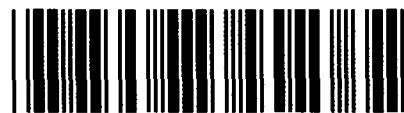




Control Number: 50057



Item Number: 3

Addendum StartPage: 0

50057

RJR Water Co INC
451 RED BLUFF CIR
MILLSAP, TX 76066
940 682-4200 OR CELL 940-328-5988

RECEIVED
2019 OCT 14 AM 9:14
PUBLIC UTILITY COMMISSION
FILING CLERK

10-7-2019

The attached maps are for the Docket No.50057. These are the maps you requested. I am sending you 7 pages of two different maps.

This is in reference to the letter I received from the PUC Order NO 1 for Docket No. 50057. My Billy Frank Sparks, is a single man who has owned the Mountain River Water Company since the 1980's. Frank is 87 years old. He can't get out of his house and he has a car that will not run. He has three grown children, one doesn't want to run a water company, and two, are not able to run the water company, both physically and mentally. They do not have the money to fix all that is wrong with the system.

There are three partners that decided to buy the water company. We have never run a water company and first thought it would be a WSC with the citizens of Mountain River Estates, HOA, MROA taking over the water system. We went to Mr. Sparks 7-1-2019. Made the offer that I'm sending 10 copies of. We addressed the offer as "A group in Mountain River Estates' citizens" or the HOA, MROA. When we went to our lawyer, David Wynn on July 7-5-2019, we decided to use the name RJR Water Co, a privately-owned water co. David Wynne filed with the State of Texas for our Incorporation effective 7-17-2019. We have NO assumed names.

When we saw the shape the Mountain River Water was in, the partners, decided it would take a year to get everything done for the system and lots of money. We knew the HOA, had no money to upgrade the water system. HOA's are known to have citizens in them, that don't get along. This is the MROA, at Mountain River's Estates, HOA. Therefore, the RJR Water Co, Inc, partners' have done all the work and paid lots of money. We have the best interest of the citizens of MROA.

I supplied the names and % of ownership on page 5 of the original Application Summary.

Richard L. Wilkins President 33%

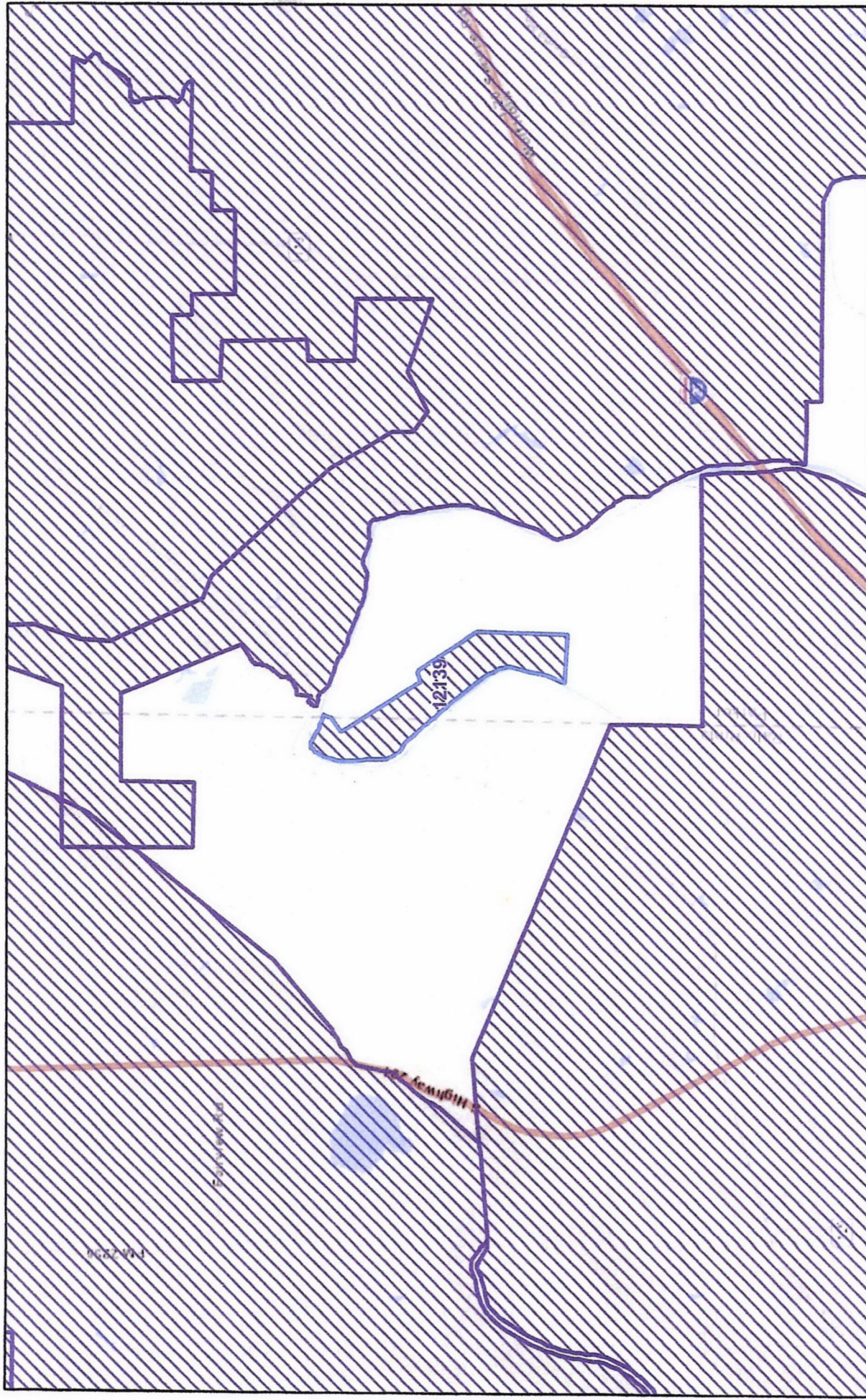
John D. Evans Vice President 33%

Robbie D. Evans Secretary/Treasurer 34%.

If you have anymore questions, please call me, Robbie Evans.

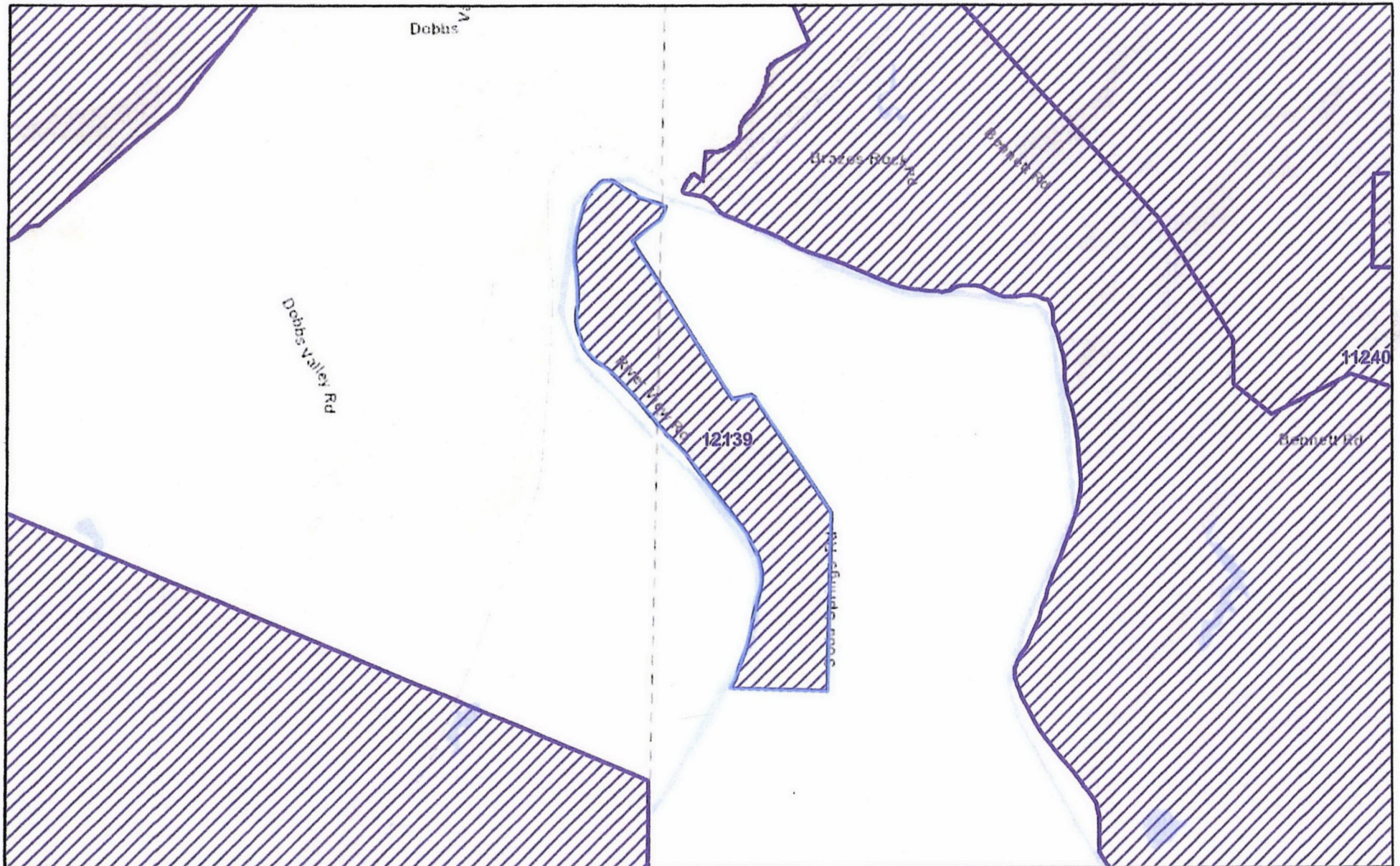

Robbie D, Evans

RJR Water Co, Inc to STM ALL of CCN No. 12139 in Palo Pinto and Parker Counties



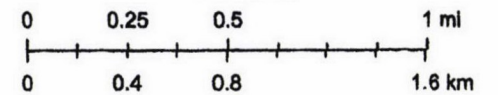
October 7, 2019

RJR Water Co, Inc to STM ALL of CCN No. 12139 In Palo Pinto and Parker Counties



October 7, 2019

1:36,112



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Frank Sparks

Mountain River Water

392 Live Oak

Santo. Tx 76472

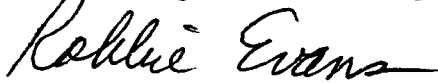
7-1-2019

Frank this is a contract for MROA or a group in Mountain River Estates citizens, that would like to make you an offer for the Water System, that you own number CCN 12139, Mountain River Water.

We agree to fix the problems with the water service and comply with all State of Texas rules. We have someone who will step in and be our operator until we can get someone trained.

We agree to pay FRANK SPARKS or his estate 10% of the profits, starting on the first full month of billing and continue for 8 years or 12-31-2027. We will send the 10% each month. If it is decided to send it yearly, we can make the arrangements with the Frank Sparks or his estate.

This is a final agreement and the agreement will be files with the State of Texas.



Robbie Evans



Marcy Akers Freeman
Jefferson R. Branch
Lynne E. Milford
Janice A. Schattman - Of Counsel
Karl E. Spahr
David W. Wynne

WYNNE Law Firm
Aggressive Controlled Representation
A professional corporation
www.davidwynnelaw.com

2630 West Fwy # 218,
Fort Worth, TX 76102
817.332.2202
817.332.2316 fax

July 18, 2019

RICHARD L. WILKINS
JOHN D. EVANS
ROBBIE D. EVANS
RJR WATER COMPANY, INC.
451 Red Bluff Circle
Millsap, Texas 76066

Re: Incorporation of RJR WATER COMPANY, INC.

Dear Directors:

I have enclosed copies of the following documents, which are discussed more fully below in this letter:

- (1) Certificate of Formation of RJR WATER COMPANY, INC. (the "Corporation");
- (2) The proposed Bylaws of the Corporation; and
- (3) The proposed Unanimous Written Consent of Board of Directors of the Corporation in Lieu of Organizational Meeting.

Please review these documents carefully, and call me immediately if you have any questions, additions, deletions, or changes. After the documents have been reviewed and approved, please call me to set up a time to execute the originals.

Governing Documents and Related Forms

Certificate of Formation. The Certificate of Formation was filed with, and accepted by, the Secretary of State which issued an acknowledgment of filing for the Corporation. The Certificate of Formation establishes the Corporation and sets out its fundamental structure. (Prior to the Texas Business Organizations Code which became effective on January 1, 2006, the Certificate of Formation was referred to as the "Articles of Incorporation.")

Bylaws. The rules and procedures for running the Corporation are set forth in the Bylaws. You should review the Bylaws along with the Certificate of Formation in order to familiarize yourself with how the Corporation should be operated. The Bylaws should be reviewed any time the Corporation intends to take action. Once approved, the Bylaws may be amended as provided therein, if necessary.

Unanimous Written Consent of Board of Directors of RJR WATER COMPANY, INC. in Lieu of Organizational Meeting. The Unanimous Written Consent of Board of Directors of RJR WATER COMPANY, INC. in Lieu of Organizational Meeting (the "Organizational Meeting Minutes") set forth the steps taken by the initial Board of Directors to complete the organization of the Corporation. These steps include, among other items, adopting the bylaws and electing officers.

Tax Matters and Licenses

I have prepared the enclosed documents based upon information and instructions you provided. I am not and have not represented or held myself out to be a tax expert. You should be aware that formation of this Corporation may affect your future tax obligations. You should carefully review all the tax aspects of this entity with your accountant, paying special attention to the issue of whether to elect Subchapter S status.

Sub-Chapter S Election. A corporation that is a qualified small business corporation under the Internal Revenue Code may elect to be taxed as a Subchapter S corporation. A Subchapter S corporation does not pay income tax. Instead, the shareholders are taxed directly on corporate income. Election of Subchapter S status is made by filing Form 2553 with the Internal Revenue Service. Form 2553 must be filed within seventy-five (75) days of the commencement of business. As many small business corporations elect Subchapter S status, you should consult with your accountant regarding whether or not it is desirable for the Corporation to make such an election.

Employer Identification Number. If the Corporation will be paying wages to employees, you must apply to the Internal Revenue Service on Form SS-4 for an Employer Identification Number.

Liability for Nonpayment of FICA Taxes and Federal Withholding Taxes. If the Corporation fails to pay FICA taxes and withholding taxes, the persons responsible for payment of such taxes will be held personally liable. Officers or other personnel whose duties relate to the payment of such taxes may be found liable.

Franchise Tax. With limited exceptions, Texas corporations are subject to the Texas franchise tax. You should discuss the franchise tax and possible methods for minimizing this tax with your accountant.

Texas Sales and Use Tax Permit. The Corporation should obtain a Limited Sales Permit from the Comptroller of Public Accounts for the State of Texas for each place of business it will operate in the state, if the Corporation will engage in retail or rental business or perform taxable services. You should discuss this matter with your accountant in order to ensure that the proper steps are taken to secure the permits.

Business or Occupational Licenses and Taxes. Various business activities and occupations are subject to licensing requirements, occupational taxes or fees. If you are unsure if the Corporation must obtain certain licenses, you should discuss this with me, your accountant, or the appropriate licensing authority.

Formation

Capitalization of the Corporation. If a shareholder is paying for shares in cash, the cash should be deposited in the Corporation's bank account. If the shareholder is paying for shares by transferring property to the Corporation, the property should be actually delivered to the Corporation and the appropriate documentation completed. If a shareholder is paying for shares by performing services, a memo should be prepared and filed in the minute book reflecting the services provided or to be provided.

Bank Account. A new bank account should be opened in the name of the Corporation. This transaction should be accomplished easily by completing a resolution which authorizes the company to open a bank account. Some banks also have their own form for the resolution that the corporation can use.

Assets and Insurance. All assets transferred by you or any other shareholder to the corporation should be appropriately entered upon the company's books by your accountant. Any assets so transferred become the property of the corporation. All of your business insurance (public liability, disability, general insurance, etc.) must be acquired in the name of the corporation as well.

Existing Loans. Any existing loans which you have made in the business should be transferred to and assumed by the Corporation when and if your accountant determines that no adverse tax consequences will result from such assumption of liability.

Other Existing Agreements or Arrangements. All leases, contracts and other arrangements which you have regarding your present equipment, office premises or furniture and any other contracts or arrangements which you have previously entered into in connection with your business should be modified, assigned, or rewritten in order to reflect the fact that the Corporation is the contracting party to each lease, contract, or obligation.

If you require any assistance, I would be happy to help you document any of the above.

Accounting

Keep the Accountant Informed. The officers and Board of Directors of the Corporation are responsible for ensuring that the Corporation's accounting practices are maintained in a proper and timely fashion. The Corporation's accountant should be kept informed regarding the Corporation's business activities.

Accounting Matters. Initially, the accountant should resolve questions regarding tax elections and other tax matters discussed above, transfers of accounts receivable, and the payment of your accounts payable. Your accountant should advise you if your first fiscal year should end on a date other than the calendar year end, of what tax elections should be made by you at that time and all matters related to the preparation and filing of tax returns.

Distributions. Distributions of cash, dividends, or other assets of the Corporation are made in the manner provided for in the regulations. Before declaring any such distributions, however, it would be wise to consult with your accountant and this firm since there are complex tax factors that must be taken into consideration upon the declaration of any distributions.

Compensation of Shareholders. The shareholders and the directors are not ordinarily entitled to compensation for their services as shareholders unless the compensation is provided for by contract, by the Bylaws, or by a company resolution. The Board of Directors have the additional power to fix the salary of each and all of the officers. Elaborate compensation plans for shareholders, directors, officers, employees should be submitted for approval as with any other important transaction.

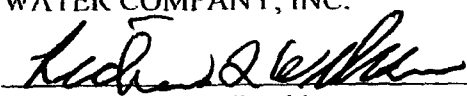
Formalities

Conducting Business in the Name of the Corporation. It is very important that all necessary formalities be followed in order to maintain the existence and activities of the Corporation distinct and separate from the shareholders, officers, and directors, in order to ensure that the such persons do not become personally liable for the liabilities or claims against the Corporation. This would be true even if there were only one shareholder. Personal property of the shareholders must not be commingled with the property of the Corporation. You should at all times do business under the Corporation name exactly as specified in the Articles of Organization and not deviate therefrom unless an appropriate assumed name certificate has been filed.

Bank Accounts and Loans. Your bank and checking accounts should also reflect your company name. Any loans or banking activities should be conducted in the company's name rather than your name individually, even though you may be required to endorse or guarantee the same personally. If a loan is made and the lender requires you to endorse or guarantee the loan personally, you should have the above action approved by the Board of Directors and reflect the approval in an appropriately drafted resolution which is inserted into the company's minute book or records.

Signatures. Whenever a person signs on behalf of, or for the Corporation, they should add their title next to the signature so that it will be clear that they are acting as an agent of the company rather than in their individual capacity. For instance, if you sign a contract with just your name and do not state your relationship to the Corporation next to your name in the contract, you may be held personally liable for the contract. An example of a correct signature would be:

RJR WATER COMPANY, INC.

By: 
_____, President

Transactions. All important transactions affecting the Corporation should be documented in the minute book by minutes of meetings of the shareholders and of the Board of Directors or other appropriate documentation, including:

All major contracts, including employment contracts, buy-sell agreements, profit sharing plans, pension plans, insurance plans, trust agreements, loans, leases, purchase contracts, and limited liability brokerage and investment accounts should be made in the name and on behalf of the Corporation and with the required approval.

The establishment and adjustment of all salaries and bonuses of officers and employees, if any, of the Corporation.

Issuance of additional stock by the Board of Directors. Any change in stock should be reflected in the stock register in the Corporation minute book.

Restrictions on the transfer of stock.

Issuance of additional stock and purchase or sale of other stock in the Corporation.

Acceptance of resignation, termination, or appointment of managers.

Change of Corporation name, registered office, or registered agent.

Change of bank accounts.

Any other Corporation activities which are significant.

Special Meetings. Actions of the shareholders of or of the Board of Directors may be taken either at an actual meeting, in which case it is advisable to maintain written minutes of such meeting, or in the form of a unanimous written consent action embodying the desired resolutions. Unanimous written consent actions must be executed by all of the persons entitled to vote on the matters contained therein. When the Corporation has only a few shareholders or directors, it is generally simpler and more convenient to take action by unanimous written consent rather than through actual meetings.

Annual Meetings. The annual meetings must be held as provided in the Bylaws. The time and place of the annual meeting of the Board of Directors may be changed by resolution of the Board of Directors. Immediately following each annual meeting of shareholders, the Board of Directors elected at such meeting is to hold an annual meeting. Any significant activities or transactions that have not previously been the subject of any special meetings should be reflected and ratified at the Annual Meetings. Please contact this firm if you desire our assistance in helping you prepare the requisite resolutions and minutes or records to document any special or annual meetings.

Books and Minutes. The Corporation minute book must be maintained and kept up-to-date, and available for inspection by any shareholder. The books of the Corporation should include the following items:

The Corporation's Certificate of Formation, Bylaws, Organizational Meeting Minutes,

any other certificates filed with the Secretary of State, and any amendments or restatements of such certificates.

All resolutions, minutes of meetings, notices, written consents, etc., that are prepared in the future.

A current list of shareholders, including (a) the date on which such person became a shareholder, (b) the name and mailing address, (c) the number of shares in the Corporation held by the shareholder, and (d) the consideration paid for the stock.

Copies of federal, state, and local information or income tax returns.

Other Corporate Matters

Significant Change. Please contact this firm immediately if any important change occurs that would affect the Corporation, including when a shareholder dies or becomes divorced, a shareholder becomes bankrupt, or a shareholder wishes to transfer his or her interest to another person. In such an event, it may be critical that the proper process is followed to avoid any negative consequences to the Corporation or the shareholders.

Registered Agent and Registered Office. If the registered agent or office is changed, the Corporation will need to file a change of registered office and/or registered agent with the Secretary of State, and this should also be reflected in the minutes of the Corporation. I have listed myself as the initial registered agent for your company.

Assumed Name. If the Corporation will transact business or operate under a name that is different in any way from the exact name as set forth in the Certificate of Formation filed with the Secretary of State, the Corporation will need to file an assumed name certificate. This certificate must be filed with the Secretary of State and the County Clerk of the county in which the Corporation has its registered office. If the principal office of the Corporation is in a county other than the county where the registered office is located, the certificate must be filed in that county as well. Also, the certificate will need to be renewed within six months prior to its expiration.

Operations in Another State. Finally, should you open an office or acquire property in another state, you may be required to qualify as a foreign entity to be authorized to do business in that state. This entails filing a Certificate of Authority in that other state and paying initial and annual fees. Failure to qualify may prohibit you from suing to enforce your contracts in that state, or from receiving actual notice in the event you are sued.

I hope the information in this letter will prove helpful. This letter is intended to inform you of some of the more common issues affecting corporations and future management and operations. This letter is not an exhaustive overview of all legal, economic or other considerations pertaining to corporations.

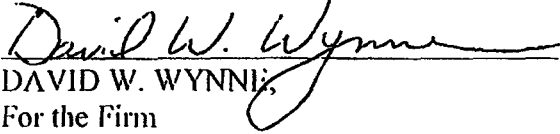
As a continuing matter of sound practice, I strongly recommend that you meet with our firm at least once annually, preferably a couple of weeks before your annual meetings. This will

help ensure that the required steps have been taken and all corporate affairs are in order.

If you have additional questions concerning the Corporation or future operations, please call me at your earliest convenience.

Sincerely,

THE WYNNE LAW FIRM

By: 
DAVID W. WYNNE,
For the Firm

Enclosures