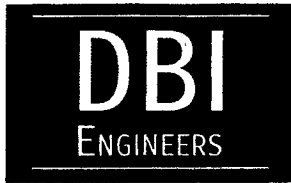


Control Number: 47190



Item Number: 1

Addendum StartPage: 0



47190

RECEIVED

2017 MAY 18 PM 4:11

PUBLIC UTILITY COMMISSION
FILING CLERK

May 10, 2014

**CERTIFIED MAIL 7016 0910 0000 6462 7456
RETURN RECEIPT REQUESTED**

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Subject: Frognot WSC CCN Amendment in Collin, Hunt & Fannin Counties, Texas
PWS ID: 1160001; CCN: 11207.

To Whom It May Concern:

Please find enclosed the following:

- An original and seven copies of the completed application to amend a Water Certificate of Convenience and Necessity (CCN) for the Frognot WSC in Collin, Hunt and Fannin Counties, Texas.
- Two copies of a data disk with the applicant's name containing projectable digital data with metadata for the proposed areas in a single record.
- A signature authorization letter.

This amendment purposes to:

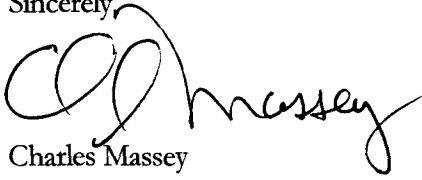
- Transfer existing customers and facilities from the North Farmersville WSC to Frognot WSC and to dually certificate this area (~1,205 acres) with Frognot WSC. Enclosed are resolutions from North Farmersville WSC and Frognot WSC for this transfer. And a North Farmersville WSC consent to dually certificate this same area with Frognot WSC.
- Dually certificate an area (~18 acres) with Caddo Basin SUD. Enclosed is a Caddo Basin SUD consent to dually certificate with Frognot WSC.
- Dually certificate an area (~108 acres) with West Leonard WSC. Enclosed is a West Leonard WSC consent to dually certificate with Frognot WSC.

The total area being requested includes approximately 1,331 acres and 41 existing customers.

Thank you for considering this request. If you need any additional information please contact me at 972-784-7777.

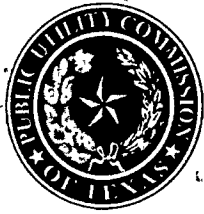
DANIEL & BROWN INC.
118 MCKINNEY STREET | PO BOX 606 | FARMERSVILLE, TEXAS 75442
OFFICE 972-784-7777 | WWW.DBCONSULTANTS.COM
FIRM REGISTRATION NO: F-002225

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Massey". The signature is fluid and cursive, with the first name "Charles" written in a larger, more prominent script than the last name "Massey".

Charles Massey
Project Manager

cc: Robert Todd, Frognot WSC (w/o encl)



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: **47190**

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication	13
Notice to Neighboring Systems, Landowners and Cities	15
Notice to Customers of IOUs in Proposed Area	17

Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s)	<u>10164</u>
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s)	

1. Applicant Information

Applicant	
Utility name: Frognot Water Supply Corporation	
Certificate number: TX0430035	
Street address (City/ST/ZIP/Code): 408 W FM 545, Suite 3, Blue Ridge, TX 75424	
Mailing address(City/ST/ZIP/Code): PO Box 400, Blue Ridge, TX 75424	
Utility Phone Number and Fax: (972) 752-4100	
Contact information	
Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.	
Name: Eddy Daniel, P.E.	Title: Corporation's Engineer
Mailing address: PO Box 606 Farmersville, TX 75442	
Email: eddy@dbiconsultants.com	Phone and Fax: (972) 784-7777
List all counties in which service is proposed: Collin, Hunt and Fannin	

A. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☐ Investor Owned Utility ☐ Individual ☐ Partnership
- ☐ Home or Property Owners Association ☐ For-profit Corporation
- ☒ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☐ Municipality ☐ District ☐ Other - Please explain:

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: _____
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

2. Location Information

- A. Are there people already living in the proposed area? ☒ Yes ☐ No
- If YES, are any currently receiving utility service? ☐ Yes ☐ No
- If YES, from WHOM? North Farmersville WSC

B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

☒ Yes ☐ No

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☐ Yes ☒ No

If YES, within the corporate limits of: _____

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

Consent to Dual Certification with Frognot WSC (enclosed)

D. Is any portion of the proposed service area inside another utility's CCN area?

☒ Yes ☐ No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

Consent to Dual Certification with North Farmersville WSC (enclosed)

Consent to Dual Certification with Caddo Basin SUD (enclosed)

Consent to Dual Certification with West Leonard WSC (enclosed)

3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

A. Please provide the following information:

- i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
- ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
- iii. copies of written responses from each system or evidence that they did not reply; and
- iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.

B. Were your requests for service denied? ☐ Yes ☐ No

W	Q																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

W	Q																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

W	Q																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

W	Q																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

W	Q																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

W	Q																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

- iii. Date of last TCEQ water and/or sewer system inspection(s): 3/18/2015
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Robert Todd	C	WG0002259
Harold Hitzfeld	D	WO0038644

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

- ☐ Yes
- ☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	592	63	Residential		
1" meter or larger	14	0	Commercial		
Non-Metered	0	0	Industrial		

TCEQ Water System			TCEQ Sewer System		
Other:	0	0	Other:		
Total Water	606	63	Total Sewer		

- E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

Individual septic tanks

- F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

- G. Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- the applicant,
- any retail public utility of the same kind already serving the proximate area; and
- any landowner(s) in the requested area.

- H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

- i. ☒ No, (skip the rest of this question and go to #6)

- ii. Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service.

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- the current and projected density; and
- the land use of the requested area.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

The primary purpose of this proposed CCN is: (1) North Farmersville WSC (NFWSC) requested Frognot WSC (FWSC) to take over a portion of its existing distribution system to keep the total number of NFWSC connections less than 250. NFWSC is concerned about proposed growth in its service area. FWSC has installed a distribution line to serve these existing NFWSC customers. In doing so, the installed line crossed ~700' of Caddo Basin's SUD CCN, for which FWSC is requesting dual certification. (2) A development in the West Leonard WSC (WLWSC) CCN is unable to obtain adequate service from WLWSC and has requested service from FWSC. For which FWSC is requesting dual certification of this area with WLWSC.

Granting an amended certificate in itself will not encourage or prevent high density rural developments in Collin, Hunt and Fannin Counties. The area that Frognot WSC serves is generally rural in nature and this proposed Certificate Amendment will not accelerate the conversion of prime farm land.

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

- the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing water and/or sewer systems:
 - i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
 - ii. Attach a proposed rate schedule or tariff.
- ❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.
- ❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

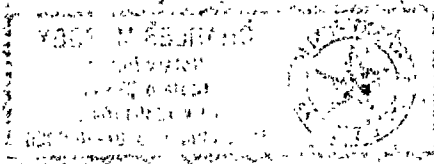
- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.



OATH

STATE OF Texas
COUNTY OF Collin

I, Eddy W. Daniel, P.E., being duly sworn,
file this application as Corporation's Engineer (indicate relationship to Applicant,
that is, owner, member of partnership, title as officer of corporation, or other authorized
representative of Applicant); that, in such capacity, I am qualified and authorized to file
and verify such application, am personally familiar with the maps and financial information
filed with this application, and have complied with all the requirements contained in this
application; and, that all such statements made and matters set forth therein are true and
correct. I further state that the application is made in good faith and that this application
does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended
from its original form.

**I further represent that the Applicant will provide continuous and adequate
service to all customers and qualified applicants for service within its certificated
service area.**

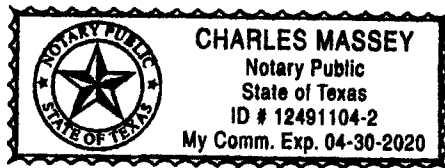


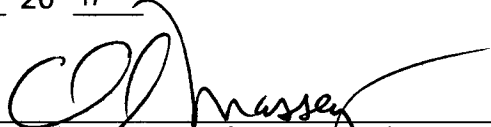
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the
Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 5th of May 20 17

SEAL





NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Charles Massey

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 4-30-2020

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Collin, Hunt and Fannin COUNTY(IES), TEXAS

Name of Applicant Frognot Water Supply Corporation has filed an application for a
CCN to obtain or amend CCN No. (s) 10164 and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide

Water
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in _____ County
(ies):

The proposed utility service area is located approximately 5.5 miles north [direction] of downtown Farmersville, [City or Town] Texas, and is generally bounded on the north by Collin County, Road 581; on the east by Arnold Creek; on the south by Collin County Road 662; and on the west by City of Blue Ridge.

The total area being requested includes approximately 1,331 acres and 1,358,415 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 408 W. FM 545, Suite 3, Blue Ridge, TX 75424, 972-752-4100.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should file with the PUC at the following address:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/SEWER UTILITY SERVICE IN
Collin, Hunt and Fannin COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 ____
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant Frognot Water Supply Corporation has filed an application for a
CCN to obtain or amend CCN No. (s) 10164 and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide Water
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in Collin, Hunt and Fannin County(ies).

The proposed utility service area is located approximately 1.5 miles north
[direction] of downtown Farmersville, [City or Town] Texas, and is
generally bounded on the north by Collin County Road 581; on the east by
Arnold Creek; on the south by Collin County Road 662; and on the west by City of Blue Ridge.

See enclosed map of the proposed service area.

The total area being requested includes approximately 1,331 acres and 41
current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

_____ COUNTY(IES), TEXAS

Dear Customer: _____ Date Notice Mailed _____ 20 ____

Name of Applicant _____ has filed an application for a CCN to obtain or amend CCN No. (s) _____ and to decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide _____
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in _____ County(ies).

The proposed utility service area is located approximately _____ miles _____
[direction] of downtown _____, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): _____

The current utility rates which were first effective on _____ 20 ____

Monthly Flat Rate of \$ _____ Per connection

-OR-

Monthly Base Rate Including per _____ gallons connection for:

5/8" meter	\$ _____
1" meter	\$ _____
1 1/2" meter	\$ _____
2" meter	\$ _____

Other \$ _____

Gallonage charge of \$ _____ Per 1,000

Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%
\$ _____
\$ _____
\$ _____
\$ _____
\$5.00 or 10%
\$ _____
\$ _____
\$ _____

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Termis						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
TOTAL USES						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve						
Interest						
TOTAL						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

May 3, 2017

Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

RE: Water CCN Amendment Application for the Frognot Water Supply Corporation
Signature Authorization

To Whom It May Concern:

This letter serves to authorize Eddy W. Daniel, P.E. of the Engineering Firm Daniel & Brown, Inc. as technical representative for the Frognot Water Supply Corporation regarding the above referenced application. All questions, comments and signature authorizations pertaining to this application shall be directed to Mr. Daniel.

If you have any questions, please feel free to contact me at 903-566-1320.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Todd", is written over the word "Sincerely,".

Robert Todd
Manager Frognot Water Supply Corporation

ARTICLES OF INCORPORATION

OF

FROGNOT

WATER SUPPLY CORPORATION

THE STATE OF TEXAS

COUNTY OF COLLIN

KNOW ALL MEN BY THESE PRESENTS:

WE, the undersigned natural persons of the age of twenty-one (21) years or more, at least three of whom are citizens of the State of Texas, acting as incorporators of a Corporation, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I.

The name of the Corporation is Frognot Water Supply Corporation.

ARTICLE II.

The Corporation is a non-profit Corporation organized under Article 1434a of the Revised Civil Statutes of Texas of 1925, as amended, supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq. as amended, and is authorized to exercise all powers, privileges and rights conferred on a Corporation by these Acts, and all powers and rights incidental in carrying out the purposes for which the Corporation is formed, except such as are inconsistent with the express provisions of these Acts.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The Corporation is formed for the purpose of furnishing a water supply for general farm use and domestic purposes to individuals residing in the rural community of Frognot, Texas, and the surrounding rural areas.

The places where the business of the Corporation is to be transacted shall be the Frognot Community in Collin County, Texas and the surrounding rural areas.

ARTICLE V.

The street address of the initial registered office of the Corporation is Route 1, Frognot, Texas, and the name of its initial registered agent at such address is B. T. Cook.

ARTICLE VI.

The number of directors constituting the initial Board of Directors of the Corporation is five (5), and the names and addresses of the persons who are to serve as the initial directors are:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY</u>
<u>Thomas Webb</u>	<u>Route 1</u>	<u>Blue Ridge, Texas</u>
<u>H. F. Cunningham</u>	<u>Route 1</u>	<u>Blue Ridge, Texas</u>
<u>B. T. Cook</u>	<u>Route 1</u>	<u>Blue Ridge, Texas</u>
<u>Mrs. Hazel Dixon</u>	<u>Route 1</u>	<u>Blue Ridge, Texas</u>
<u>Earl Durbin</u>	<u>Route 1</u>	<u>Blue Ridge, Texas</u>

APPENDIX

KNOW ALL MEN BY THESE PRESENTS:

WE, the undersigned natural persons of the age of twenty-one (21) years or more, at least three of whom are citizens of the State of Texas, acting as incorporators of a Corporation, do hereby adopt the following

ARTICLES OF INCORPORATION of such corporation:

~~The name of the Corporation is, Frognot Water~~
~~Supply Corporation.~~

The Corporation is a non-profit corporation organized under Article 1434a of the Revised Civil Statutes of Texas of 1925, as amended, supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq., as amended, and is authorized to exercise all powers, privileges and rights conferred on a Corporation by these Acts, and all powers and rights incidental in carrying out the purposes for which the Corporation is formed, except such as are inconsistent with the express provisions of these Acts.

The period of its duration is perpetual.

ARTICLE IV:

The Corporation is formed for the purpose of furnishing a water supply for general farm use and domestic purposes to individuals residing in the rural community of Frognot, Texas, and the surrounding rural areas. The places where the business of the Corporation is to be transacted shall be the Frognot Community in Collin County, Texas, and the surrounding rural areas.

ARTICLE V:

The street address of the initial registered office of the Corporation is Route 1, Frognot, Texas, and the name of its initial registered agent at such address is

B. T. Cook.

ARTICLE VI:

The number of directors constituting the initial Board of Directors of the Corporation is five (5), and the names and addresses of the persons who are to serve as the initial Directors are:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY</u>
Truman Webb	Route 1	Blue Ridge, Texas
H. I. Cunningham	Route 1	Blue Ridge, Texas
B. T. Cook	Route 1	Blue Ridge, Texas
Mrs. Hazel Dixon	Route 1	Blue Ridge, Texas
Burt Durham	Route 1	Blue Ridge, Texas

ARTICLE VII:

The name and street address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY</u>
Truman Webb	Route 1	Blue Ridge, Texas
H. I. Cunningham	Route 1	Blue Ridge, Texas
B. T. Cook	Route 1	Blue Ridge, Texas
Mrs. Hazel Dixon	Route 1	Blue Ridge, Texas
Burt Durham	Route 1	Blue Ridge, Texas

Each incorporator shall be a member of the Board of Directors who are to serve as Directors until the first annual meeting of the members, or until their successors are elected and qualified.

ARTICLE VIII:

The Corporation is and shall continue to be a Corporation without capital stock, and membership in the Corporation shall be deemed personal estate and shall be transferable only on the books of the Corporation in such manner as the By-Laws may prescribe.

IN WITNESS WHEREOF, we have hereunto set our hands this the 22nd day of December 1965.

Truman Webb
TRUMAN WEBB

H. I. Cunningham
H. I. CUNNINGHAM

B. T. Cook
B. T. COOK

Mrs. Hazel Dixon

MRS. HAZEL DIXON

Burt Durham

BURT DURHAM

STATE OF TEXAS

COUNTY OF COLLIN

I, Alwilda Curtis, a Notary Public, do hereby
certify that on this the 22nd day of December 1965,
personally appeared Truman Webb, H. I. Cunningham, B.
T. Cook, Mrs. Hazel Dixon and Burt Durham, who each being
by me duly sworn, severally declared that they are the

persons who signed the foregoing document as incorpora-
tors, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand this
the 22nd day of December 1965.

(seal)

(Alwilda Curtis)

Notary Public, Collin County, Texas

BYLAWS
of
FROGNOT WATER SUPPLY CORPORATION

ARTICLE I

General Purposes

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the articles of incorporation of the corporation.

ARTICLE II

Name and Location

Section 1. The name of this corporation is the

FROGNOT WATER SUPPLY CORPORATION

Section 2. The principal office of this corporation shall be located at 9329 CR 628 Blue Ridge, County of Collin, and State of Texas.

ARTICLE III

Seal

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, and the words, "Corporate Seal".

Section 2. The secretary of the corporation shall have custody of the seal.

Section 3. The seal may be used for causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

Fiscal Year

The fiscal year of the corporation shall begin the 1st day of January in each year.

ARTICLE V

Membership

Section 1. Membership will be limited to those who obtain the organization's services, acquire a tangible interest in its assets in proportion to the business done with the organization and have a voice in its management.

Section 2. Every person (which word as used herein includes any legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest, in a property served by the water system may become a member of the corporation upon signing such applications and agreements for the purchase of water as may be provided and required by the corporation and upon the payment of such connection fee as may be imposed by the board of directors provided that only one membership at a time may be held for each property served. A single membership may be issued to all persons owning or having a substantial possessory interest in the property. Only one membership may be held with respect to property at one time. The board of directors shall cause to be issued appropriate certificates of membership, provided that membership shall not be denied because of the applicant's race, color, creed, sex, age, marital status, or national origin. Membership may be denied if capacity of the corporation's water system is exhausted by the need of its existing members, or, if the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the board of directors.

A. A substantial possessory interest is one where the person or persons have a legal right to control and occupancy of a property but do not have the legal or the equitable ownership of the property. It may be under a lease or similar right to possession.

(1) Before membership is allowed to one or more persons claiming such an interest, the corporation will endeavor to obtain the application for membership from the owner of such property.

(2) Where membership is granted to one or more persons having a substantial possessory interest, the corporation, as a condition to the membership, may require such applicant to post such collateral or bond as the directors determine necessary to fully protect the corporation from any additional risk that may be involved to the corporation by reason of the lack of legal ownership in the applicant.

Section 3. Each member shall have only one membership for each property served, regardless of the number of service connections the member may obtain to serve the property. Each membership certificate shall represent one vote. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the certificate is registered or by such person as the several persons may designate, but in no event shall more than one vote be cast with respect to any property.

Section 4. Membership shall be transferable but the transfer will be effective only when noted on the books of the corporation. Such transfer will be made only to a person who obtains a qualifying interest in the property. A member will transfer membership in the corporation to a successor in interest as part of the transaction whereby the member disposes of any interest to said property. The secretary, upon request, will make note of such transfer upon the records of the corporation but need not issue a new certificate to the successor in interest of the previous existing member.

Section 5. When membership in the corporation is not transferred, it shall terminate upon the disposition or other termination of the member's interest in the property, regardless of whether or not the certificate is surrendered to the corporation. Membership also may be terminated by action of the board of directors where the use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.

Section 6. Termination of membership will not result in forfeiture of the former member's rights and interest in the organization's assets and the former member will not be precluded from receiving a proportionate share of any subsequent distribution of such assets by the organization.

Section 7. The termination of the membership of any member shall not disqualify for membership any other person who has or obtains an interest in the property of the terminated member and who otherwise meets the requirements of these bylaws.

Section 8. In the event a member's property interest is divested other than by voluntary means, such member's membership will pass to the trustee, receiver, executor, or the like who will be entitled either in person or through a designated representative to exercise all of the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor, or the like, may terminate such membership by written notice to such effect delivered or mailed to the secretary of the corporation. Upon the final disposition of such property rights, the owner thereof shall be entitled to membership in like manner as if the membership had been transferred to the owner by the original member as set forth in Section 4 above.

Section 9. Upon the transfer of a membership, the corporation will not look to the successor in interest for the payment of any past due amounts. The corporation will seek collection only from the individual who incurred such charges or assessments or from the property itself if a judgment lien had been duly perfected against such property.

Section 10. With prior written request, corporate records, books and annual reports, subject to exceptions provided by the Open Records Act, Article 6252-13a, Texas Business Organizations Code Section 22.156. Including any amendments thereto, shall be available for public inspection and copying by the public or their duly authorized representatives during normal hours subject to a reasonable charge for the preparation of copies.

In the event of any conflict between the provisions of the Open Records Act and the provisions of these By-Laws, the provisions of the Open Records Act shall prevail.

ARTICLE VI.

Membership Certificates

Section 1. This corporation shall not have capital stock. Membership in the corporation shall be represented by membership certificates. Such certificates shall represent the right to use and enjoy the benefits of the corporation's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use, provided such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may from time to time be prescribed by the board of directors.

Section 2. A membership certificate shall be issued to each holder of fully paid membership, numbered consecutively in accordance with the order of issue, and bear on its face the following statement:

Frognot Water Supply Corporation

This certifies that _____ is the owner of one membership of Frognot WSC at an initial membership fee of _____ dollars, Corporation organized under the laws of the State of Texas, transferable only on the books of the corporation to the holder hereof in person or by duly authorized attorney, upon surrender of this certificate properly endorsed.

In witness where-of, the said corporation has caused this certificate to be signed by its duly authorized officers and to be sealed with the seal of the corporation this _____ day of _____, 20____.

This membership certificate is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the articles of incorporation and bylaws and amendments to the same of the Frognot Water Supply Corporation.

ARTICLE VII

Meetings of Members

Section 1. The annual meeting of the members of this corporation shall be held at the City of Blue Ridge, County of Collin, State of Texas, prior to May 1st of each year, if not a Sunday or legal holiday, or if a Sunday or legal holiday on the next business day following. The place, day, and time of the annual meeting shall be given by a notice from the Secretary-Treasurer mailed to each member not less than ten (10) days prior to the meeting. The place, day, and time of the annual meeting may be changed to any other convenient place, day, and time in the county by the board of directors giving notice thereof to each member not less than ten (10) days in advance thereof.

Section 2. Special meetings of the members may be called at any time by the action of the board of directors and such meetings must be called whenever a petition requesting such meetings is signed by at least one-third of the members and presented to the secretary or to the board of directors. Special meeting of the directors may be held upon the posting of notice of such special meeting at least two (2) hours before the meeting is convened. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of members of the corporation, both regular and special, shall be given by notice mailed by first-class mail to each member of record, directed to the address shown upon the books of the corporation, not less than ten (10) nor more than forty (40) days prior to such meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 4. The presence at a meeting of members shall constitute a quorum. All proxies shall be in writing and filed with the secretary. Such proxies may be general or restrictive. Proxies shall be revocable and shall not be valid beyond 11 months, nor after termination of the membership by cessation of the member's interest in the property. Ballots/proxies from churches, schools, community centers, other civic organizations, etc... must be accompanied by a signed copy of the minutes showing where a meeting was held, who was present and that a specific candidate (s) or an amendment change will be supported with this vote. In the event of a tie those in attendance at the meeting shall break the tie. Those organizations listed above cannot

participate in the tie breaking procedure without the proper persons present. In the event of another tie, the Board of Directors will break the tie. If there is still a tie then the President will cast the deciding vote.

Section 5. The order of business at the annual meeting and so far as possible at all other meetings shall be:

1. Calling to order.
2. Establishment of a quorum by Independent Election Auditor.
3. OPEN FORUM: 3 minute time limit.
4. Reading and action on any unapproved minutes.
5. Manager calls for remaining ballots to be submitted to the Election Auditor.
6. Report on the financial condition of the corporation.
7. Managers remarks.
8. Election results announced by the Election Auditor.
9. Adjournment

Article VIII

Procedures for conducting an Annual or Special Stockholders Meeting

Section 1 Selection or appointment of Credentials Committee

Section 2 Establishment of Policies and Implementation Procedures

A. Nominations

B. Annual (or Special) Members' Meeting Packet

a. Official Proxy and Ballot Form

b. Notice of Meeting Information

c. Nomination Information

d. Agenda Items

e. Information for Proxy Voting Process

Section 3 Activities of the Credentials Committee

Section 4 Conducting the Annual (or Special) Members Meeting

Appendix A: Section 67.007, Texas Water Code

Attachment 1: Sample Nomination Form

Attachment 2: Sample Proxy and Ballot Form

Attachment 3: Sample Notice of Meeting and Agenda

Attachment 4: Sample Time Line for Events Leading up to the Meeting

Section 1. Selection or Appointment of Credentials Committee

The Board of Directors will have a standing Credentials Committee, consisting of three (3) individuals. The committee will consist of the Board Vice-president, the Board Secretary and the Frognot manager. The chairperson of the Credentials Committee shall be the Secretary, as required in the Corporation's By-laws. If in the event one of these cannot serve for some reason, then another director may fill the vacancy of a board member or another from the membership may serve in lieu of the manager.

Section 2. Establishment of Policies and Implementation procedures

The Credentials Committee will make recommendations regarding the written procedures for nominations, forms, voting, and how the result of the election of directors and business of the members is to be accomplished. These procedures will be presented to the Board for approval no later than 90 days prior to the annual Members' meeting. The Credentials Committee shall schedule sufficient meetings as necessary to accomplish these tasks prior to the deadline for submission to the Board. Once these procedures are adopted they will remain in effect for any subsequent Annual or Special Members' meeting until they are changed by formal action of the Board. The Credentials Committee will periodically review these procedures to consider comments or recommendations from the Board or the members, at least on an annual basis. The written procedures shall be made available for review by the members and general public.

- A. The Credentials Committee recommends for adoption by the Board the time and manner by which nominations for vacancies on the Board of Directors will be received.
 - a. General Guidelines – all nominees shall meet the requirements set forth in Chapter 67 of the Texas Water Code, the Texas Non-Profit Corporation Act and the By-laws of the Corporation.
 - b. The nominations shall be for a period of 30 days. This 30-day period shall begin 60 days prior to the scheduled Annual (or Special) Members' Meeting and end 30 days prior to that meeting.
 - c. The Credentials Committee will notify all members in writing of their opportunity to submit nominations to the Board.
 - d. All nominations must be received at the Corporation's office or other designated location not later than 30 days prior to date of members scheduled meeting. Nominations will be submitted on the official form approved and supplied by the Corporation. This form includes the name, mailing address, physical address, phone number, length of time nominee has been receiving service from system, and a declaration statement of the nominee. A nomination may be submitted by the nominee or by another member sponsoring that nominee, but the nomination form must be signed by the nominee. If enough nominations are not received to fill the vacant Board positions, the Credentials Committee is authorized to contact members to request additional nominations. Nominees will be permitted to submit a brief informational sheet about them, not to exceed 100 words. The Credentials Committee reserves the right to edit the informational sheet for length and clarity.

- B. The Annual (or Special) Stockholders' Meeting Packet will be mailed to all members of the Corporation at least 15 days in advance of the Annual (or 10 days in advance of a Special) Members Meeting. As specified in the By-laws, entitlement to vote is vested in those persons who are the recorded members as of the 15th day of the month proceeding the month in which the meeting is to be held. The Packet shall contain an official proxy and ballot form, a meeting notice, information on nominees to the Board, an agenda, and additional information on procedures for proxy voting. The Meeting packet shall clearly inform members that only the official proxy and ballot form will be used in conducting any business at the Members' meeting.

1. Official Proxy and Ballot Form

The Official Proxy and Ballot Form is used to establish a quorum at the Annual (or Special) Members Meeting, in addition to the members who might be present at the meeting. Members may only use this specific Proxy and Ballot Form that has been approved and adopted by the Board. The Proxy and Ballot Form must be received in the Corporation's office, or at another designated site, before 12:00 noon 72 hours prior to the day of the meeting for validation by Credentials Committee. The Proxy and Ballot form must be signed by the member and returned to the Corporation if the member wishes to be counted in any vote that is taken and the member does not plan on attending the meeting in person.

The form includes the date, time, place, and purpose of the meeting; who is designated to use the proxy; length of time the proxy is valid (not to exceed 90 days); the vote cast by the member and the signature of Member.

The proxy on this form will be reviewed by the Credentials Committee. If valid, this form shall then be presented at the Members' Meeting for the purpose of establishing a quorum or any adjournments therefore not to exceed ninety (90) days. Forms that are unsigned or ambiguous will not be accepted. Only this official proxy form will be recognized. **IF YOU LOSE THIS FORM, YOU (OR YOUR AUTHORIZED REPRESENTATIVE) MUST MAKE A WRITTEN REQUEST FOR ANOTHER FORM EITHER BY APPEARING AT THE CORPORATION'S OFFICE OR BY FIRST CLASS MAIL. IF YOU REQUIRE A REPLACEMENT FORM, YOU ARE RESPONSIBLE FOR OBTAINING, COMPLETING AND RETURNING THE FORM BY THE DATE AND TIME SPECIFIED.**

The proxy on the form portion is revocable only by the member designated by the signature affixed appearing in person at the Annual (or Special) Members' Meeting and revoking the proxy in writing. The written revocation must be submitted to the Credentials Committee; mere appearance at the meeting shall not constitute revocation of the proxy.

Either husband or wife may sign the form, but only one (1) vote per member may be cast regardless of number of memberships owned by both. Only one officer or partner may sign a form for memberships owned by a corporation, limited liability company or partnership. Such officer or partner must have authority to vote the interests of the corporation, limited liability company, or partnership.

- a) Ballot shall be accepted at the Corporation's office or at another designated site beginning the day of the mailing and extending until 12:00 Noon 72 hours prior to the day of the meeting.
- b) Ballots must be submitted in person or by U.S. Postal Service delivery. All Ballots sent by mail should be labeled "Ballot or Proxy" on the outside of the envelope.
- c) Proxy Ballot Forms shall be placed in a sealed 'proxy ballot box' under the security of the Credentials Committee Chairperson until the designated time prior to the Annual (or Special) Members' Meeting.
- d) Ballots shall be validated by the Credentials Committee prior to the Annual (or Special) Members' Meeting.
- e) A statement shall be included on the Proxy and Ballot Form that this form is exempted from public disclosure until after the date of the relevant election, as provided in Section 67.007 of the Texas Water Code.

The Official Proxy and Ballot Form is also used to cast the member's vote on each issue requiring a vote of the members at the Annual (or Special) Members' Meeting whenever the member does not anticipate being able to attend the Annual (or Special) Members' Meeting.

At a minimum:

- i. The form to be used by the Corporation shall be stamped with the corporate Seal and sequential numbering to represent the number of voting memberships in the Corporation.
- ii. The proxy ballot shall be placed in random order in membership packets. An effort shall be made to vary inserts to better ensure secret voting.
- iii. Each ballot shall have a complete list of nominees and shall include the opportunity to specify a "write-in" candidate for one or more of the positions.
- iv. Each ballot shall have instructions describing how to indicate vote.
- v. Each ballot shall have sufficient information printed on the ballot to describe items that require a vote, (e.g., By-Laws changes)
- vi. Each ballot shall clearly state the number of board positions that are to be filled and the term of the positions (e.g., "two years" or "three years")
- vii. Each ballot shall include a statement informing the member that if more than the total number of positions to be filled are voted, then the ballot shall be considered void.
- viii. Each ballot shall include a statement that the ballots are exempted from public disclosure (except for routine staff processing and the Credentials Committee) until after the relevant election.

NOTE: ONLY ONE BALLOT MAY BE CAST BY ANY MEMBER REGARDLESS OF THE NUMBER OF MEMBERSHIPS OWNED.

2. Notice of Meeting Information.

An informational sheet containing the time, date, place, and purpose of the meeting will be included. A statement will be included concerning the number of members present or proxies submitted that are needed to constitute a quorum.

3. Nomination Information.

Short biographies on each nominee stating his or her name and address and any other information supplied by the nominee. (100 word limit)

4. Agenda Items.

These can include: any proposed changes in the By-Laws or Articles of Incorporation (including the actual text of the of the proposed change and an explanation of that change); previous minutes, audit or financial statements; construction projects for extensions or improvements to system; any report to the membership; any special speakers with the topics to be discussed; and a time for member questions and comments.

5. Information for Proxy Voting Process or Procedure

- A. The proxy voting box will be located in the Corporation's Office.
- B. All members voting shall be required to sign a voting roster for the purpose of assuring that only ONE VOTE PER MEMBER IS CAST regardless of the number of memberships owned.
- C. Proxy voting times shall be from 9:00 AM to 5:00 PM Monday through Friday (Regular Office Hours)
- D. Proxy voting will begin on the 15th day prior to the Annual (or Special) Members' Meeting or the day notice of meeting is mailed, as specified in the Notice.
- E. Ballot portions of the forms will be kept in a sealed "voting box" at the office of Frognot WSC accountants, or other specified representative, until the Annual (or Special) Members' Meeting at which time the final voting is completed.
- F. Upon receiving the "voting box" from the corporate accountants. The Credential's Committee Chairperson shall have the responsibility for securing the 'proxy voting box' at all time. (Securing the proxy ballot voting box shall be by a double locked box with two keys kept by different committee members. The use of a "SEAL" may be used in lieu of keyed locks.)

Section 3 Activities of the Credentials Committee

- a. The Credentials Committee will resolve any and all disputes regarding interpretation of these procedures, validation of eligible voters, proxy ballots and election results.
- b. The Credentials Committee shall validate the signatures of all proxy ballot forms, submitted either in person or by U.S. Mail at a time prior to the members meeting designated by the Board.
- c. After completing the validation of the members' signature on the proxy ballot forms, the proxy portion shall be separated from the ballot as specified on the form.
- d. These separated proxy and ballot forms shall then be placed back into secured boxes and delivered to the Tellers Committee at the Annual or Special Stockholders meeting for counting.

Section 4 Conducting the Annual (or Special) Members' Meeting

The following are suggested procedures for conducting the Annual (or Special) Members' Meeting, provided a quorum is present. The Corporation will post the Open meetings notice as required at least 72 hours in advance of the meeting.

- a. Members will sign-in as they enter the meeting for the purpose of validating a quorum.
- b. Members who want to address the board or membership must sign-in and list the topic or topics they want to discuss. Notice will be provided on the sign-in sheet that members would be given three (3) minutes each to speak. Members may address the Board or Membership prior to any voting on any issue on the ballot.
- c. The meeting will start on time and the posted agenda will be followed for conducting the business of the meeting.
- d. The President of the Board will choose a three (3) member Tellers Committee from among the members present. At least one member of the Credentials Committee will be included on the Tellers Committee to verify proper procedures are followed.
- e. The Board President, Corporation manager and/or professional consultants (if available) will be present to inform the membership and answer questions about the status of the system, improvement projects, financial condition, legal responsibilities, and customer problem resolution.
- f. The Tellers Committee reports results of voting the memberships' votes on:
 - i. Directors
 - ii. Amendments to By-Laws
 - iii. Any other matter included for vote on the official ballot
- g. No motions can be accepted or action taken on issues brought up at the meeting from the floor. All action items must have been included on the posted agenda. Members can request that items be placed on the agenda for future annual (or special) members meetings or for the future meetings of the Board of Directors. This limitation is required by the public notice requirements of the Texas Open Meetings Act and is not an attempt to limit any member's access to the Board of Directors or the membership.
- h. Board President or Corporation manager introduces the newly elected directors and if no objections from the floor or other board members, declares them as board members.
- i. If a recount is requested, the Chairperson will have the Tellers Committee recount the ballots with all persons requesting recount present during the recount.
- j. The results of the recount are announced and the winning nominees are declared board members to assume the position of directors immediately.
- k. Meeting is adjourned.

Sec. 67.007. Annual or Special Meetings

- (a) The annual meeting of the members or shareholders of the corporation must be held between January 1 and May 1 at a time specified by the bylaws or the board.
- (b) The board shall adopt written procedures for conducting an annual or special meeting of the members or shareholders, which shall include the following:
 - a. notification to eligible members or shareholders of the proposed agenda, location, and date of the meeting;
 - b. Establishment of a quorum consisting of proxies and the votes of the members or shareholders present;
 - c. Nomination and election procedures;
 - d. Approval of the proxy and ballot form to be used; and
 - e. Validation of eligible voters, proxies, ballots, and election results.

- (c) The board shall adopt an official proxy and ballot form to be used in conducting the business of the corporation at any annual or special meeting. No other proxy or ballot form will be valid. Proxies and ballots from members or shareholders are confidential and are exempted from disclosure by the corporation until after the date of the relevant election.

**CANDIDACY FORM
FOR BOARD OF DIRECTORS POSITION
OF THE FROGNOT WATER SUPPLY CORPORATION**

This form must be completed and submitted to the Board / System before the ____ day of _____, for the candidate to be included on the ballot.

Candidate's Full Name: _____

Mailing address: _____

City: _____, TX

Zip Code: _____

Texas Driver's License No. _____

Physical Address: _____

Phone #: _____ Length of time receiving WSC Service: _____

Member information provided by candidate (100 word limit), please attach a separate paper.

Candidate's Affirmation and Pledge to serve:

I, _____ place my name in candidacy for the director position on Frognot Water Supply Corporation; am willing to attend all meetings, regular or called, as designated by the board; and am qualified to serve as director under the provisions of the Corporation's By-Laws, including the conflict of interest policy approved by the Board.

I, _____ hereby authorize any investigator or duly accredited representative of Frognot WSC bearing this release to obtain any information relating to my criminal records as outlined in the Conflict of Interest Policy of the Frognot WSC. I hereby direct you to release such information upon request of the bearer. I hereby release any individual, including record custodians, from any and all liability for damages of whatever kind or nature which may at any time result to me on account of compliance, or any attempts to comply, with this authorization.

Signature of Candidate _____ Dated _____

OFFICIAL PROXY AND BALLOT FORM
FROGNOT WATER SUPPLY CORPORATION

To be held on the _____ day of _____,
At the Blue Ridge Community Center, 7:30 p.m.

I, _____, the undersigned, hereby acknowledge receipt of Notice of the Annual Meeting of Memberships and receipt of the Official Proxy/Ballot form and hereby appoint the Credentials Committee of Frognot Water Supply as my attorney-in-fact with full power of substitution, as proxy to appear and present this form to constitute a quorum for the Annual Membership Meeting and any adjournments, not to exceed thirty (30) days.

You may return this Proxy/Ballot to _____, Election Auditor or you may present it in person at the Annual Meeting. **Do not return this Proxy/Ballot to the Frognot drop box!** If you choose to mail your Proxy/Ballot, please do so no later than three days prior to the Annual Meeting. Proxy/Ballot forms received after the Annual Meeting and any adjournments shall not be counted by the Credentials Committee.

Signature of Member _____ Dated _____

NOTICE: Only valid proxies will be accepted. No handwritten proxies will be accepted. Unclear or unsigned proxies will not be counted. This proxy is revocable only by the member designated herein appearing in person at the Annual Membership Meeting and submitting a written notice of revocation on a new Proxy/Ballot form to the Credentials Committee.

CANDIDATES FOR DIRECTORS POSITIONS:

- a) Candidates are listed in alphabetical order.
- b) Vote for any two (2) candidates.
- c) Place an "X" in the bracket by the candidate.
- d) This vote is for a term of 3 (three) years that will expire in _____.
- e) Board members are limited to two (2) consecutive terms.

☐☐

For By-laws ☐

Against By-laws ☐

NOTICE: This Proxy/Ballot Form is confidential and exempted from disclosure as provided by law until the relevant election is completed. Only this official approved and sealed Proxy/Ballot will be recognized and counted.

FROGNOT WATER SUPPLY CORPORATION
9329 CR 628
BLUE RIDGE, TEXAS 75424
(972) 752-5798

NOTICE OF ANNUAL MEMBERSHIP MEETING

DATE:
TIME: 7:30 p.m.
PLACE: Blue Ridge Community Center
200 Tilton Street
Blue Ridge, Texas 75424

AGENDA

- 1) Call to order.
- 2) Establish a quorum.
- 3) OPEN FORUM. (three minute time limit)
- 4) Selection of Tellers Committee
- 5) Approve the minutes from the previous Annual Meeting..
- 6) Report on the financial condition of the corporation.
- 7) President or Managers remarks.
- 8) Election results announced by the Credentials Committee.
- 9) Adjournment.

Time Line for Events Leading up to Meeting

9 to 12 Months	President of the Board appoints Credentials Committee
120 Days	Proxy, Ballot, Voting Procedures, and verification procedures are submitted to the Board for review and adoption.
30 to 60 Days	Nomination period for Board vacancies.
30 Days	Board meets to finalize the agenda for the meeting.
15 to 25 Days	Members' meeting packets are mailed.
12 noon, 72 hours Prior to meeting.	Proxy and ballot box closed for verification.
Day of Meeting	Meeting convened and ballots accepted until President makes a last call for ballots.

ARTICLE IX

Directors and Officers

Section 1. A person must be a member of the Corporation in order to serve as a Director. The Board of Directors shall consist of five (5) directors, a majority of whom shall constitute a quorum. Upon issuance of the Charter and annually thereafter immediately following the Annual Meeting, the Board of Directors shall elect a President, a Vice-President and a Secretary-Treasurer from the Directors. The directors shall be elected by the members at the membership's Annual Meeting provided for in Article VII of the By-Laws. The directors shall be elected at large. All directors must be citizens of the United States and must have been member of the FWSC for a period of two (2) years prior to their election date. Only candidates, who have completed the Candidacy form, and any addenda, shall be included on the official ballot and no nominations from the floor will be accepted at the annual meeting. Incomplete forms shall be returned to the candidate by the system manager via regular U.S. mail; however, if the form is subsequently completed and actually received in the business office of the FWSC prior to the specified deadline for submission, the candidates name shall be included on the official ballot. Current members of the board seeking re-election shall be designated on the ballot by having an (I) placed beside his/her name. Positions(s) on the board shall be filled, in descending rank order of most votes received, as counted at the annual meeting.

1a) No person may serve on the FWSC board who is currently under indictment for, or has plead "guilty" or "no contest" to, or has received Deferred Adjudication for, a felony, State Jail felony, or an equivalent level of offense in a U.S. military court; OR, has a conviction for a misdemeanor offense that is inconsistent with the safe and efficient operation of the FWSC.

1b) If such person is already elected and is found to be in violation of Section 1a they shall be immediately removed from office by a majority vote of the FWSC board as cast by the directors at a special or regularly scheduled meeting. Evidence of such conviction(s) shall be presented to the board in writing and a "conviction" is not required to be a final conviction.

1c) Upon the death, resignation or loss of membership status of a director, a successor shall be appointed by a majority of the directors remaining to serve out the remaining portion of the term thus vacated.

Section 2. The board of directors shall at the next regular scheduled monthly meeting, elect a president, vice-president and secretary-treasurer from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of a successor unless sooner removed by death, resignation, or for cause.

Section 3. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, except by removal from office, a majority of the remaining directors, shall by a majority vote, choose a successor who shall hold office until the next regular meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term or terms.

Section 4. ~~A majority of the board of directors shall constitute a quorum at any meeting of the board.~~ The affirmative vote of the majority of the directors at a meeting at which a quorum is present shall be the act of the board.

Section 5. Compensation of officers may be fixed only at any regular or special meeting of the members of the corporation.

Section 6. Directors may be removed from office in the following manner: Any member or director may present charges against a director by filing them in writing with the secretary of the corporation. The charges must be accompanied by a petition signed by ten percent of the members of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of those voting if a quorum is present. The director against whom such charges have been presented shall be informed, in writing, of such charges at least twenty days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the board of directors from among their number so constituted after the vacancy in the board has been filled.

Section 7. The President of the Board, or Vice-President, shall preside at any meeting of the Members convened to consider removal of a Director as provided under Section 6, unless the President is the subject of charges, in which event the Vice-President shall preside. In the event both the President and the Vice-President are the subject of charges, those Directors who are not the subject of any charges shall appoint one of the other Directors to preside over the meeting. Any meeting convened to consider the removal of a Director shall be conducted in accordance with the procedures prescribed by the Board. The fact that the President, Vice-President or other Officer or Director has been made the subject of charges does not prevent such individual from continuing to act as Officer and/or Director. Any Director that has been removed under the provisions of this Article shall not be precluded from subsequent election to a position on the Board of Directors.

Section 8. The Board of Directors shall adopt and maintain a conflict of interest policy designed to promote the business of the Corporation and serve the interests of the Membership.

Such policy, at a minimum, shall be in conformance with the provisions of the Texas Business Organizations Code pertaining to duties and responsibilities of the Board of Directors.

Section 9. Regular meeting of the Board of Directors shall be held at such time and place as the Board may determine, and shall include posting of the meeting as required by the Texas Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., by furnishing the notice to the county clerk of the county in which the administrative office of the Corporation is located, and by posting such notice in a place readily convenient to the public in its administrative office at all times for at least seventy-two (72) hours preceding the scheduled time of the meeting. Such notice shall specify the date, hour, place and subject of each meeting held by the Board of Directors.

The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., including any subsequent amendment thereto. In the event of any conflict between the provisions of these By-laws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail.

In conducting their duties as members of the Board, each Director (1) shall be entitled to rely in good faith and with ordinary care, on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or the Corporation's affairs, that have been prepared or presented by one of more Officers or employees of the Corporation; or by legal counsel, public accountants, or other persons retained by the Corporation for the development of professional advice and information falling within such person's professional or expert competence; (2) may believe, in good faith and with ordinary care, that the assets of the Corporation are at least that of their book value; and (3) in determining whether the Corporation has made adequate provision for the discharge of its liabilities and obligations; and may rely in good faith and with ordinary care on the financial statements of, or other information concerning, an person or entity obligated to pay, satisfy or discharge some or all of the Corporation's liabilities or obligations; and may rely in good faith on information, opinions, reports, or statements, including financial statements, including financial statements and other financial data, prepared or presented by one or more Officers or employees of the corporation; legal counsel, public accountants, or other persons provided the Director reasonably believes such matters to fall within such person's professional or expert competence. Nevertheless, a Director must disclose any knowledge he or she may have concerning a matter in question that makes reliance otherwise provided herein to be unwarranted.

ARTICLE X

Duties of Directors

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, and these bylaws, shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the board of directors shall have, and are hereby given full power and authority in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the board:

- A. To approve membership applications and to cause to be issued appropriate certificates and to permit the connection of properties to the system in the future in cases involving proposed construction or may issue such certificates prior to the commencement of the proposed construction.

B. To select and appoint all agents or employees of the corporation, remove such agents or employees of the corporation, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, fix their compensation and pay for faithful services.

C. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable or nonnegotiable instruments evidencing indebtedness of the corporation; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements and other instruments evidencing a security interest in the assets of the corporation; and, to do every act and thing necessary to effectuate the same.

D. To prescribe, adopt and amend, from time to time such equitable uniform rules and regulations as, in its discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

E. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting, together with a proposed budget for the ensuing year. Copies of such audits and budgets shall be submitted to such parties as may be required by other agreements.

F. To fix and alter the charges to be paid by each member for services rendered by the corporation to the member, including connection or reconnection fees where such are deemed to be necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or nonpayment of the same. The board may establish one or more classes of users. All charges shall be uniform and nondiscriminating within each class of users.

G. To require all officers, agents, and employees charged with responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the directors to so require.

H. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing, and disbursing the funds of the corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

I. To levy assessments against the members of the corporation in such manner and upon such proportionate basis as the directors deem equitable, and to enforce collection of such assessments by the suspension of water service or other legal methods. The board of directors shall have the option to suspend the service of any member who has not paid such assessment within 30 days from the date the assessment was due, provided the corporation must give the member at least 15 days' written notice at the address of the member on the books of the corporation of its intention to suspend such service if the assessment is not paid. Upon payment of such assessments, any penalties applicable thereto, and a reconnection charge, if one is in effect, service will be promptly restored to such a member.

ARTICLE XI

Duties of Officers

Section 1. Duties of President. The President shall preside over all meetings of the corporation and the board of directors, call special meetings of the board of directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the corporation as may be authorized or directed to sign by the board of directors, provided the board of directors may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the corporation. The President shall perform such other duties as may be prescribed by the board of directors.

Section 2. Duties of the Vice-President. In the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that in case of death, resignation, or disability of the President, the board of directors may declare the office vacant and elect a successor.

Section 3. Duties of the Secretary-Treasurer. The Secretary-Treasurer shall keep a complete record of all meetings of the corporation and of the board of directors and shall have general charge and supervision of the books and records of the corporation. The Secretary-Treasurer shall attest the President's signature on all membership certificates and other papers pertaining to the corporation unless otherwise directed by the board of directors. The Secretary-Treasurer shall serve, mail, or deliver all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to the office to the members at the annual meeting or at such other time or times as the board of directors may require. The Secretary-Treasurer shall keep the corporate seal and membership certificates issued and affix said corporate seal to all papers requiring a seal. The Secretary-Treasurer shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrender, transfer, termination, cancellation, or forfeiture. The Secretary-Treasurer shall make all reports required by law and shall perform such other duties as may be required by the corporation or the board of directors. Upon the election of a successor, the Secretary-Treasurer shall turn over to the successor all books and other property belonging to the corporation that the Secretary-Treasurer may possess. The Secretary-Treasurer shall also perform such duties with respect to the finances of the corporation as may be prescribed by the board of directors. The Board of Directors may appoint an employee to handle the aforementioned official duties.

ARTICLE XII

Benefits and Duties of Members

Section 1. The corporation will install, maintain and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to the property line of each member of the corporation, at which points, designated as delivery points, meters to be purchased, installed, owned, and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the corporation to the property line of each member shall be paid by the corporation, only when it benefits the whole corporation. The corporation also may purchase and install a cutoff valve in each service line from its main distribution line or lines, such cutoff valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use of such cutoff valve. However, the provisions of this section shall not be construed to require the acquisition or installation of meters or cutoff valves where the directors determine under the circumstances of

the system and the nature of the membership that the use of either or both devices is impractical, unnecessary to protect the system and the rights of the membership, and/or economically not feasible.

Section 2. Each member will be required, at the members expense, to have dug a ditch for the connection of the service line or lines from the property line of the member to member's dwelling or other portion of the member's premises, and to purchase and have installed the portion of the service line or lines from the member's property line to the place of use on the member's premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at the member's own expense. The corporation may, if the board of directors so determines, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual members. In addition, each member shall pay such connection charge, if any, as may have been imposed by the board of directors before such member will be entitled to receive water from the system.

Section 3. Each member may be permitted to have additional service lines from the corporation's water system in the discretion of the board of directors upon proper application therefore and the tender or payment not to exceed the then existing connection charge. The approval by the board of directors of additional service lines to an existing member may be made conditional upon such provisions as the board of directors determines necessary to protect the interests of other members and to allow for the orderly expansion and extension of the system. Each service line shall connect with the corporation's water system at the nearest available place to the place of desired use by the member if the corporation's water system has sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the corporation's water system is inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place designated by the corporation.

Section 4. Each member may be permitted to purchase from the corporation, pursuant to such agreement as may from time to time be provided and required by the corporation, such water as is needed for domestic, commercial, agricultural, industrial or other purposes as a member may desire, subject, however, to the provisions of these bylaws and to such rules and regulations as may be prescribed by the board of directors. Each member shall be entitled to have delivered, through the member's service lines, only such water as may be necessary to supply the needs of each member, including the member's family, business, agricultural or industrial requirements. The water delivered through each service line may be metered separately, irrespective of the number of service lines owned by a member.

Section 5. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation may prorate the water available among the various members on such basis as is deemed equitable by the board of directors, and may also prescribe a schedule of hours covering use of water for commercial, agricultural or industrial purposes by particular members and require adherence thereto or prohibit the use of water for commercial, agricultural or industrial purposes; provided, that if at any time the total water supply shall be insufficient to meet all of the needs of all of the members for domestic, livestock, commercial, agricultural or industrial purposes, the corporation must first satisfy all of the reasonable needs of the members for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the members for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further, that where a member has more than one service line, the corporation may cut off the flow of water to the nondomestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the members for domestic and livestock purposes.

During such periods of shutoff of additional service lines there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the corporation.

Section 6. The board of directors shall, with the consent of the Rural Utilities Service, so long as it shall either hold any obligations or insure any financing of the system, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, the amount of additional charges, if any, for additional water which may be supplied the members, and the amount of penalty for late payments, and shall fix the date for the payment of such charges. A member to be entitled to the delivery of water shall pay such charges at the office designated by the corporation at or prior to the dates fixed by the board of directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties.

A. Nonpayment within seven days from the due date will be subject to a penalty of ten dollars.

B. Nonpayment within thirty days from the due date will result in the water being shut off from the member's property without any notice thereof to such delinquent member. Upon the payment by the delinquent member of past due water charges, penalties thereon and any reconnection charge, such member shall be entitled to resumption of the water supply. During the time of such suspension of water to a member, such member shall have no right to vote in the affairs of the corporation.

Section 7. The board of directors shall be authorized to require each member to enter into water users agreements which shall embody the principles set forth in the foregoing provisions of these bylaws.

ARTICLE XIII

Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any surplus funds or net income to the corporation at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance and the funding of the various reserves for depreciation, debt retirement, and other purposes, including those required by the terms of any borrowing transaction. The occurrence in subsequent fiscal years of surplus funds or net income above the requirements of the corporation as above mentioned, including, if any, a reserve for improvements and extension of the facilities shall be taken into consideration by the board of directors in determining the water rates to be charged the members.

Section 2. The organization will provide services substantially at cost. Dividends shall not be paid on the basis of membership or shares of stock in the organization. All funds from whatever sources remaining at the end of the year in excess of those needed to meet current losses and expenses will be distributed to members in proportion to the amount of business done by them during the year subject to concurrence of the Rural Utilities Service or will be retained for such purposes as retiring indebtedness incurred in acquiring assets, expanding the organization's services, maintaining reserves for necessary purposes or reducing subsequent year's water rates.

However, the organization will maintain records from which each member's rights and interest in the retained funds and assets acquired with such funds in proportion to the member's business with the organization can be determined at any time. Required records for this purpose include

financial records that show the organization's revenues from all sources for each year and records, such as bills or receipts, showing the amount of each member's business annually with the organization.

Section 3. Upon dissolution, after paying off all debts and obligations, members and former members will be entitled to receive their equitable share of all the proceeds remaining to the extent practicable as reflected by the records.

Section 4. The contractor of Frognot WSC's choice will complete repair work and all new construction. The contractor is required to provide references, to be bonded, to provide required certificates of insurance and is to be experienced in all these areas. Any work over \$50,000 requires Frognot to go through the outside bid process.

ARTICLE XIV

Amendments

These bylaws may be repealed or amended by a vote of the majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that so long as any indebtedness is held by or guaranteed by the Rural Utilities Service, the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the bylaws as to effect a fundamental change in the policies of the corporation without the prior approval of the Rural Utilities Service in writing.

ARTICLE XV

The above Bylaws were adopted by a majority vote of the Board of Directors of the Frognot Water Supply Corporation, at a meeting held on the 10th day of May 2014.

Secretary-Treasurer _____

President _____

Frognot Board of Directors

Bill Lockett – President
12540 CR 670
Blue Ridge, TX 75424
360-556-2591

Chuck McCarley – Vice President
12882 CR 580
Blue Ridge, TX 75424
972-978-4988

Larry Eastman – Secretary
9262 CR 628
Blue Ridge, TX 75424
903-271-3430

Jack Knight – Board Member
P.O. Box 160
Blue Ridge, TX 75424
214-882-0331

Tal Feagins – Board Member
8400 CR 1216
Blue Ridge, TX 75424
214-491-7555

ATTACHMENT

1.C.IV

i

**Franchise Tax Account Status**

As of : 03/15/2017 10:11:00

This Page is Not Sufficient for Filings with the Secretary of State**FROGNOT WATER SUPPLY CORPORATION****Texas Taxpayer Number** 17517462002**Mailing Address** 9329 COUNTY ROAD 628 BLUE RIDGE, TX
75424-4710**Right to Transact Business in Texas** ACTIVE**State of Formation** TX**Effective SOS Registration Date** 12/31/1965**Texas SOS File Number** 0021965501**Registered Agent Name** ROBERT TODD**Registered Office Street Address** 9329 CR 628 BLUE RIDGE, TX 75424

ATTACHMENT
Z.B. iv

J R & R Investments, Ltd.
Jimmy Gibson, General Partner

P O Box 459

Blue Ridge TX 75424

January 23, 2017

Frognot Water Board

P O Box 400

Blue Ridge TX 75424

Dear Sir:

In 2014 J R & R Investments, Ltd purchased 47.9 acres in Fannin County and 49 acres between the two properties is County Road 5005. The 49 acres joins Collin County on the east side and Fannin County on the West side.

On the Fannin County side Leonard Water Corporation has the right to install water lines and meters. On the Collin County side Frognot has the right to lay lines and install meters.

I approached Leonard Water and was informed they were not financially prepared to lay lines or install meters giving me permission to contact Frognot Water which I did and they in turn laid the lines and installed the meters.

Thank you,

Jimmy Gibson

2016 Regional Water Plan – Population Projections for 2020-2070 Cities, Utilities, and County-Others by Region and County

Region	County	WUG	2020	2030	2040	2050	2060	2070
C	COLLIN	BLUE RIDGE	925	2,000	4,000	12,000	25,000	39,000
C	COLLIN	CADDO BASIN SUD	2,500	3,000	4,000	5,000	6,000	7,000
C	COLLIN	COPEVILLE SUD	3,846	4,804	5,972	8,000	14,000	24,000
C	COLLIN	COUNTY-OTHER	10,289	10,289	10,289	35,000	50,000	80,000
C	COLLIN	FARMERSVILLE	8,000	20,000	20,000	20,000	20,000	20,000
C	COLLIN	HICKORY CREEK SUD	63	69	77	85	95	106
Total			25,623	40,162	44,338	80,085	115,095	170,106
Percentage Growth				56.74%	10.40%	80.62%	43.72%	47.80%
C	FANNIN	COUNTY-OTHER	13,168	13,168	13,168	18,250	40,000	65,000
C	FANNIN	HICKORY CREEK SUD	290	319	341	361	392	425
C	FANNIN	TRENTON	706	1,000	3,500	6,000	8,000	10,000
C	FANNIN	LEONARD	2,213	2,434	2,602	2,757	2,991	3,245
Total			16,377	16,921	19,611	27,368	51,383	78,670
Percentage Growth				3.32%	15.90%	39.55%	87.75%	53.11%
D	HUNT	CADDO BASIN SUD	6,337	8,401	11,201	15,067	20,576	28,581
D	HUNT	COUNTY-OTHER	18,328	25,637	36,113	51,358	74,510	109,728
D	HUNT	HICKORY CREEK SUD	4,164	6,086	8,694	12,295	17,426	24,882
Total			28,829	40,124	56,008	78,720	112,512	163,191
Percentage Growth				39.18%	39.59%	40.55%	42.93%	45.04%
FROGNOT WSC GROWTH PROJECTIONS			2020	2030	2040	2050	2060	2070
	COLLIN	Neighboring Systems Growth Average		56.74%	10.40%	80.62%	43.72%	47.80%
	COLLIN	FROGNOT WSC Meters 12/31/2015 - 580	745	1,168	1,289	2,329	3,346	4,946
	HUNT	Neighboring Systems Growth Average		3.32%	15.90%	39.55%	87.75%	53.11%
	HUNT	FROGNOT WSC Meters 12/31/2015 - 15	16	17	19	27	50	77
	FANNIN	Neighboring Systems Growth Average		39.18%	39.59%	40.55%	42.93%	45.04%
	FANNIN	FROGNOT WSC Meters 12/31/2015 - 0	14	19	27	38	55	79
Total Number of Meters Projections			775	1,204	1,336	2,393	3,451	5,102

Proposed Service Area Description

The proposed utility service areas for Frognot WSC are located adjoining the current certificated CCN service area. One proposed area is on the southern portion of the CCN service area in Collin County. The other proposed area is on the northern portion of the CCN service area in Fannin County.

The proposed additional southern area is approximately 1,223 acres and is located approximately 5.6 miles north of downtown Farmersville, Texas, and is generally bounded on the north by Collin County Road 662; on the east by Cedar Creek Creek; on the south by Collin County Road 662; and on the west by the Indian Creek.

The proposed additional northern area is approximately 108 acres and is located approximately 7.8 miles west-southwest of downtown Leonard, Texas, and is generally bounded on the north by Fannin County Road 5805; on the east by Fannin County Road 5010; on the south by Fannin-Collin County line; and on the west by the Fannin-Collin County line.

The total additional area being requested includes approximately 1,331 acres and 41 current customers.

VERONA SUD
800 SHINN CIRCLE
FARMERSVILLE YX 75442

HICKORY CREEK SUD
PO BOX 540
CELESTE TX 75423

NORTH FARMERSVILLE WSC
PO BOX 212
FARMERSVILLE TX 75442

CADDÖ BASIN SUD
156 CR 1118
GREENVILLE TX 75401

WESTMINSTER SUD
PO BOX 819
WESTMINSTER TX 75485

DESERT WSC
5588 HWY 160
WHITEWRIGHT TX 75491

CITY OF TRENTON
PO BOX 44
TRENTON TX 75490

WEST LOENARD WSC
PO BOX 179
LEONARD TX 75452

CITY OF BLUE RIDGE
200 E FM 545
BLUE RIDGE TX 75424

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



ATTACHMENT
S-A-IV

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 15, 2015

Ms. Janet Parsons, President
Frognot Water Supply Corporation (WSC)
9329 County Road (CR) 628
Blue Ridge, Texas 75424-4710

Re: Public Water Supply Comprehensive Compliance Investigation at:
Frognot WSC, 9329 CR 628, Blue Ridge, Collin County, Texas
RN101193662, PWS ID No. 0430035, Investigation No. 1248138

Dear Ms. Parsons:

On March 18, 2015, Ms. Merissa Green of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Green in the D/FW Regional Office at (817) 588-5846.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Marshall".

Charles Marshall
Team Leader, Public Water Supply Program
D/FW Regional Office

CM/mg

Effect of Granting a Certificate Amendment

Frognot WSC has several water line facilities and existing water customers outside of its current certificated service area as shown on attachment 3.A & 3.D.ii. Accordingly, the capital asset value that these water line facilities represent and the revenue generated from these water customers are not within Frognot's certificated service area and may be subject to encroachment from and loss to other utility providers. Granting an amended certificate will allow Frognot WSC to retain ownership of all of its existing facilities and revenue from all of its existing customers that reside outside of its current certificated service area.

The amended certificated service area will also allow Frognot WSC to meet Texas Commission on Environmental Quality requirements for the provisioning of service within its service area. Granting an amended certificate will also allow Frognot WSC to facilitate system analysis and facility improvements.

Neighboring Cities & Systems within 2 miles

Utility Name	Type	PSW ID	CCN	Address	City	State	Zip
Caddo Basin SUD	Water	1160029	10165	156 CR 118	Greenville	Texas	75401
City of Blue Ridge	Water	0430002	13123	200 E FM 545	Blue Ridge	Texas	75424
City of Trenton	Water	0740009	10176	PO Box 44	Trenton	Texas	75490
Desert WSC	Water	0430032	10158	5588 Hwy 160	Whitewright	Texas	75491
Hickory Creek SUD	Water	1160062	10809	PO Box 540	Celeste	Texas	75423
North Farmersville WSC	Water	0430043	12363	PO Box 212	Farmersville	Texas	75442
Verona SUD	Water	0430048	10184	800 Shinn Circle	Farmersville	Texas	75442
West Leonard WSC	Water	0740034	10157	PO Box 179	Leonard	Texas	75452

Landowners with 25 or more acres

Attachment 5.G.iii

Parcel ID	Acres	Name	Street	City	State	Zip1	Zip2
Collin County							
2683692	75.330	Eisenhower Estates LLC	16771 S SH 78	Leonard	TX	75452	3943
2684651	50.112	Eisenhower Estates LLC	16771 S SH 78	Leonard	TX	75452	3943
2666840	146.850	Fowler Sandra Marie	7 Orchard Rd	Lucas	TX	75002	8062
2545634	32.057	Gray Gary L & Connie L	1630 E. Audie Murphy Pkwy	Farmersville	TX	75442	2724
2684128	43.281	Horton Steven C & Kami R	408 Houghton St	Farmersville	TX	75442	1510
2125796	64.245	JMR Farms LTD	617 CR 610	Farmersville	TX	75442	5232
1183294	214.841	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
1184373	51.020	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
1199483	26.750	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
2109883	26.080	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
2744145	95.420	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
2744149	227.962	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
2744151	34.418	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
2744157	76.930	McCollum Charles Robert & Deborah Lynn McCollum	771 Creekwood Dr N	Fairview	TX	75069	8912
2658292	30.745	Schwartz Kevin J & Jacqueline	700 Cedar Bluff Dr	Wylie	TX	75098	8600
1199429	25.820	Shewmaker Robert & Katherine	7022 CR 662	Farmersville	TX	75442	5807
1199143	64.174	Smith John Richard	617 CR 610	Farmersville	TX	75442	5232
1199465	71.817	Soto Noel & Roberto Soto	1340 E Winningkoff Rd	Allen	TX	75002	8234
1199072	41.580	Tedford R A Jr & Kailyn	PO Box 272	Farmersville	TX	75442	272
1044747	54.100	Campbell Vera Beth ETAL C/O James Wade Campbell	100 N Central Expressway Ste 409	Richardson	TX	75080	5311
1056626	52.660	Campbell Vera Beth ETAL C/O James Wade Campbell	100 N Central Expressway Ste 409	Richardson	TX	75080	5311
Fannin County							
79068	37.487	Womble Glendon D	PO Box 187	Blue Ridge	TX	75424	

Ability to Provide Adequate Service

Facility	TCEQ Requirements §290.45		Frognot WSC Capacity	% of Capacity	Max # of connections at 85% utilization	Max # of connections at 100% utilization
	Total System	606 Connections				
Production Cap.	0.6 GPM/Conn	364 gallons	810 gallons	44.89%	1,148	1,350
Ground Water	0.6 GPM/Conn		810 gallons		1,148	1,350
PS #1			140			
PS #2			250			
PS #3			420			
Total Storage	200 gallons/Conn	121,200 gallons	384,600 gallons	31.51%	1,635	1,923
Ground Storage			362,654 gallons			
PS #1			70,000			
PS #2			92,654			
PS #3			200,000			
Elevated Storage	200 gallons/Conn	121,200 gallons	21,946 gallons			
PS #2			21,946		Note 1	
Pressure Tank	20 gallons/Conn	12,120 gallons	31,000 gallons	39.10%	1,318	1,550
PS #1			7,000			
PS #2			14,000			
PS #3			10,000			
Pump Capacity	2 GPM/Conn	1,212 GPM	1,950 GPM	62.15%	907	1,053
PS #1			450			
PS #2			500			
PS #3			1,000			

Note 1: Frognot WSC has a 114,600 gallon 100' standpipe.
 - 92,654 gallons is assigned to ground storage
 - 21,946 gallons is assigned to elevated storage

Diameter	Length (ft)	Miles
3/4"	1,816	
1"	7,560	
1-1/4"	116,185	
1-1/2"	59,022	
2"	241,194	
3"	272,383	
4"	174,509	
6"	120,160	
8"	13,278	
Total	1,006,107	190.55

Connections/mile = **3.18**

9:45 AM

Frognot Water Supply Corporation

03/15/17

Profit & Loss

Accrual Basis

January through December 2016

ATTACHMENT
C.B.i

	Jan - Dec 16
Ordinary Income/Expense	
Income	
INTEREST INCOME	162.16
MEMBERSHIP FEES	54,900.00
OTHER INCOME	175,578.03
WATER SALES	468,239.85
Total Income	698,880.04
Expense	
ANNUAL MEETING SUPPLIES	324.48
BANK CHARGES	824.53
CONFERENCE	2,194.40
CREDIT CARD FEES	1,927.33
DIRECTORS MEETING	250.00
DUES & SUBSCRIPTIONS	12,986.22
ELECTRIC	38,234.64
INSURANCE	10,816.00
LEGAL EXPENSE	357.48
LICENSING	301.40
MEALS	709.88
MISCELLANEOUS	404.65
MOWING	450.00
OFFICE EXPENSES	24,702.99
PAYROLL EXPENSES	
BONUS WAGES	870.50
EMPLOYEE BENEFITS	1,400.00
HOURLY WORK	132.00
MILEAGE	9,600.00
REPLACE METERS OR BOXES	120.00
SALARY	64,978.99
TAXES PAYROLL	6,252.34
Total PAYROLL EXPENSES	83,353.83
PHONE	2,470.08
POSTAGE	4,809.79
PROFESSIONAL SERVICES	16,851.97
REPAIR & MAINTENANCE	411,271.12
RETIREMENT	1,369.80
SAMPLES	1,406.38
SUPPLIES	3,539.03
TRAVEL & CONFERENCES	4,605.61
WELL REPAIR	60,023.75
Total Expense	684,185.36
Net Ordinary Income	14,694.68
Net Income	14,694.68

9:48 AM

Frognot Water Supply Corporation Balance Sheet

03/15/17

Accrual Basis

As of December 31, 2016

ATTACHMENT
G.B-1

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
CASH ADJ GL ONLY	132.00
FNB-CHECKING ###7815	13,088.97
FNB - CONSTRUCTION ###4486	-266.00
FNB EQUIP SAVINGS ###4539	18,330.58
FNB RD SAVINGS ###4513	48,563.15
FNB Trenton Savings ###6152	31,133.25
PETTY CASH	250.00
Total Checking/Savings	111,231.95
Accounts Receivable	
ACCOUNTS RECEIVABLE	23,695.28
Total Accounts Receivable	23,695.28
Other Current Assets	
A/R GL Only	2,432.88
PREPAID EXPENSES	1,251.30
SERIES EE(\$10,000)	17,669.20
Total Other Current Assets	21,353.38
Total Current Assets	156,280.61
Fixed Assets	
ACCUMULATED DEPRECIATION	-1,397,857.00
BUILDINGS	48,540.46
DISTRIBUTION SYSTEM	2,188,484.22
EQUIPMENT	421,237.12
LAND	9,296.99
Total Fixed Assets	1,269,701.79
TOTAL ASSETS	1,425,982.40
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
ACCOUNTS PAYABLE	5,463.77
Total Accounts Payable	5,463.77
Other Current Liabilities	
A/P GL ONLY	3,538.68
ACCRUED INTEREST PAYABLE	2,627.00
PAYROLL LIABILITIES	1,873.31
RETIREMENT CONTRIBUTION -R.TODD	-177.24
TCEQ PAYABLE	2,087.19
TWC ASSESSMENT PAYABLE	42.43
Total Other Current Liabilities	9,991.37
Total Current Liabilities	15,455.14
Long Term Liabilities	
N/P - FNB #442152	-4,983.49
N/P - FNB #730333	-3,044.50
N/P - J&R Invest	32,998.13
N/P - RURAL DEVELOPMENT	791,257.08
Total Long Term Liabilities	816,227.22
Total Liabilities	831,682.36

9:48 AM

Frognot Water Supply Corporation

03/15/17

Balance Sheet

Accrual Basis

As of December 31, 2016

	<u>Dec 31, 16</u>
Equity	
RETAINED EARNINGS	348,444.59
Unrestricted Net Assets	231,160.77
Net Income	14,694.68
Total Equity	<u>594,300.04</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,425,982.40</u></u>

ATTACHMENT
6.B.i

FROGNOT WATER SUPPLY CORPORATION
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
2802 Washington Street
Greenville, Texas 75401
(903) 455-6252

**FROGNOT WATER SUPPLY CORPORATION
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page Number</u>
INTRODUCTORY SECTION		
Officers and Directors.....		3
FINANCIAL SECTION		
Independent Auditor's Report		4
<u>Financial Statements:</u>		
Balance Sheet	A-1	6
Statement of Income	A-2	7
Statement of Cash Flows	A-3	8
Notes to the Financial Statements	A-4	9

FROGNOT WATER SUPPLY CORPORATION
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

OFFICERS AND DIRECTORS

President..... Janet Parsons

Vice President Dawn Gordey

Secretary Jack Knight

Director Bill Lockett

Director Lydia Brandt

General Manager Robert Todd

**RUTHERFORD,
TAYLOR &
COMPANY, P.C.**
Certified Public Accountants

2802 Washington Street

Greenville, Texas 75401

(903) 455-6252

Fax (903) 455-6667

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Report on the Financial Statements

We have audited the accompanying balance sheet of Frognot Water Supply Corporation (Corporation), a non-profit organization, as of December 31, 2015, and the related statements of income and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frognot Water Supply Corporation as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

April 6, 2016
Greenville, Texas

FINANCIAL STATEMENTS

FROGNOT WATER SUPPLY CORPORATION
BALANCE SHEET
DECEMBER 31, 2015

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 162,184
Investments	17,669
Accounts Receivable	26,126
Prepaid Expenses	1,251
Total Current Assets	\$ 207,230

Restricted Assets:

Debt Reserve	\$ 43,950
Total Restricted Assets	\$ 43,950

Non-Current Assets:

Property, Plant and Equipment, Net	\$ 1,382,041
Total Non-Current Assets	\$ 1,382,041

Total Assets	\$ 1,633,221
---------------------	---------------------

LIABILITIES AND EQUITY

Current Liabilities:

Accounts Payable	\$ 9,014
TCEQ Assessment Payable	2,087
Accrued Interest Payable	2,261
Current Portion of Long Term Debt	237,975
Total Current Liabilities	\$ 251,337

Non-Current Liabilities:

Long-Term Debt, less Current Portion	\$ 836,078
Total Non-Current Liabilities	\$ 836,078

Total Liabilities	\$ 1,087,415
--------------------------	---------------------

EQUITY

Retained Earnings	\$ 545,806
Total Equity	\$ 545,806
Total Liabilities and Equity	\$ 1,633,221

The accompanying notes are an integral part of this statement.

FROGNOT WATER SUPPLY CORPORATION
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2015

OPERATING INCOME

Water Sales and Fees	\$ 485,506
Impact and Installation Fees	<u>75,400</u>
Total Operating Income	<u>\$ 560,906</u>

OPERATING EXPENSES

Payroll and Benefits	\$ 76,160
Repairs and Maintenance/Supplies	156,124
Utilities	34,825
Office	49,424
Insurance	9,851
Depreciation	119,111
Other Operating Expenses	6,161
Professional Fees	<u>17,413</u>
Total Operating Expenses	<u>\$ 469,069</u>

Operating Income Over (Under) Operating Expenses	<u>\$ 91,837</u>
--	------------------

NON-OPERATING INCOME (EXPENSE)

Contribution from State	\$ 160,495
Interest Income	120
Interest Expense	(55,592)
Unrealized Gain on Investments	<u>498</u>

Net Non-Operating Income (Expense)	<u>\$ 105,521</u>
------------------------------------	-------------------

Net Income (Expense)	\$ 197,358
----------------------	------------

Retained Earnings - January 1 (Beginning)	<u>348,448</u>
---	----------------

Retained Earnings - December 31 (Ending)	<u><u>\$ 545,806</u></u>
--	--------------------------

The accompanying notes are an integral part of this statement.

FROGNOT WATER SUPPLY CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 558,035
Cash Payments for Goods and Services	(271,207)
Cash Payments to Employees	(76,160)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	\$ 210,668
Cash Flows from Investing Activities:	
(Increase) Decrease in Restricted Assets	\$ (4,902)
Purchase of Capital Assets	(239,346)
Interest Received	120
	<hr/>
Net Cash Provided by (Used for) Investing Activities	\$ (244,128)
Cash Flows from Financing Activities:	
Principal Paid - Long-Term Debt	\$ (82,168)
Interest Paid- Long-Term Debt	(55,958)
Contribution from State of Texas	160,495
Loan Proceeds	153,000
	<hr/>
Net Cash Provided by (Used for) Financing Activities	\$ 175,369
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 141,909
Cash and Cash Equivalents - Beginning (January 1)	20,275
	<hr/>
Cash and Cash Equivalents - Ending (December 31)	\$ 162,184
	<hr/>
Reconciliation of Change in Equity to Net Cash Provided by Operating Activities	
Operating Income Over (Under) Operating Expense	\$ 91,837
Adjustments to reconcile change in equity to net cash used by operating activities:	
Depreciation Expense	119,111
(Increase) Decrease in Accounts Receivable	(2,871)
(Increase) Decrease in Prepaid Expense	(21)
Increase (Decrease) in Accounts Payable	2,613
Increase (Decrease) in TCEQ Assessment Payable	(1)
	<hr/>
Net Cash Provided by (Used for) Operating Activities	\$ 210,668
	<hr/>

The accompanying notes are an integral part of this statement.

**FROGNOT WATER SUPPLY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

A. Statement of Operations

The Frognot Water Supply Corporation (Corporation) is a not-for-profit entity organized under the laws of the State of Texas. The Corporation exists to provide potable water service to the unincorporated population in Collin, Hunt and Fannin Counties north and east of the City of Blue Ridge. Management rests with the Board of Directors elected by the members. The Board controls the issuance of contracts, payment of funds, investment decisions and establishment of accounting guidelines.

B. Summary of Significant Accounting Policies

1. Basis of Accounting

The organization's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This basis of accounting recognizes revenues in the accounting period in which they are earned and expenses in the accounting period in which the liability is incurred, regardless of when the related cash flows take place.

2. Basis of Presentation

Accounting Standards Codification (ASC) Topic 958 *Not-for-Profit Entities* provides standards for external financial statements of certain types of nonprofit organizations. Member owned utility corporations do not meet the definition of a not-for-profit organization under ASC 958-10-15. As such, these financial statements are presented in the format of a small business.

3. Use of Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Cash and Cash Equivalents

Cash and cash equivalents are comprised of deposits in financial institutions including time deposits. For the purpose of the statement of cash flows, a cash equivalent is considered any highly liquid investment with a maturity of ninety days or less.

5. Prepaid, Expenses Supplies and Materials

Prepaid expenses consist of items paid or in the current period to be used in the following accounting period. Prepaid supplies and material consist of supplies and repair parts for the distribution system, valued at cost. The cost of supplies and materials is recorded as an expense when consumed rather than when purchased.

6. Fair Value of Financial Instruments

The carrying amount of the Corporation's cash, investments and debt approximates market value at year end.

7. Federal Income Taxes

The Frognot Water Supply Corporation is exempt from Federal Income Taxes under Section 501(c)(12) of the Internal Revenue Code. This exemption was approved by the Internal Revenue Service and the service has identified the Corporation as an entity other than a private foundation.

8. Receivables

The Corporation billing cycle requires payment within 15-20 days of billing. Late penalties are assessed for amounts not paid when due. Each account has a cutoff time period with additional fees assessed to reconnect the service. Any fees unpaid are written off as uncollectable after all attempts to collect the unpaid balance are exhausted.

**FROGNOT WATER SUPPLY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

B. Summary of Significant Accounting Policies (Continued)

9. Depreciation

Depreciation of property and equipment is provided on a straight-line method over the estimated useful lives of the assets. The following lists the classes of property, plant and equipment and their respective depreciable lives.

Water Distribution System	15-40 Years
Buildings and Improvements	20-40 Years
Equipment	3-10 Years

10. Current and Long-Term Notes

Allocations between current and long-term notes are classified according to the requirements within the next twelve months as compared to the requirements after the next twelve months.

11. Vacation, Sick Leave and Other Compensated Absences

Employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenses when paid.

C. Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of the following:

	December 31, 2015
Petty Cash	\$ 250
First National Bank - Operating	20,283
First National Bank - Construction	100
First National Bank - Equipment Savings	10,719
First National Bank - Savings	130,832
Cash and Cash Equivalents Available for Operations	<u>\$ 162,184</u>

During the year, the Corporation's general operating fund was maintained at the First National Bank of Trenton. This institution is a member of the Federal Deposit Insurance Corporation (FDIC). Deposits at this financial institution did not appear to exceed FDIC insurance limits during the year.

D. Restricted Assets

The loan agreements of the Corporation with the United States Department of Agriculture (USDA) established a reserve account that requires the monthly restriction of cash. Money allocated to the reserve may only be used with prior written approval of the USDA, for loan payments, emergency maintenance, extensions to facilities and replacement of short-lived assets. Any usage must be restored by the Operating Account.

The loan agreement requires \$ 405 to be set aside each month until the sum of \$ 48,643 is reached. At year end, the amount required to be held in reserve is \$ 43,778. The amount held in reserve totaled \$ 43,950. The Corporation appears to be in adequate compliance with the requirements of the debt covenants.

FROGNOT WATER SUPPLY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

E. Investments

Prior to 2015, the Corporation purchased Series EE U.S. Savings Bonds issued in July 1991 and November 1992. These bonds will cease to earn interest 30 years from the date of issuance. These bonds have an original cost of \$ 5,500 and a redemption value of \$ 17,669 as of year end.

The Bonds are presented at their fair market values at year end, in accordance with ASC 958-320, *Not-For-Profit Entities: Investments - Debt and Equity Securities*. The fair market value is the redemption value of the bonds as of year end. This increase of \$ 498 is reflected on the Statement of Income as an unrealized gain on investments.

F. Long-Term Obligations

The Corporation's long-term obligations at year end consist of the following notes:

Lien Holder	Interest Rate	Maturity Date	Outstanding Balance
First National Bank of Trenton – 442152	6.50%	12/5/2016	\$ 37,395
First National Bank of Trenton – 730333	6.50%	12/5/2016	22,823
USDA Rural Development	4.25%	8/11/2046	840,350
J.R. & R Investments – 2014	7.00%	7/7/2017	20,485
J.R. & R Investments – 2015	8.00%	12/31/2016	153,000
Total			<u>\$ 1,074,053</u>

The debt terms of the various agreements are generally monthly payments of principal and interest throughout the length of the loan. Only the JR&R 2015 agreement is an annual payment of principal and interest.

The following schedule presents changes in long-term obligations for the year:

	Beginning Balances	Additions	Deletions	Ending Balances	Due Within One Year
FNB Trenton 442152	\$ 72,518	\$ -	\$ 35,123	\$ 37,395	\$ 37,395
FNB Trenton 730333	44,280	-	21,457	22,823	22,823
USDA Rural Development	853,425	-	13,075	840,350	13,641
J.R. & R. Investments - 2014	32,998	-	12,513	20,485	11,116
J.R. & R. Investments - 2015	-	153,000	-	153,000	153,000
Total Debt Payable	<u>\$ 1,003,221</u>	<u>\$ 153,000</u>	<u>\$ 82,168</u>	<u>\$ 1,074,053</u>	<u>\$ 237,975</u>

FROGNOT WATER SUPPLY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

F. Long-Term Obligations (Continued)

Maturity requirements on notes payable at year end are as follows:

Year Ending December 31	Principal	Interest	Total Requirements
2016	\$ 237,975	\$ 50,867	\$ 288,842
2017	23,601	35,108	58,709
2018	14,848	34,244	49,092
2019	15,492	33,600	49,092
2020	16,163	32,929	49,092
2021 - 2025	91,951	153,509	245,460
2026 - 2030	113,679	131,781	245,460
2031 - 2035	140,542	104,918	245,460
2036 - 2040	173,752	71,708	245,460
2041 - 2045	214,810	30,650	245,460
2046 - 2050	31,240	486	31,726
Totals	\$ 1,074,053	\$ 679,800	\$ 1,753,853

G. Property, Plant and Equipment

Property, Plant and Equipment used in the Corporation's operations are recorded at historical cost or estimated historical cost if actual historical cost is not available. Material expenses that increase the estimated useful life of the assets are capitalized. Expenses with a unit value under \$ 1,000 and maintenance and repairs, renewals and betterments which do not extend the asset's useful life are charged to expense when incurred.

	Beginning Balances	Increases	Decreases	Ending Balances
Land	\$ 9,297	\$ -	\$ -	\$ 9,297
Construction in Progress	-	68,675	-	68,675
Buildings and Improvements	48,540	-	-	48,540
Water Distribution System	2,180,587	170,675	-	2,351,262
Equipment	421,237	-	-	421,237
Property, Plant & Equipment at Historical Cost	\$ 2,659,661	\$ 239,350	\$ -	\$ 2,899,011
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 28,131	\$ 1,452	\$ -	\$ 29,583
Water Distribution System	994,093	106,343	-	1,100,436
Equipment	375,631	11,320	-	386,951
Total Accumulated Depreciation	\$ 1,397,855	\$ 119,115	\$ -	\$ 1,516,970
Property, Plant and Equipment, Net	\$ 1,261,806	\$ 120,235	\$ -	\$ 1,382,041

**FROGNOT WATER SUPPLY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

H. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the Corporation purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Litigation

The Corporation does not appear to be involved in any pending litigation as of year end.

J. Subsequent Events

Management of the Corporation has evaluated subsequent events through April 6, 2016, the date which the financial statements were made available for use. There do not appear to be any items or events occurring after year end that would have a material effect on the financial statements at year end, as presented.

ATTACHMENT
C.B. II

Frognot Water Supply Corporation
408 W. FM 545, Suite 3
P.O. Box 400
Blue Ridge, Texas 75424
972-752-4100

Billing

- 1) Water meters are read monthly by Frognot WSC employees. Usually on the 9th and 10th of each month.
- 2) Water bills are mailed on the 15th of each month.
- 3) Payment is due on the 5th of the following month.
- 4) A \$10.00 penalty is applied to payments received after the due date.
- 5) The minimum monthly bill is \$32.84 and applies to those that use water as well as those that do not use water, no exceptions.
- 6) Effective 7/15 water will be billed at \$5.50 per thousand gallons for the first 5,000 gallons, \$5.75 per thousand for the next 5,000 gallons, \$6.00 per thousand for the next 5,000 gallons and \$6.75 per thousand for all water after 15,001 gallons.
- 7) There is currently a State Fee of .005 collected monthly by Frognot WSC and sent on to the Texas Commission on Environmental Quality. (TCEQ)
- 8) Effective 01/12 there will be .10 per thousand gallons used tax collected by Frognot WSC and sent on to North Texas Groundwater Conservation District (NTGCD)
- 9) Effective 08/12 there will be a surcharge added to those customer's bills using more than 1,000 gallons a month. The surcharge is as follows: 1,001-3,000 gallons \$3.00, 3,001-5,000 gallons \$4.00 and more than 5,000 gallons \$5.00. Monies collected go toward debt reduction.
- 10) Memberships/Meters will be repossessed if there is \$300.00 or more against the account. Upon repossession, customers must reapply.
- 11) The disconnect and reconnect fees are \$25.00 each.
- 12) All meters shall be installed adjacent to public roadways and rights-of-way such as a City, County or State or otherwise publicly maintained roadways. Meters will not be installed on private driveways or roadways.

Member _____ Date _____

Revised December 2016

FROGNOT WATER SUPPLY CORPORATION

RESOLUTION NO. 2016-1

A RESOLUTION OF THE BOARD OF DIRECTORS OF FROGNOT WATER SUPPLY CORPORATION SUPPORTING THE TRANSFER OF FACILITIES, CUSTOMERS AND CERTIFICATE OF CONVENIENCE AND NECESSITY FROM NORTH FARMERSVILLE WSC TO FROGNOT WSC.

WHEREAS, the North Farmersville Water Supply Corporation (North Farmersville WSC) is retail public utility (PWS # 0430043) with a service area identified by Certificate of Convenience and Necessity (CCN) #12363; and

WHEREAS, the Frognot Water Supply Corporation (Frognot WSC) is retail public utility (PWS # 0430035) with a service area identified by Certificate of Convenience and Necessity (CCN) #10164; and

WHEREAS, the North Farmersville WSC wishes to transfer a portion of its facilities, customers and CCN service area to Frognot WSC; and

WHEREAS, the Frognot WSC is willing to accept the facilities, customers and CCN service area; and

WHEREAS, the Frognot WSC has agreed to file an application with the Public Utility Commission of Texas for the transfer of the CCN service area;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FROGNOT WATER SUPPLY CORPORATION,

Section 1. The above and foregoing recitals to this Resolution are true and correct and are incorporated into and made a part of this Resolution for all purposes.

Section 2. The Frognot WSC will have prepared an application for the transfer of the CCN service area from North Farmersville WSC to Frognot WSC.

Section 3. The Service area to be transferred shall be identified on a map shown as Exhibit "A".

Section 4. The Customers to be transferred shall be identified as those listed in Exhibit "B".

Section 5. The facilities to be transferred shall be identified as those listed in Exhibit "C".

Section 3. This Resolution shall take effect upon its passage and approval.

IT IS SO RESOLVED AND ADOPTED by the Board of Directors of Frognot Water Supply Corporation on this 16th day of September, 2016.

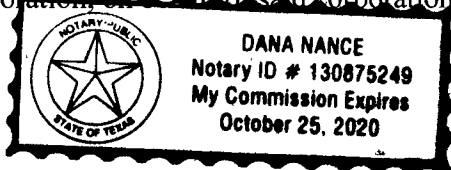
APPROVED:

Paul Reese
President, Frognot Water Supply Corporation

ATTEST:

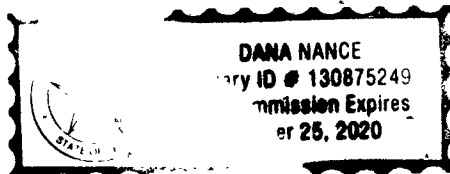
Jack Knight
Secretary
Frognot Water Supply Corporation

THE STATE OF TEXAS §
COUNTY OF COLLIN §
This instrument was acknowledged before me, on this 16th day of September, 2016, by Janet Parsons, President of Frognot Water Supply Corporation, a Texas water supply corporation, on behalf of said corporation.

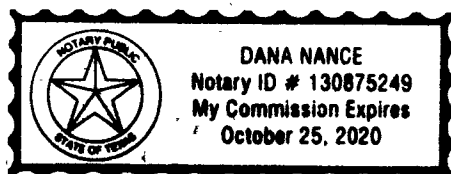


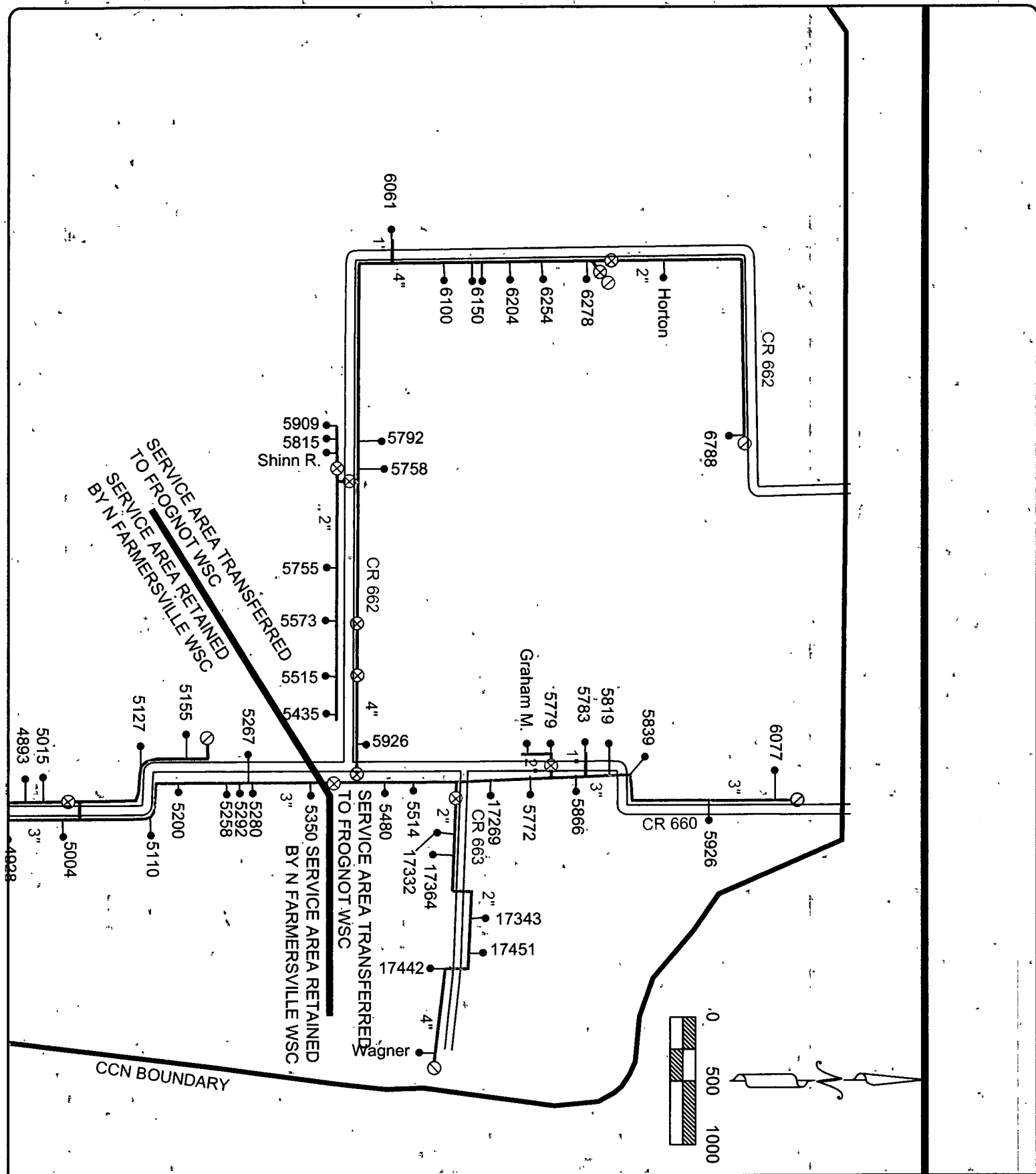
Dana Nance
Notary Public – State of Texas

THE STATE OF TEXAS §
COUNTY OF COLLIN §
This instrument was acknowledged before me, on this 16th day of September, 2016, by Jack Knight, Secretary of Frognot Water Supply Corporation, a Texas water supply corporation, on behalf of said corporation.



Dana Nance
Notary Public – State of Texas





CCN AMENDMENT PROPOSAL
FOR
FROGNOT WATER SUPPLY CORPORATION
COLLIN, HUNT & FANNIN COUNTIES, TEXAS

EXHIBIT 'A' TRANSFERRED SERVICE AREA



Daniel & Brown Inc.

118 McKinney St.
P.O. Box 606
Farmersville, Texas 75442
Phone 972-784-7777
www.DBIConsultants.com

DESIGNED: E.W.D.

DATE: 9/16/2016

FIRM REGISTRATION NO

DRAWN: C.O.M.

REVISION: N/C

F-002225

FILE: N:\North Farmersville WSC\System Maps\ARCHIVE\WALL MAP 2012

EXHIBIT "B"

Baker, Cindy	5755 CR 662
Black c/o Charlotte Burgess	5480 CR 660
Bowerman, Rodney	17269 CR 663
Brown, T c/o Summer/Craddock	17364 CR 663
Caple, Sally	6150 CR 662
Cardon, Kirk	5926 CR 660
Cardon 2, Kirk	17343 CR 663
Carriger, Sammie	17451 CR 663
Davis, Doug	CR 662
Davis Shirley	5792 CR 662
Dawson, Victor	5819 CR 660
Dibi, Gladman	5240 CR 662
Freeman, Tim	6077 CR 660
Geo-TX Land & Cattle	5839 CR 660
Geo-TX Land & Cattle	6061 CR 662
Gilbert, Bart	5866 CR 660
Graham D c/o Julia Rõsa	17442 CR 663
Graham M	CR 660

Gustavson, Robin	6100 CR 662
Hall, Claude	5514 CR 660
Horton, Stevie	CR 662
Houze, Jeff	5779 CR 660
Kaufmann, Rich	5573 CR 662
Kirkland, Kyle	6254 CR 662
Kohutek, Mark	17332 CR 663
Magar, Mark	5772 CR 660
Milner, Vicki	5783 CR 660
Nelsen, Jesse	5435 CR 662
OLeary, Dennis	6204 CR 662
Passini, Diana	6278 CR 662
Recer, Louene	6788 CR 662
Shinn, Greg	5905 CR 662
Shinn, Randal	CR 662
Truelove, Jerry	CR 662
Wagner, Alan	CR 663
Weishaupt, Rick	5515 CR 662

EXHIBIT "C"

Transferred Facilities

Facility	Quantity
1" PVC Water Distribution Line	409 L.F.
2" PVC Water Distribution Line	8,604 L.F.
3" PVC Water Distribution Line	7,515 L.F.
4" PVC Water Distribution Line	6,396 L.F.
Flush Valves	4
Gate Valves	10
Customer Meters	37

NORTH FARMERSVILLE WATER SUPPLY CORPORATION

RESOLUTION NO. 2016-1

A RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH FARMERSVILLE WATER SUPPLY CORPORATION SUPPORTING THE TRANSFER OF FACILITIES, CUSTOMERS AND CERTIFICATE OF CONVENIENCE AND NECESSITY FROM NORTH FARMERSVILLE WSC TO FROGNOT WSC.

WHEREAS, the North Farmersville Water Supply Corporation (North Farmersville WSC) is retail public utility (PWS # 0430043) with a service area identified by Certificate of Convenience and Necessity (CCN) #12363; and

WHEREAS, the Frognot Water Supply Corporation (Frognot WSC) is retail public utility (PWS # 0430035) with a service area identified by Certificate of Convenience and Necessity (CCN) #10164; and

WHEREAS, the North Farmersville WSC wishes to transfer a portion of its facilities, customers and CCN service area to Frognot WSC; and

WHEREAS, the Frognot WSC is willing to accept the facilities, customers and CCN service area; and

WHEREAS, the Frognot WSC has agreed to file an application with the Public Utility Commission of Texas for the transfer of the CCN service area;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTH FARMERSVILLE WATER SUPPLY CORPORATION,

Section 1. The above and foregoing recitals to this Resolution are true and correct and are incorporated into and made a part of this Resolution for all purposes.

Section 2. The Frognot WSC will have prepared an application for the transfer of the CCN service area from North Farmersville WSC to Frognot WSC.

Section 3. The Service area to be transferred shall be identified on a map shown as Exhibit "A".

Section 4. The Customers to be transferred shall be identified as those listed in Exhibit "B".

Section 5. The facilities to be transferred shall be identified as those listed in Exhibit "C".

Section 3. This Resolution shall take effect upon its passage and approval.

IT IS SO RESOLVED AND ADOPTED by the Board of Directors of North Farmersville Water Supply Corporation on this 26th day of APRIL, 20 17.

APPROVED:

Kelly Hendrix
President, North Farmersville Water Supply

Corporation

ATTEST:

Glen McClain
Secretary
North Farmersville Water Supply Corporation

THE STATE OF TEXAS §
COUNTY OF COLLIN §

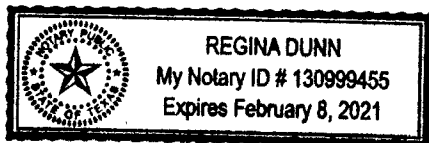
This instrument was acknowledged before me, on this 26th day of APRIL, 20 17, by KELLY HENDRIX, President of North Farmersville Water Supply Corporation, a Texas water supply corporation, on behalf of said corporation.

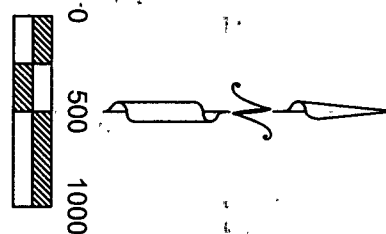
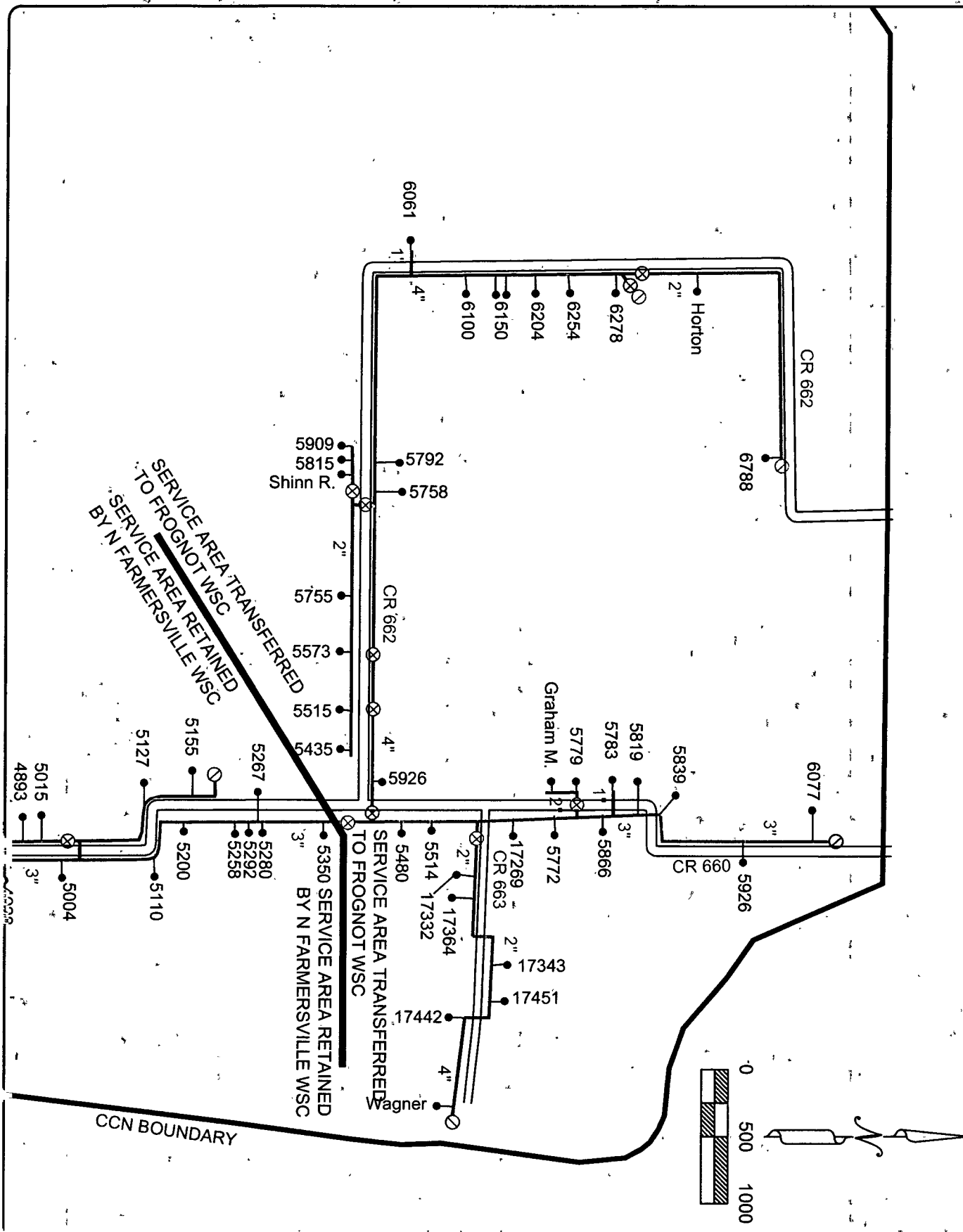
Regina Dunn
Notary Public – State of Texas

THE STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me, on this 26th day of APRIL, 20 17, by GLEN MCCLAIN, Secretary of North Farmersville Water Supply Corporation, a Texas water supply corporation, on behalf of said corporation.

Regina Dunn
Notary Public – State of Texas





CCN AMENDMENT PROPOSAL
FOR
FROGNOT WATER SUPPLY CORPORATION
COLLIN, HUNT & FANNIN COUNTIES, TEXAS

EXHIBIT 'A' TRANSFERRED SERVICE AREA

DBI
ENGINEERS

Daniel & Brown Inc.

118 McKinney St.
P.O. Box 606
Farmersville, Texas 75442
Phone 972-784-7777
www.DBIConsultants.com

DESIGNED: E.W.D.

DATE: 9/16/2016

FIRM REGISTRATION NO.

DRAWN: C.O.M.

REVISION: N/C

F-002225

FILE: N:\North Farmersville WSC\System Maps\ARCHIVE\WALL MAP 2012

EXHIBIT "B"

Baker, Cindy	5755 CR 662
Black c/o Charlotte Burgess	5480 CR 660
Bowerman, Rodney	17269 CR 663
Brown, T c/o Summer/Craddock	17364 CR 663
Caple, Sally	6150 CR 662
Cardon, Kirk	5926 CR 660
Cardon 2, Kirk	17343 CR 663
Carriger, Sammie	17451 CR 663
Davis, Doug	CR 662
Davis Shirley	5792 CR 662
Dawson, Victor	5819 CR 660
Dibi, Gladman	5240 CR 662
Freeman, Tim	6077 CR 660
Geo-TX Land & Cattle	5839 CR 660
Geo-TX Land & Cattle	6061 CR 662
Gilbert, Bart	5866 CR 660
Graham D c/o Julia Rosa	17442 CR 663
Graham M	CR 660

Gustavson, Robin	6100 CR 662
Hall, Claude	5514 CR 660
Horton, Stevie	CR 662
Houze, Jeff	5779 CR 660
Kaufmann, Rich	5573 CR 662
Kirkland, Kyle	6254 CR 662
Kohutek, Mark	17332 CR 663
Magar, Mark	5772 CR 660
Milner, Vicki	5783 CR 660
Nelsen, Jesse	5435 CR 662
OLeary, Dennis	6204 CR 662
Passini, Diana	6278 CR 662
Recer, Louene	6788 CR 662
Shinn, Greg	5905 CR 662
Shinn, Randal	CR 662
Truelove, Jerry	CR 662
Wagner, Alan	CR 663
Weishaupt, Rick	5515 CR 662

EXHIBIT "C"

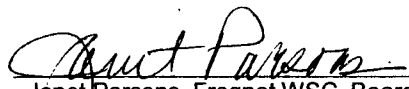
Transferred Facilities

Facility	Quantity
1" PVC Water Distribution Line	409 L.F.
2" PVC Water Distribution Line	8,604 L.F.
3" PVC Water Distribution Line	7,515 L.F.
4" PVC Water Distribution Line	6,396 L.F.
Flush Valves	4
Gate Valves	10
Customer Meters	37

**CONSENT FOR DUAL CERTIFICATION WITH FROGNOT WSC
WATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

To: Caddo Basin Special Utility District

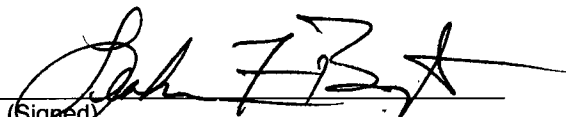
Frognot WSC is currently pursuing an amendment to their existing water CCN. Frognot WSC, CCN #10164, currently provides retail water utility service to an area generally located to the west of Caddo Basin SUD's service area. The proposed water CCN amendment would certificate an existing Frognot WSC water distribution line extension on Collin County Road 660. This proposed amendment occurs within the Caddo Basin SUD's CCN service area, as shown on the enclosed map.


Janet Parsons, Frognot WSC, Board President

March 24, 2017
(Date)

CONSENT OF DUAL CERTIFICATION WITH FROGNOT WSC:

The undersigned, Leahman F. Bryant, for Caddo Basin SUD, hereby consents to a dual water CCN certification with Frognot WSC along Collin County Road 660 as shown on the enclosed map signed this the 3rd day of April, 2017.


(Signed)

State of Texas
County of Hunt

Leahman F. Bryant, GM
(Printed name & Title)

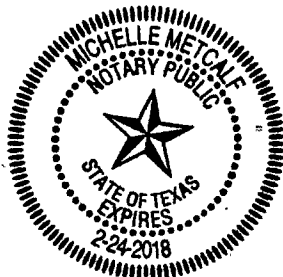
This instrument was acknowledged before me on Apr 3rd, 2017 by Leahman F. Bryant as Gen. Manager of Caddo Basin SUD.


Michelle Metcalf

Notary Public, State of Texas

My Commission Expires: 2-24-18

(Notary Seal)



CERTIFIED CCN AREA #10164	—
PROPOSED CCN AMENDMENT	—
EXISTING FACILITIES OUTSIDE CCN	—
REQUEST FOR SERVICE	□

CR 662

CR 660

CR 665

CCN AMENDMENT PROPOSAL
FOR
FROGNOT WATER SUPPLY CORPORATION
COLLIN, HUNT & FANNIN COUNTIES, TEXAS

CADDO BASIN SUD DUAL CERTIFICATION



DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS

118 McKinney St.

Phone 972-784-7777

P.O. Box 606

Fax 972-782-7721

Farmersville, Texas 75442

www.DBIConsultants.com

DESIGNED: M.K.W

DATE: 03/23/2017

REGISTRATION NO.: F-002225

DRAWN: M.K.W

REVISION: N/C

FILE: N:\Frognot WSCCN Transfer\CCN Map

**CONSENT FOR DUAL CERTIFICATION WITH FROGNOT WSC
WATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

To: North Farmersville WSC


Frognot WSC is currently pursuing an amendment to their existing water CCN. Frognot WSC, CCN #10164, currently provides retail water utility service to an area generally located to the north and east of North Farmersville WSC's service area. The proposed water CCN amendment would certificate existing Frognot WSC water distribution lines and customers as shown on the enclosed map. This proposed amendment occurs within the North Farmersville WSC's CCN service area, as shown on the enclosed map.


Janet Parsons, Frognot WSC, Board President

10 Apr 2017
(Date)

CONSENT OF DUAL CERTIFICATION WITH FROGNOT WSC:

The undersigned, KELLY HENDREX, for North Farmersville WSC, hereby consents to a dual water CCN certification with Frognot WSC as shown on the enclosed map signed this the 17 day of April, 2017.

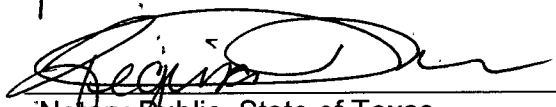

(Signed)

KELLY HENDREX, PRESIDENT
(Printed name & Title)

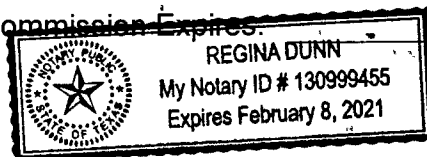
(Notary Seal)

State of Texas
County of Collin

This instrument was acknowledged before me on 17th by Kelly Hendrex as President of North Farmersville WSC.

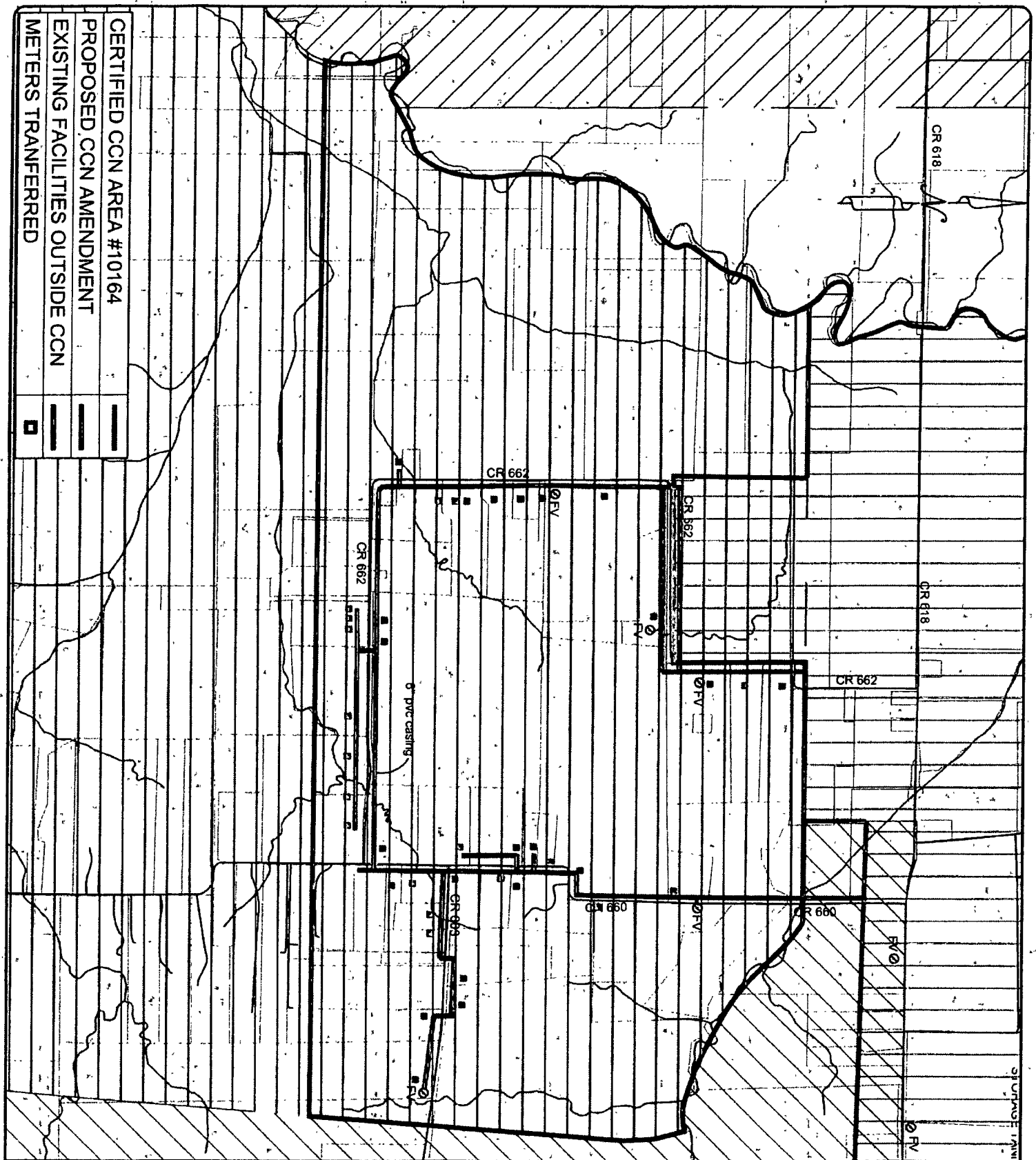

Notary Public, State of Texas

My Commission Expires:



CERTIFIED CCN AREA #10164
 PROPOSED CCN AMENDMENT
 EXISTING FACILITIES OUTSIDE CCN
 METERS TRANSFERRED

—
 —
 —
 □



CCN AMENDMENT PROPOSAL
 FOR
 FROGNOT WATER SUPPLY CORPORATION
 COLLIN, HUNT & FANNIN COUNTIES, TEXAS

DBI DANIEL & BROWN INC.
 ENGINEERS/CONSULTANTS/PLANNERS
 118 McKinney St.
 P.O. Box 606
 Farmersville, Texas 75442
 Phone 972-784-7777
 Fax 972-782-7721
 www.DBIConsultants.com

DESIGNED: E.W.D. DATE: 03/23/2017 REGISTRATION NO.: F-002225
 DRAWN: M.K.W. REVISION: N/C
 FILE: N:\Frognot WSC\CCN Transfer\CCN Map

NORTH FARMERSVILLE WSC DUAL CERTIFICATION

SHEET 1 OF 1

**CONSENT FOR DUAL CERTIFICATION WITH FROGNOT WSC
WATER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

To: West Leonard WSC

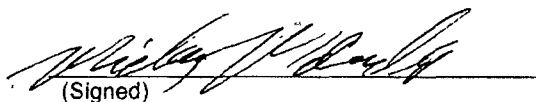
Frognot WSC is currently pursuing an amendment to their existing water CCN. Frognot WSC, CCN #10164, currently provides retail water utility service to an area generally located to the south and west of West Leonard WSC's service area. The proposed water CCN amendment would certificate an existing Frognot WSC water distribution line extension on Collin County Road 633 and Fannin County Road 5005. This proposed amendment occurs within the West Leonard WSC's CCN service area, as shown on the enclosed map.


Janet Parsons, Frognot WSC, Board President

March 24, 2017
(Date)

CONSENT OF DUAL CERTIFICATION WITH FROGNOT WSC:

The undersigned, Mickey McCarty, President for West Leonard WSC, hereby consents to a dual water CCN certification with Frognot WSC along Collin County Road 633 and Fannin County Road 5005 as shown on the enclosed map signed this the 11 day of APRIL, 2017.


(Signed)

Mickey McCarty (Pres.)
(Printed name & Title)

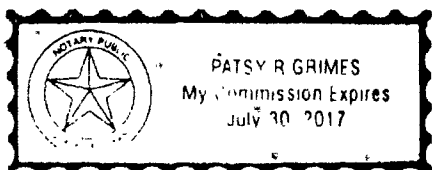
(Notary Seal)

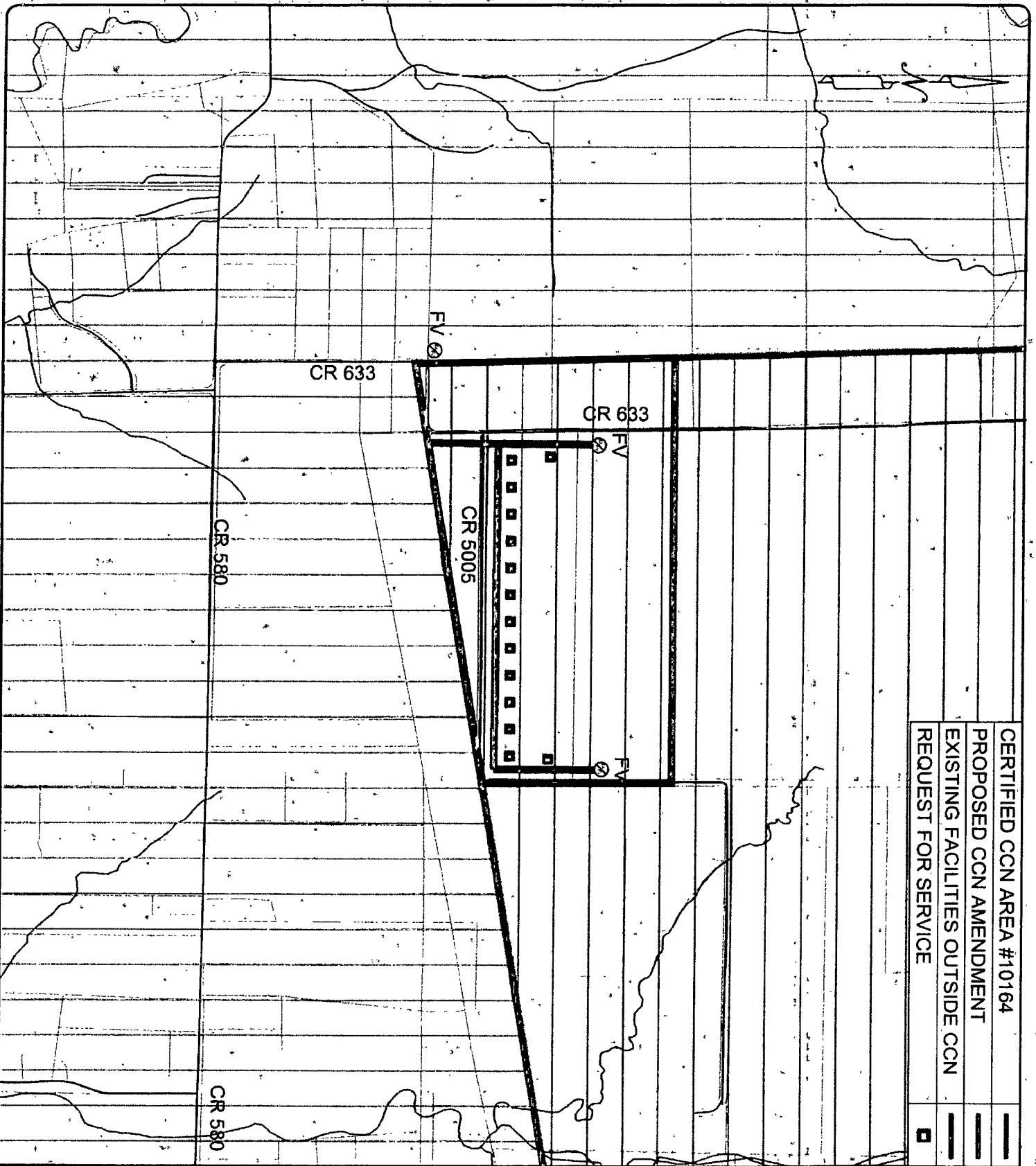
State of Texas
County of Fannin

This instrument was acknowledged before me on April 11-12 by Mickey McCarty as President of West Leonard WSC.


Notary Public, State of Texas

My Commission Expires: 7-30-17





CERTIFIED CCN AREA #10164	—
PROPOSED CCN AMENDMENT	—
EXISTING FACILITIES OUTSIDE CCN	—
REQUEST FOR SERVICE	□

SHEET 1 OF 1

CCN AMENDMENT PROPOSAL
FOR
FROGNOT WATER SUPPLY CORPORATION
COLLIN, HUNT & FANNIN COUNTIES, TEXAS

WEST LEONARD WSC DUAL CERTIFICATION

DBI DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS

118 McKinney St. Phone 972-784-7777
P.O. Box 606 Fax 972-782-7721
Farmersville, Texas 75442 www.DBIconultants.com

DESIGNED: E.W.D.	DATE: 03/23/2017	REGISTRATION NO.: F-002225
DRAWN: M.K.W.	REVISION: N/C	
FILE: N:\Frognot WSC\CCN Transfer\CCN Map		

OVERSIZED MAP(S)

To View

OVERSIZED Map

Or

Documents

You can call CENTRAL RECORDS

Main Line

(512) 936-7180