternative supply source(s); use of reclaimed water for non-potable purposes.

Water Use Restrictions. Under threat of penalty for violation, 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 an 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 10:00 a.m. and between 8:00 p.m. and 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 8:00 p.m. and 12:00

MAY 23 2001

midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with 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 10:00 a.m. and between 8 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 re-circulation system.
- (E) Use of water from hydrants shall be limited to 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 the Arledge Ridge Water Supply Corporation.
- (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 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. However if golf courses utilizes a water source other than that provided by Arledge Ridge Water Supply Corporation, 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:
 1. Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 2. Use of water to wash down buildings or structures for purposes other than immediate fire protection;
 3. Use of water for dust control;
 4. Flushing gutters or permitting water to run or accumulate in any gutter or street; and
 5. 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

Goal: Achieve a 20 percent reduction in daily water demand.

Supply Management Measures:
Listed below

Note: Describe measures, if any, to be implemented directly by Arledge Ridge Water Supply Corporation to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of an alternative supply source(s); use of reclaimed water for non-potable purposes.

Water use Restrictions. 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 10:00 a.m. and between 8:00 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.

MAY 22 2001

- b. The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the Arlidge Ridge Water Supply Corporation.
- c. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Stage 4 Response – CRITICAL Water Shortage Conditions

Goal: Achieve a 30 percent reduction in daily water demand.

Supply Management Measures:
Listed below

Note: Describe measures, if any, to be implemented directly by Arlidge Ridge Water Supply Corporation to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of an alternative supply source(s); use of reclaimed water for non-potable purposes.

Water Use Restrictions: 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 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers and permanently installed automatic sprinkler systems are prohibited at all times.
- (b) Use of water to wash any motor vehicles, 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 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m.
- (c) The filling, refilling, or adding 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 increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby 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

Goal: Achieve a 50 percent reduction in daily water demand.

Supply Management Measures:
Listed below

MAY 28 2000

Note: Describe measures, if any, to be implemented directly by Arledge Ridge Water Supply Corporation to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, reduced or discontinued irrigation of public landscaped areas; use of an alternative supply source(s); use of reclaimed water for non-potable purposes.

Water Use Restrictions: 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.

Stage 6 Response – WATER ALLOCATION

In the event that water shortage conditions threaten public health, safety and welfare, the Majority of Board Members are 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	6,000
3 or 4	7,000
5 or 6	8,000
7 or 8	9,000
9 or 10	10,000
11 or more	12,000

“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 the Arledge Ridge Water Supply Corporation of a greater number of persons per household on a form prescribed by the Majority of Board Members. The Majority of Board Members or Board designee 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 the Arledge Ridge Water Supply Corporation offices to complete and sign the form claiming more than two (2) persons per household. New customers may claim more per household at the time of applying for water service on the form prescribed by the Majority of Board Members. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify the Arledge Ridge Water Supply Corporation on such form and change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify the Arledge Ridge Water Supply Corporation in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household the Majority of Board Members shall adopt methods to insure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of persons in a household or fails to timely notify the Arledge Ridge Water Supply Corporation of a reduction in the number of persons in a household shall be fined not less than \$100.00.

MAY 28 2009

Residential water customers shall pay the following surcharges:

\$5.00	for the first 1,000 gallons over allocation
\$6.00	for the second 1,000 gallons over allocation
\$7.00	for the third 1,000 gallons over allocation
\$10.00	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 (e.g., 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 the Arledge Ridge Water Supply Corporation of a greater number on a form prescribed by the Majority of Board Members. The Majority of Board Members shall give his/her best 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 the Arledge Ridge Water Supply Corporation 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 units at the time of applying for water service on the form prescribed by the Majority of Board Members. If, the number of dwelling units served by a master meter is reduced, the customer shall notify the Arledge Ridge Water Supply Corporation in writing within two(2) days. In prescribing the method for claiming more than two (2) dwelling units, the Majority of Board Members shall adopt methods to insure the accuracy of the claim. Any persons who knowingly, recklessly, or with criminal negligence falsely reports the Arledge Ridge Water Supply Corporation of a reduction in the number of persons in a household shall be fined not less than \$100.00. Customers billed from a master meter under this provision shall pay the following monthly surcharges:

(2) days. In prescribing the method for claiming more than two (2) dwelling units, the Majority of Board Members shall adopt methods to insure the accuracy of the claim. Any persons who knowingly, recklessly, or with criminal negligence falsely reports the Arledge Ridge Water Supply Corporation of a reduction in the number of persons in a household shall be fined not less than \$100.00. Customers billed from a master meter under this provision shall pay the following monthly surcharges:

\$5.00	,for 1,000 gallons over allocation up through 1000 gallons for each dwelling unit
\$6.00	thereafter, for each additional 1,000 gallons over allocation up through a second 1,000 gallons for each dwelling unit
\$7.00	,thereafter, for each additional 1,000 gallons over allocation up through a third 1,000 gallons for each dwelling unit.
\$10.00	,thereafter, for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

MAY 23 2009

Commercial Customers

A monthly water allocation shall be established by the Majority of Board Members or Board or Board 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 50 percent of the customer's usage for corresponding month's billing period for the previous 12 months. If the customer billing history is shorter than 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. The Majority of Board Members or board designee shall their best effort to see that notice of each non-residential customer's allocation s mailed to such customer. If however, a customer does not receive such notice, it shall be the customer's responsibility to contact her Arledge ridge Water Supply Corporation to determine the allocation. Upon request of the customer or at the initiative of the Majority of Board Member or Board designee, the allocation may be reduced or increased (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 here under to the Board of Directors. Nonresidential commercial customers shall pay the following surcharges:

\$5.00 per thousand gallon for the first 1,000 gallon over allocation.
 \$6.00 per thousand gallons for the second 1,000 gallons over allocation.
 \$7.00 per thousand gallons for the third 1,000 gallons over allocation.
 \$10.00 per thousand gallons for the additional 1,000 gallons over allocation.

Surcharges shall be cumulative

Section X: ENFORCEMENT

- (a) No person shall knowingly or intentionally allow the use of water from the Arledge Ridge Water Supply Corporation 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 Majority of Board Members or his/ her designee, in accordance with provisions of this Plan.
- (b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than \$100.00dollars and not more than \$500.00dollars. Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan the Majority of Board Members shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Service discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$50.00 and any other cost incurred by the Arledge Ridge Water Supply Corporation in discontinuing service. In addition, suitable assurance must be given to the Majority of Board Members, 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 the district court.
- (c) Any person, including a person classified as a water customer of the Arledge Ridge Water Supply Corporation in apparent control of the property where a violation occurred or originates shall be presumed to be the violator, and proof that the violation occurs or originates on the person's property shall constitute a rebuttal 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. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttal presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.
- (d) Any employee of the Arledge Ridge Water Supply Corporation, police officer, or other employee designated by the Majority of Board Members, may issue a citation to a

person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the justice court (e.g., municipal court) on the date shown on the citation for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in justice court.

Section XI: Variances

The Majority of Board Members or Board 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 Ordinance shall file a petition for variance with the Arlidge Ridge Water Supply Corporation within 5 days after the Plan or particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Majority of Board Members, or Board designee and 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 Ordinance.
- (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 the Arlidge Ridge Water Supply Corporation shall be subject to the following conditions, unless waived or modified by the Majority of Board Members or Board 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.

MAY 28 2001



Texas Commission on Environmental Quality

By These Presents Be It Known To All That

Arledge Ridge Water Supply Corporation

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10175

to provide continuous and adequate water utility service to that service area or those service areas in Fannin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 33792-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Arledge Ridge Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this

OCT 18 2002

Margaret Hoffman
For the Commission

Public Utility Commission of Texas

Page 57 of 67

By These Presents Be It Known To All That

ARLEDGE RIDGE WATER SUPPLY CORPORATION

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity

MAY 23 2001

numbered 10175 , to provide water utility service to that service area or those service areas designated by final Order or Orders duly entered by this Commission, which Order or Orders are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection;

and be it known further that these

presents do evidence the authority and the duty of this Grantee to provide such utility service in accordance with the laws of this State and the Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 1st day of November, 1979.

Philip F. Ricketts

Philip F. Ricketts
SECRETARY OF THE COMMISSION

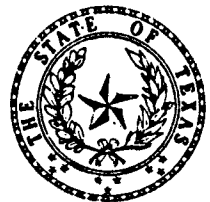
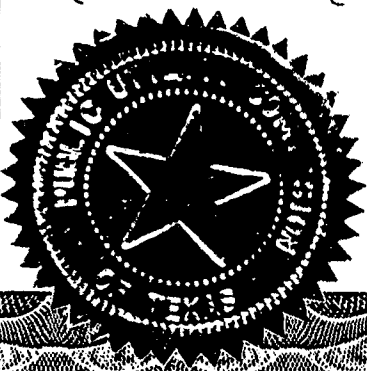


Exhibit B
Affidavit of Penni Smallwood

PUC DOCKET NO. 52493

COMPLAINT OF BRAD WHITE
 AGAINST ARLEDGE RIDGE
 WATER SUPPLY CORPORATION

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PUBLIC UTILITY COMMISSION
 OF TEXAS

AFFIDAVIT OF PENNI SMALLWOOD

STATE OF TEXAS

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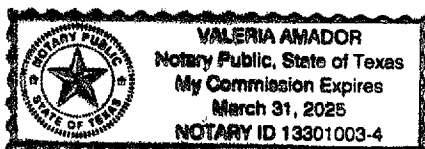
COUNTY OF FANNIN

Before me, the undersigned notary, on this day personally appeared Penni Smallwood, the affiant, whose identity is known to me. After I administered an oath, affiant testified as follows:

1. My name is Penni Smallwood. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am the Office Manager of Arledge Ridge Water Supply Corporation ("Arledge Ridge") and have been serving as the Office Manager for the past year and a half. I began working with Arledge Ridge on March 16, 2015, as an assistant office manager.
3. I received a phone call from Brad White in early June 2021 inquiring about Arledge Ridge's water service. I forwarded his information to Michael Granstaff. Mr. Granstaff is the one who will call potential applicants and discuss their potential status. If a potential applicant may require non-standard service, Arledge Ridge will generally forward them to our engineer at Dunaway DBI.
4. I also collect the mail daily for Arledge Ridge and mail out any notices and documents. Except for what was served to Arledge Ridge by the Public Utility Commission on September 1, 2021, Arledge Ridge did not send or receive any written documents from Mr. White until September 3, 2021. This was when Arledge Ridge received a letter dated August 25, 2021, and a copy of Mr. White's "Membership Signup Sheet." These appear to be the same documents from Exhibit A of Mr. White's Complaint, which Arledge Ridge was served by the Public Utility Commission on September 1, 2021.
5. Membership Signup Sheets are an administrative form that are ordinarily filled out after an application is completed, paid for, and approved. This form remains in the customer's file and is used to prepare the Membership Certificate. It is not an application or agreement for service.
6. Arledge Ridge has not received any other application-related documents from Mr. White.

Penni Smallwood
 Penni Smallwood, Affiant

Sworn to and subscribed before me by Penni Smallwood on October 4th, 2021.



Valeri Amador
 Notary Public in and for the State of Texas

Exhibit C

Affidavit of Jacob Dupuis, Including All Enclosures

PUC DOCKET NO. 52493

COMPLAINT OF BRAD WHITE
 AGAINST ARLEDGE RIDGE
 WATER SUPPLY CORPORATION

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PUBLIC UTILITY COMMISSION
 OF TEXAS

AFFIDAVIT OF JACOB DUPUIS

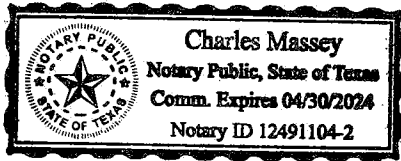
STATE OF TEXAS §
 COUNTY OF Collin §

Before me, the undersigned notary, on this day personally appeared Jacob Dupuis, the affiant, whose identity is known to me. After I administered an oath, affiant testified as follows:

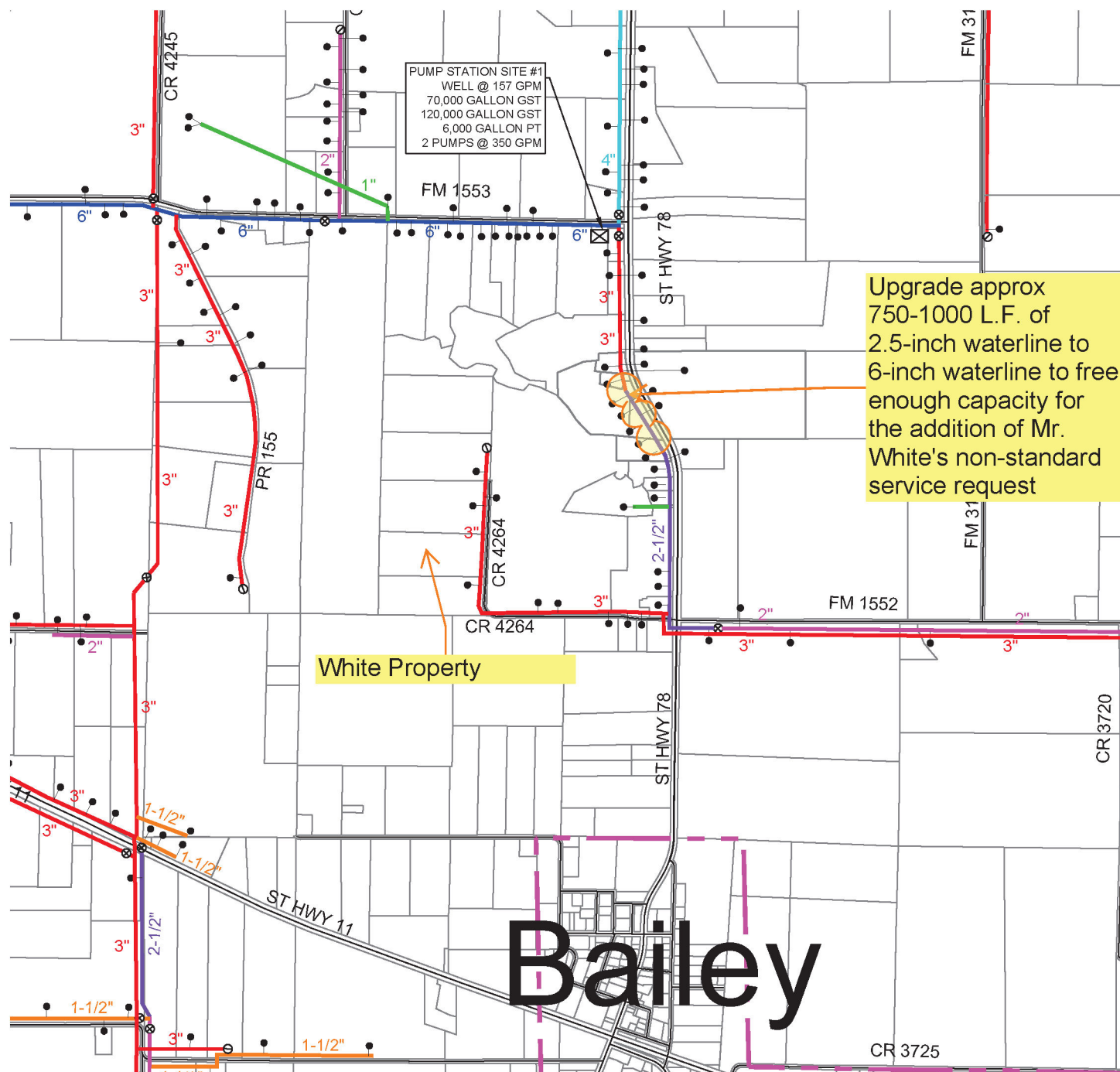
1. My name is Jacob Dupuis. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am a Discipline Lead at Dunaway | DBI, which provides Arledge Ridge Water Supply Corporation ("Arledge Ridge") with engineering services. I began working with DBI in 2015 as an Engineer-in-Training and continued employment with Dunaway | DBI after its merger approximately six months ago.
3. Dunaway | DBI ordinarily intakes and processes all potential non-standard service applicants for Arledge Ridge. Potential applicants ordinarily call in and submit paperwork so our firm can review their request for service and prepare recommendations for system improvements. Initial estimates, plans, and non-standard service agreements are also provided as needed. I reviewed Dunaway | DBI's files and did not see any notes or paperwork that indicate Brad White called this office or filled out any paperwork to obtain service from Arledge Ridge. It appears the first time our office prepared any documents regarding his service was after Arledge Ridge reached out to us regarding Mr. White's informal complaint to the Public Utility Commission.
4. Upon a preliminary review, it appears Mr. White would require non-standard service because Arledge Ridge's supply, storage and/or distribution system requires additions to serve him. According to the service maps attached to this affidavit, Mr. White's property abuts a 3-inch line. This 3-inch line is connected to a 2.5-inch line that is currently at capacity. To serve Mr. White, Arledge Ridge must replace approximately a 1000-foot segment of the 2.5-inch line with a 6-inch line so adequate water pressure can be provided to him and maintained for existing customers throughout the area.
5. A distribution line is limited in the number of taps it can serve before drops in pressure occur. The Texas Commission on Environmental Quality has requirements for pressure that all public water systems must meet. If consistent water pressure is not maintained, then service interruptions may occur, potable water cannot be ensured, contamination is possible, and boil water notices must be issued to all customers connected to that line.
6. The estimate of the cost to construct the additions required to serve Mr. White are attached to this affidavit

Jacob Dupuis
Jacob Dupuis, Affiant

Sworn to and subscribed before me by Jacob Dupuis on October 4, 2021.



Charles Massey
Notary Public in and for the State of Texas





WATER SERVICE INVESTIGATION REQUEST

Water Company:	
Development Name:	
Applicant Name:	
Applicant Company Name:	
Mailing Address:	
Applicant Phone Number:	
Applicant Email:	
Property Location:	
Number of acres:	
Number of proposed lots:	
Number of proposed Phases:	
Phase 1 Number of lots and proposed date	
Phase 2 Number of lots and proposed date	
Phase 3 Number of lots and proposed date	
Subsequent Number of lots and proposed date	

Note: Must attach vicinity map and proposed lot layout.

Please mail the \$750.00 non-refundable Initial Analysis and Letter Evaluation Fee to the address below.

Dunaway | DBI
 118 MCKINNEY STREET | PO Box 606 | FARMERSVILLE, TEXAS 75442
 OFFICE 972-784-7777 | WWW.DUNAWAY.COM
 FIRM REGISTRATION NO: F-1114

Arledge Ridge WSC SH 78 WL Improvements for White Property Estimated Project Cost		
Construction Cost Estimate		
No.	Description	Total
1	Furnish & Install 1,000 LF of 6" Waterline w/ bores, encasement, etc.	\$ 45,000.00
2	Furnish & Install Valves, Fittings, Appurtenances for 6" Waterline	\$ 10,750.00
3	Mobilization & Bonding	\$ 5,000.00
	Construction Subtotal	\$ 60,750.00
	Construction Contingency @10%	\$ 6,075.00
	Construction Total	\$ 66,825.00

Engineering Design, Construction Administration, Inspection & Survey Fees		
	Engineering Design & Construction Administration	\$ 10,000.00
	Construction Inspection	\$ 1,700.00
	Surveying & Staking	\$ 1,000.00
	Non Construction Total	\$ 12,700.00

Total Estimated Project Cost	\$ 73,450.00
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NOTE: Estimated project costs are in today's dollars. Ultimate costs may vary depending upon prevailing labor, material & fuel costs. Engineering, Inspection & Testing costs are general estimates and will be determined by actual size and scope of project as designed and bid.

Exhibit D
Affidavit of Michael Granstaff

PUC DOCKET NO. 52493

COMPLAINT OF BRAD WHITE	§	PUBLIC UTILITY COMMISSION
AGAINST ARLEDGE RIDGE	§	OF TEXAS
WATER SUPPLY CORPORATION	§	

AFFIDAVIT OF MICHAEL GRANSTAFF

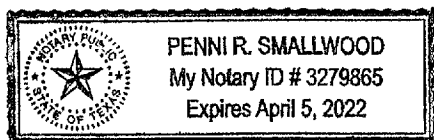
STATE OF TEXAS §
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 COUNTY OF FANNIN §

Before me, the undersigned notary, on this day personally appeared Michael Granstaff, the affiant, whose identity is known to me. After I administered an oath, affiant testified as follows:

1. My name is Michael Granstaff. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am the General Manager/Operations Manager of Arledge Ridge Water Supply Corporation ("Arledge Ridge") and I began working with Arledge Ridge on March 6, 2006.
3. I spoke with Brad White over the phone once after construction of his house was completed to preliminarily discuss water service with Arledge Ridge. I explained that the water line that Mr. White's property would connect to requires additions because it cannot support additional meters at this time. I explained what the total cost for the additions would be, that Arledge Ridge already has a two-year construction plan, and that he would need to contact our engineer, Dunaway DBI, for more specific details for his own service and to fill out any application materials.
4. I did not receive another phone call or documents from Mr. White, except for what the Public Utility Commission provided when it served Arledge Ridge on September 1, 2021.


 Michael Granstaff, Affiant

Sworn to and subscribed before me by Michael Granstaff on October 4th, 2021.




 Notary Public in and for the State of Texas