

Control Number: 50042



Item Number: 10

Addendum StartPage: 0



INTEGRITY
EXCELLENCE
TRUST

January 17, 2020

Public Utility Commission
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711

Re: Tri Try WSC CCN Application – Comment Response – 10 Copies
Docket # - 50042

To Whom it May Concern:

The Tri Try WSC filed an application to obtain a Water Certificate of Convenience and Necessity in Stonewall County. **This submittal addresses comments made by the PUC on December 17, 2019, Item #8 of Docket # 50042.** The comments are addressed below and are included in the following attachments. This response submittal is being prepared and submitted by Jacob Martin, LLC on behalf of Tri Try WSC.

1. Attachment #1 – Official PUC Comment Memorandum
2. Attachment #2 – Updated Appendix A of the application for Tri Try WSC's that contains equity amounts and a completed Appendix B. (The requested equity information from Appendix A is included on the WSC's Balance Sheet).
3. Attachment #3 – Provide an original copy of Tri Try WSC's by-laws.
4. Attachment #4 – A revised General location map identifying only the requested area, in reference to the nearest county boundary, city, or town.
5. Attachment #5 – A revised detailed map identifying only the requested area, in reference to verifiable manmade and natural landmarks, such as roads, rivers, and railroads.
6. Attachment #6 - A revised detailed map identifying the requested area with customers and parcels, in reference to verifiable manmade and natural landmarks, such as roads, rivers, and railroads.

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TBPE Firm #: 2448
TBAE Firm #: BR 2261
TBPLS Firm #: 10194493



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7. Attachment #7 – Digital Mapping data for the requested area as a single polygon record in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (meters) or NAD83 Texas State Plane Coordinate System (US Feet) (Included on CD). An explanation of the proposed boundary is also included under attachment #7.
8. Attachment #8 – State the approximate total acreage for the requested area. The total acres should correspond to the digital data. (Included on Revised Application Page 11)

Additional notes included a request to provide existing customers and parcel boundaries within the requested areas. These items have been included on the CD in Attachment 6. A pdf version of each map (attachment 4,5, and 6) is also being included on the CD.

JACOB | MARTIN

Allen Phillips, P.E.

Cc: Mr. Gary Myers, President, Tri Try WSC



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Attachment #1 – Official PUC Comment Memorandum

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TO VIEW DOCUMENT(S) PLEASE CONTACT
CENTRAL RECORDS (512)-936-7180

DOCKET NO. 50042

**APPLICATION OF TRI TRY WATER
SUPPLY CORPORATION TO
OBTAIN A WATER CERTIFICATE
OF CONVENIENCE AND
NECESSITY IN STONEWALL
COUNTY**

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PUBLIC UTILITY COMMISSION

**OFFICE OF THE
FILING CLERK**

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS, NOTICE, AND PROCEDURAL SCHEDULE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Supplemental Recommendation on Administrative Completeness, Notice, and Procedural Schedule. Staff recommends that the application be deemed deficient and administratively incomplete. In support thereof, Staff shows the following:

I. BACKGROUND

On September 23, 2019, Tri Try Water Supply Corporation (Tri Try WSC) filed an application to obtain a water certificate of convenience and necessity (CCN) in Stonewall County.

On September 26, 2019, Order No. 1 was issued, requiring Staff to file comments on the administrative completeness of the application and proposed notice. Order No. 1 also required the parties to file a recommendation on how to proceed with the application and to propose a procedural schedule. On October 22, 2019, Staff filed its Recommendation on Administrative Completeness and Proposed Notice, finding the application deficient for further review. On October 23, 2019, Staff filed its Amended Recommendation on Administrative Completeness and Proposed Notice to properly identify deficiencies in the application's mapping content.

On October 24, 2019, Order No. 2 was issued requiring, among other things, Staff to file a supplemental recommendation on the administrative completeness of the application and a proposed procedural schedule by December 17, 2019. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Patricia Garcia of the Commission's Infrastructure Division, Staff has reviewed the application and recommends that it be found administratively incomplete for the reasons outlined in Ms. Garcia's memorandum

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III. PROCEDURAL SCHEDULE

In accordance with Staff's recommendation that the application be found administratively incomplete, Staff recommends that a deadline of January 22, 2020 be established for Tri Try WSC to supplement its application. Staff additionally recommends that a deadline of February 19, 2020 be established for Staff to review Tri Try WSC's supplemental information and make a second supplemental recommendation on the administrative completeness of the application.

IV. CONCLUSION

Staff respectfully recommends that the application be found administratively incomplete and deficient for further review, and that the procedural schedule proposed above be adopted for the further processing of this docket.

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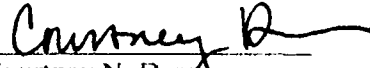
Dated: December 17, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Thomas S. Hunter
Division Director

Heath D. Armstrong
Managing Attorney

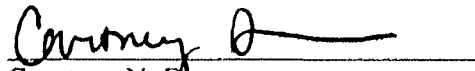


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DOCKET NO. 50042

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 17, 2019, in accordance with 16 TAC § 22.74.


Courtney N. Dean

PUC Interoffice Memorandum

To: Courtney Dean, Attorney
Legal Division

From: Patricia Garcia, Engineering Specialist
Infrastructure Division

Date: December 17, 2019

Subject: **Docket No. 50042**, *Application of Tri Try Water Supply Corporation to Obtain a Water Certificate of Convenience and Necessity in Stonewall County*

On September 23, 2019, Tri Try Water Supply Corporation (Tri Try WSC or Applicant) filed an application to obtain a water certificate of convenience and necessity (CCN) in Stonewall County per Texas Water Code (TWC) §§ 13.242 to 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237.

Staff has reviewed the information provided by the Applicant and recommends the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below.

Application Content:

Staff requests that Tri Try WSC provide the following supplemental information to address issues related to content of its present CCN application.

1. Provide an updated Appendix A of the application for Tri Try WSC's that contains equity amounts and a completed application Appendix B.
2. Provide an original copy of Tri Try WSC's by-laws.

Mapping Content:

The Applicant's mapping documentation filed on November 19, 2019 is deficient. The general location and detailed maps do not clearly mark or label roads in reference to the requested area. The requested area does not follow along the centerline of roads or property lines, where appropriate. Staff recommends the Applicant use imagery, TXDOT roads, and property data to revise the outer boundary of the requested area. The requested area shown on maps and digital data should be adjusted to include a requested area that follows the property lines of existing customers.

Applicant must submit the following items to resolve the mapping deficiencies:

1. A revised general location map identifying only the requested area, in reference to the nearest county boundary, city, or town;
2. A revised detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads;
3. Digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet); and
4. State the approximate total acreage for the requested area. The total acreage should correspond to the digital data.

Staff recommends the Applicant obtain additional mapping guidance from Ms. Tracy Montes of the Commission's mapping staff at (512)936-7187 or tracy.montes@puc.texas.gov to resolve the mapping deficiencies.

Additional Content:

1. As required by 16 TAC § 24.233(a)(3), please provide digital mapping data for the following items listed below, provided as polygon records, in a shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).
 - a) Existing customers within the requested area; and
 - b) Parcel boundaries.
2. As required by 16 TAC § 22.72(k), please electronically upload a PDF for each map used to respond to item no. 1 in the following forms:
 - a) Hard color copy, full-sized, and rendered to scale; and
 - b) Electronically file a color copy, in an Adobe PDF file format, in the Commission's Interchange Filer.

Note: Any confidential items should be submitted as confidential filings to the Commission. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).

Attachment #2 – Updated WSC Balance Sheet and Appendix B

Tri Try WSC
Balance Sheet

	2019 YTD	2018	2017	2016	2015
<u>Current Assets</u>					
Cash	\$65,992	\$102,643	\$61,576	\$55,565	\$45,731
A/R					
Total Current Assets	\$65,992	\$102,643	\$61,576	\$55,565	\$45,731
<u>Fixed Assets</u>					
Land	\$600	\$600	\$600	\$600	\$200
Dist System	\$1,064,350	\$1,064,350	\$1,052,350	\$1,052,350	\$1,052,350
Buildings	\$57,000	\$57,000	\$57,000	\$57,000	\$20,000
Equipment	\$135,000	\$135,000	\$135,000	\$135,000	\$35,000
<i>Fixed Assets Original Val.</i>	<i>\$1,256,950</i>	<i>\$1,256,950</i>	<i>\$1,244,950</i>	<i>\$1,244,950</i>	<i>\$1,107,550</i>
Accum Depreciation	\$849,791	\$816,258	\$1,033,349	\$1,000,115	\$973,306
Total Fixed Assets	\$407,159	\$440,693	\$211,601	\$244,835	\$134,244
TOTAL ASSETS	\$473,151	\$543,336	\$273,177	\$300,400	\$179,975
<u>Liabilities</u>					
Current Liabilities	-	-	-	-	-
Long Term Liabilities	\$0	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	\$0	\$0	\$0	\$0	\$0
<u>Membership Equity</u>					
Retained Earnings	\$473,151	\$543,336	\$273,177	\$300,400	\$179,975
Total Membership Equity	\$473,151	\$543,336	\$273,177	\$300,400	\$179,975
TOTAL LIABILITIES AND MEMBERSHIP EQUITY	\$473,151	\$543,336	\$273,177	\$300,400	\$179,975

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (12 _ 31 _ 20)	A-1 YEAR (12 _ 31 _ 21)	A-2 YEAR (12 _ 31 _ 22)	A-3 YEAR (12 _ 31 _ 23)	A-4 YEAR (12 _ 31 _ 24)	A-5 YEAR (12 _ 31 _ 25)
CURRENT ASSETS						
Cash	\$ 30,972.00	\$ 44,813.00	\$ 58,931.00	\$ 73,332.00	\$ 88,021.00	\$ 103,003.00
Accounts Receivable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Inventories	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Income Tax Receivable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
A. Total Current Assets	\$ 30,972.00	\$ 44,813.00	\$ 58,931.00	\$ 73,332.00	\$ 88,021.00	\$ 103,003.00
FIXED ASSETS						
Land	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Collection/Distribution System	\$ 1,064,350.00	\$ 1,064,350.00	\$ 1,064,350.00	\$ 1,064,350.00	\$ 1,064,350.00	\$ 1,064,350.00
Buildings	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00
Equipment	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00
Other						
Less: Accum. Depreciation or Reserves	\$ 883,325.00	\$ 896,638.00	\$ 909,950.00	\$ 923,263.00	\$ 936,575.00	\$ 949,888.00
B. Total Fixed Assets	\$ 373,625.00	\$ 360,313.00	\$ 347,000.00	\$ 333,687.00	\$ 320,375.00	\$ 307,062.00
C. TOTAL Assets (A + B)	\$ 404,597.00	\$ 405,125.00	\$ 405,931.00	\$ 407,019.00	\$ 408,396.00	\$ 410,065.00
CURRENT LIABILITIES						
Accounts Payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Notes Payable, Current	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Accrued Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
D. Total Current Liabilities	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
LONG TERM LIABILITIES						
Notes Payable, Long-term	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
E. Total Long Term Liabilities	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
F. TOTAL LIABILITIES (D + E)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
OWNER'S EQUITY						
Paid in Capital						
Retained Equity	\$ 391,027.00	\$ 391,285.00	\$ 391,813.00	\$ 392,619.00	\$ 393,707.00	\$ 395,084.00
Other						
Current Period Profit or Loss	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	\$ 14,982.00
G. TOTAL OWNER'S EQUITY	\$ 404,597.00	\$ 405,126.00	\$ 405,931.00	\$ 407,020.00	\$ 408,396.00	\$ 410,066.00
TOTAL LIABILITIES+EQUITY (F + G) = C	\$ 404,597.00	\$ 405,126.00	\$ 405,931.00	\$ 407,020.00	\$ 408,396.00	\$ 410,066.00
WORKING CAPITAL (A - D)	\$ 30,972.00	\$ 44,813.00	\$ 58,931.00	\$ 73,332.00	\$ 88,021.00	\$ 103,003.00
CURRENT RATIO (A / D)	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000
DEBT TO EQUITY RATIO (F / G)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END)	CURRENT(A) (12-31-20)	A-1 YEAR (- -21)	A-2 YEAR (- -22)	A-3 YEAR (- -23)	A-4 YEAR (- -24)	A-5 YEAR (- -25)
METER NUMBER						
Existing Number of Taps	64	64	64	64	64	64
New Taps Per Year	0	0	0	0	0	0
Total Meters at Year End	64	64	64	64	64	64
METER REVENUE						
Revenue per Meter (use for projections)	\$ 1,062.50	\$ 1,083.75	\$ 1,105.42	\$ 1,127.53	\$ 1,150.08	\$ 1,173.08
Expense per Meter (use for projections)	\$ 850.47	\$ 867.48	\$ 884.83	\$ 902.52	\$ 920.57	\$ 938.99
Operating Revenue Per Meter	\$ 212.03	\$ 216.27	\$ 220.59	\$ 225.01	\$ 229.50	\$ 234.09
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees	\$ 68,000.00	\$ 69,360.00	\$ 70,747.00	\$ 72,162.00	\$ 73,605.00	\$ 75,077.00
Other (Tap, reconnect, transfer fees, etc.)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Gross Income	\$ 68,000.00	\$ 69,360.00	\$ 70,747.00	\$ 72,162.00	\$ 73,605.00	\$ 75,077.00
EXPENSES						
General & Administrative (see schedule)	\$ 5,000.00	\$ 5,100.00	\$ 5,202.00	\$ 5,306.00	\$ 5,412.00	\$ 5,520.00
Operating (see schedule)	\$ 49,430.00	\$ 50,419.00	\$ 51,427.00	\$ 52,456.00	\$ 53,505.00	\$ 54,575.00
Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other (list)						
NET INCOME	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	\$ 14,982.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	\$ 2,448.00	\$ 2,497.00	\$ 2,547.00	\$ 2,598.00	\$ 2,650.00	
Office	\$ 408.00	\$ 416.00	\$ 424.00	\$ 433.00	\$ 442.00	
Computer						
Auto						
Insurance	\$ 1,020.00	\$ 1,040.00	\$ 1,061.00	\$ 1,082.00	\$ 1,104.00	
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees	\$ 1,224.00	\$ 1,248.00	\$ 1,273.00	\$ 1,299.00	\$ 1,325.00	
Other						
Total	\$ 5,100.00	\$ 5,202.00	\$ 5,306.00	\$ 5,412.00	\$ 5,520.00	
% Increase Per projected Year	2%	2%	2%	2%	2%	0%
OPERATIONAL EXPENSES						
Salaries	\$ 5,100.00	\$ 5,202.00	\$ 5,306.00	\$ 5,412.00	\$ 5,520.00	
Auto	\$ 1,224.00	\$ 1,248.00	\$ 1,273.00	\$ 1,299.00	\$ 1,325.00	
Utilities	\$ 2,346.00	\$ 2,393.00	\$ 2,441.00	\$ 2,490.00	\$ 2,539.00	
Depreciation						
Repair & Maintenance	\$ 2,550.00	\$ 2,601.00	\$ 2,653.00	\$ 2,706.00	\$ 2,760.00	
Supplies	\$ 1,989.00	\$ 2,029.00	\$ 2,069.00	\$ 2,111.00	\$ 2,153.00	
Water Purchases - Other	\$ 37,210.00	\$ 37,954.00	\$ 38,713.00	\$ 39,487.00	\$ 40,277.00	
Total	\$ 50,419.00	\$ 51,427.00	\$ 52,456.00	\$ 53,505.00	\$ 54,575.00	

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PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	
Depreciation (If funded by revenues of system)						
Loan Proceeds	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
Other						
Total Sources	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	
USES OF CASH						
Net Loss						
Principle Portion of Pmts.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
Fixed Asset Purchase						
Reserve	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	
Other						
Total Uses	\$ 1,570.00	\$ 1,841.00	\$ 2,118.00	\$ 2,401.00	\$ 2,489.00	
NET CASH FLOW	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)	\$ 13,570.00	\$ 13,841.00	\$ 14,118.00	\$ 14,401.00	\$ 14,689.00	
D: DEBT SERVICE						
no debt Annual Principle Plus Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)						

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Attachment #3 – Original Copy of By-Laws

January 17, 2000

MEMBERSHIP ANNUAL MEETING

The annual meeting of the members of
Tri Try Water Corporation will be held:

DATE: Monday, February 7, 2000
TIME: 7:30 P.M.
PLACE: Stonewall County Court Room,
Aspermont, Texas

The business of the meeting is to include
election of directors, approval of ByLaws,
report of business and finances of the
corporation and transaction of other business
as may come before the meeting.

TRI TRY WATER CORPORATION

MINUTES OF THE ANNUAL MEETING
OF THE MEMBERS

The annual meeting of the Members of the Corporation was held at the time and place, and on the date, set forth below:

Place of Meeting: *Stonewall County Courthouse*
Date of Meeting: *February 7, 2000*
Time of Meeting: *7:00*

The meeting's business was to act on proposals, to elect Directors, and to transact such other business within the power of the Members as set out herein.

The meeting was duly called to order by *Deon Clark* President of the Corporation. As authorized by the Bylaws, the President presided as Chairman of the meeting. *Carl Nichols* Secretary of the Corporation, acted as Secretary of the meeting and recorded the minutes. The meeting being held in accordance with the terms of the Bylaws of the Corporation, the Chairman declared that the meeting was validly convened.

The Secretary read the roll of Members as reflected by the membership roster. The following Members were present:

IN PERSON:

No record kept

BY PROXY:

<u>Member's Name</u>	<u>Proxy's Name</u>	<u>Member's Name</u>	<u>Proxy's Name</u>
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None

The following Members were neither present nor represented by proxy:

No record kept

It was ordered that all proxies be filed with the minutes of this meeting. The Chairman stated that at least one-tenth of the total number of voting Members were represented, that a quorum was present and all prerequisites for the meeting were completed, and that the meeting was ready to transact any business before it.

The Secretary was directed to prepare a written waiver of notice, consent to meeting, and approval of minutes to be signed by each Member not present at the meeting, and to file the same with these minutes.

The following were nominated as Directors, to serve for one year and until their successors should be elected and qualified:

*Dean Clark Eileen Cochran Marinda Meadors
Carl Nichols Bill McMeans*

The Chairman called for further nominations, but none were made. The following persons were elected as Directors:

same as nominated

The minutes of the previous meeting were read by the Secretary. On motion duly made, seconded, and carried, the minutes were approved as (stated) (amended).

The President then gave a general report of the business and finances of the Corporation. The President reported to the meeting the activities of the Board of Directors and proposed that the Members ratify those actions. Upon motion duly made, seconded, and carried, it was resolved that all proceedings of the Board of Directors since the last Members' meeting, and all acts taken by the Directors and officers of the Corporation be, and hereby are, approved.

The following additional action was taken at the meeting:

*Bylaws Officially adopted
New officers elected*
*Pres - Dean Clark
VP - Eileen Cochran
Secy - Marinda Meadors
Treas - Lyeta Ackerson*

Additional sheets attached: [] No; [☒] Yes, ____ pages.

Copy of Bylaws

BYLAWS

of

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

TRI TRY WATER CORPORATION

Section 2 The principal office of this corporation shall be located in the City (Village) or

Aspermont, County of Stonewall State of
Texas

ARTICLE III

Seal

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization and the words, "Corporation Not For Profit, TRI TRY WATER CORPORATION."

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 first 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.

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:

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 TRI TRY Water Association.

ARTICLE VII

Meetings of Members

Section 1. The annual meeting of the members of this corporation shall be held at the City (Village) of _____, County of _____, State of _____, at _____ o'clock _____ m., on the _____ in _____ 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 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 ten percent of the members and presented to the secretary or to the board of directors. 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 entitled to cast in their own right or by proxy _____ percent of the total number of votes 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.

Section 5. Directors of this corporation shall be elected at the annual meeting of the members as provided in Article VIII, Section 1. No cumulative voting shall be allowed.

Section 6. The order of business at the regular meetings and so far as possible at all other meetings shall be:

1. Calling to order and proof of quorum
2. Proof of notice of meeting
3. Reading and action on any unapproved minutes
4. Reports of officers and committees
5. Election of directors
6. Unfinished business
7. New business
8. Adjournment

ARTICLE VIII

Directors and Officers

Section 1. The board of directors of this corporation shall consist of five members, all of whom shall be members of the corporation. The directors named in the articles of incorporation shall serve until the first annual meeting of the members, one director shall be elected for a term of one year; two directors for a term of two years; and two directors for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of directors whose terms of office have expired. Each director shall hold office for the term which elected and until a successor shall have been elected and qualified.

Section 2. The board of directors shall meet within (10) days after the annual election of directors and shall elect a president, vice-president, and secretary from among themselves and a treasurer who need not be a member of the board of directors, 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 for 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. Board of directors shall receive no compensation for their services as such.

ARTICLE IX

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 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 non-discriminating within each class of users.
- G. 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.

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H. 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 25 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 X

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 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. Secretary shall keep minutes of all meetings of the board of directors, and all other meetings of the corporation. The Secretary shall serve, mail, or deliver all notices required by these bylaws. The Secretary shall have custody of the seal of the corporation and affix it as directed hereby or by resolution passed by the board of directors or members.

Section 4. Duties of Treasurer. The bookkeeper shall serve as Treasurer and have responsibility of all monies of the corporation. Treasurer will issue checks approved only by a majority of the board of directors and signed by at least two members of the board of director or treasurer and one director.

ARTICLE XI

Section 1. The corporation will install, maintain, and operate a main distribution pipeline or lines for the source of the water supply. Service lines and

meters to be located at reasonable delivery points. Service lines cut off valves, and meters to be paid for and maintained by corporation.

Section 2. Each member is responsible for service line from meters, at member's expense, to member's dwelling or other portion of member's premises. This service line shall be owned and maintained by member. 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.

Section 4. Each member may be permitted to purchase from the corporation, pursuant to the provisions of these bylaws and such rules and regulation as prescribed by the Board of Directors. Each member shall be entitled to purchase such water as is needed for domestic and agricultural purposes.

Section 5. The board of directors shall 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 off 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 six days from the due date will be subject to a penalty of eighteen (18) percent of the delinquent account, which percent may be changed at the discretion of the board of directors.
- B. 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.

ARTICLE XII

Distribution of Surplus Funds

Section 1. The occurrence of surplus funds or net income above the requirement of the corporation, 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. All funds remaining at the end of the year in excess of those needed to meet current losses and expense, plus reasonable surplus

determined by the board of directors, will be distributed to the members in proportion to the amount of business done by them during the year.

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

ARTICLE XIII

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

We certify that the foregoing bylaws were duly adopted by the members on February 7, 2000, that the same are in full force and have not been amended.

Given under our hands and the seal of the corporation, this 17th day of February, 2000.

Dean Clark
President

Carl O. [Signature]
Director

Maurinda Meador
Secretary

Billy W. [Signature]
Director

Director

Director

Corporate
Seal

There being no further business before the meeting, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

Dated:

Carl P. Nichols
Secretary *Carl Nichols*

RATIFICATION

We, the undersigned Members, or duly authorized proxies or assignees thereof, having read these minutes, hereby approve, ratify, confirm, and consent to all business as reported herein.

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_____	_____
_____	_____
_____	_____
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Corporate
Seal

The following documents have been appended to these minutes:

- A. CALL OF MEETING
- B. NOTICE OF MEETING
- C. RECORD OF MAILING NOTICE OF MEETING

Attachment #4 – Revised General Location Map
(Original Attachment F)

A revised General location map identifying only the requested area, in reference to the nearest county boundary, city, or town.

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OVERSIZED DOCUMENT(S)

TO VIEW

OVERSIZED DOCUMENT(S)

PLEASE GO TO

CENTRAL RECORDS

(512) 936-7180

Attachment #5 – Revised Detailed Map #1

(Original Attachment G)

A revised detailed map identifying only the requested area, in reference to verifiable manmade and natural landmarks, such as roads, rivers, and railroads.

OVERSIZED DOCUMENT(S)

TO VIEW

OVERSIZED DOCUMENT(S)

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