

MINUTES  
KICKAPOO FRESH WATER SUPPLY DISTRICT OF WALLER COUNTY

February 25, 2010

The Board of Directors (the "Board") of Kickapoo Fresh Water Supply District of Waller County (the "District") met in regular session, open to the public, on the 25<sup>th</sup> day of February, 2010, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Sukhjinder (Suky) Dhoother, M.D.	President
Gary D. Smith	Vice President
Susan L. (Susie) Higley	Assistant Vice President
Rajesh Chandwani	Secretary
Nicolette (Nikki) T. Szeto	Assistant Secretary

and all of the above were present, except Directors Smith and Chandwani, thus constituting a quorum.

Also present at the meeting were Andrew Barclay of Brooks & Sparks, Inc.; Karla Efigenio of McLennan & Associates, Inc.; Jonathan Hubbard of Severn Trent Services, Inc.; and Stephen M. Robinson and Hope Jeffers of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board first considered approving the minutes of the August 20, 2009, regular Board meeting and the November 12, 2009, special Board meeting. Director Dhoother made a motion to approve both sets of minutes as submitted. Director Higley seconded the motion, which carried unanimously.

DISTRICT REGISTRATION FORM

Mr. Robinson stated that at the District's last Board meeting, it approved an updated District Registration Form and authorized filing of the same with the Texas Commission on Environmental Quality (the "TCEQ") without having an agenda item to do so. He requested the Board re-approve the District Registration Form and filing of the same. Following discussion, Director Dhoother made a motion to re-approve the District Registration Form and filing of the same. Director Higley seconded the motion, which carried unanimously.

#### AMENDMENT TO INFORMATION FORM

Mr. Robinson stated that at the District's last Board meeting, it approved an Amendment to Information Form and authorized filing of the same with the TCEQ, without having an agenda item to do so. He requested the Board re-approve the Amendment to Information Form and filing of the same. Following discussion, Director Dhother made a motion to re-approve the Amendment to Information Form and filing of the same. Director Higley seconded the motion, which carried unanimously.

#### DISCUSS 2010 DIRECTORS ELECTION

Mr. Robinson stated that Directors Dhother and Smith's terms of office will expire on May 8, 2010.

#### ADOPT ORDER CALLING DIRECTORS ELECTION

Mr. Robinson then presented an Order Calling Directors Election. Following review and discussion, Director Higley made a motion to adopt the Order Calling Directors Election as presented and direct that a copy be filed appropriately and retained in the District's records. Director Dhother seconded the motion, which carried unanimously.

#### SET PAY FOR ELECTION OFFICIALS

Mr. Robinson informed the Board that the election officials must be paid at least minimum wage per hour for their services. After review and discussion, Director Higley moved that the election officials be paid \$10.00 an hour for their services. Director Dhother seconded the motion, which carried unanimously.

#### DISCUSS VOTING MACHINE REQUIREMENTS

Mr. Robinson stated that the District will need to rent electronic voting machines from Premier Election Solutions, Inc. ("Premier"). Following discussion, Director Higley moved to authorize the rental of electronic voting machines from Premier. Director Dhother seconded the motion, which passed by unanimous vote.

#### RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY

Mr. Robinson stated that from March 19 through June 17, the Secretary of the Board of Directors must be available to perform duties in connection with the 2010 Directors Election. Mr. Robinson stated that since Director Chandwani maintains

regular office hours, it will not be necessary for him to designate an agent to act on his behalf.

#### VOTING RIGHTS ACT SUBMISSION LETTER TO THE U.S. DEPARTMENT OF JUSTICE

Mr. Robinson explained that the District will need to make a submission to the U.S. Department of Justice under the Voting Rights Act, if the District holds a Directors Election and there is any change affecting voting. After review and discussion, Director Higley moved to authorize the preparation and submittal of a letter to the U.S. Department of Justice under the Voting Rights Act, if applicable. Director Dhoother seconded the motion, which carried unanimously.

#### ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the Association of Water Board Directors winter conference and concurred that no Directors attended. The Board then considered authorizing attendance at the summer conference. After discussion, Director Dhoother motioned to authorize attendance of any interested Directors at the summer conference. Director Higley seconded the motion, which carried unanimously.

#### BOOKKEEPERS REPORT

Ms. Efigenio reviewed the bookkeeper's report, a copy of which is attached, and payments to be made. After review and discussion, Director Higley moved to approve the bookkeeper's report and payment of the bills. Director Dhoother seconded the motion, which carried unanimously.

#### ENGINEER'S REPORT

Mr. Barclay reviewed the engineer's report, a copy of which is attached, and discussed engineering matters in the District.

He first updated the Board regarding the construction of Phase I of the Detention Basin to Serve Kickapoo Preserve and stated he had no items for the Board's approval. He reported that construction of the project is complete and that the developer will soon convey the detention basin to the District.

Mr. Barclay then updated the Board regarding the construction of the paving, storm drainage, and water line to serve Kickapoo Preserve, Section One and reviewed and recommended approval of the following pay estimates, all payable to Terbo Construction, L.P.: 1) Pay Estimate No. 1 in the amount of \$326,820.83; 2) Pay Estimate No. 2 in the amount of \$229,670.91; 3) Pay Estimate No. 3 in the amount of \$480,326.40;

4) Pay Estimate No. 4 in the amount of \$77,822.70; and 5) Pay Estimate No. 5 in the amount of \$28,364.63.

Following review and discussion, Director Higley made a motion, based on the engineer's recommendation, to approve the engineer's report and Pay Estimate Nos. 1, 2, 3, 4, and 5 for the construction of the paving, storm drainage, and water line to serve Kickapoo Preserve, Section One. Director Szeto seconded the motion, which carried unanimously.

#### REPORT ON DEVELOPMENT

Mr. Barclay updated the Board regarding development in the District and the construction of the investor-owned water plant in the District.

#### REPORT ON APPLICATION FOR DUAL WATER CCN

Mr. Robinson stated the developer has employed Mike Gershon at Lloyd Gosselink Rochelle & Townsend, P.C. to prepare an application for a dual water Certificate of Convenience and Necessity ("CCN"). He stated the dual CCN holders will be Spring Preserve Water Company, LLC ("SPWC"), which is the investor-owned utility company that will supply water to the District, and G&W Water Supply Corporation. He further stated that the District will be asked to participate in the application since the CCN will benefit the District.

#### ENGAGEMENT OF LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C.

Mr. Robinson reviewed an engagement letter from Mike Gershon of Lloyd Gosselink Rochelle & Townsend, P.C. ("Lloyd Gosselink") and explained that the engagement is for the purpose of developing, filing, and pursuing the dual water CCN. He further stated that Lloyd Gosselink has disclosed in the engagement letter that it also represents the developer and SPWC. Mr. Robinson then recommended the Board engage Lloyd Gosselink and authorize execution of the engagement letter as presented. Following review and discussion, Director Dhoother made a motion to engage Lloyd Gosselink and authorize execution of the engagement letter. Director Higley seconded the motion, which carried unanimously.

#### AUTHORIZE CONSULTANTS TO PURSUE APPLICATION FOR DUAL WATER CCN, APPROVE APPLICATION FOR DUAL WATER CCN, AND AUTHORIZE DIRECTORS TO EXECUTE ALL DOCUMENTS IN CONNECTION WITH DUAL WATER CCN

Mr. Robinson recommended the Board authorize the District's consultants, including Lloyd Gosselink, to develop, file, and pursue the application for the dual water CCN and to approve the application, subject to final review and approval by the District's attorney. He further recommended the Board authorize execution of any and

all documents related to the application, subject to the final review and approval by the District's attorneys. Following discussion, Director Higley made a motion to: 1) authorize the District's consultants to develop, file, and pursue the application for the dual water CCN; 2) approve the application subject to final review and approval by the District's attorney; and 3) authorize the execution of any and all documents related to the application, subject to the final review and approval by the District's attorneys. Director Dhoother seconded the motion, which carried unanimously.

#### APPROVE ASSIGNMENT OF AGREEMENT

Mr. Robinson reviewed an Agreement By and Between G&W Water Supply Corporation ("G&W") and New Waverly Sound Investments, L.L.C. ("New Waverly") dated October 23, 2007 (the "Agreement"). He explained that the Agreement allows New Waverly to construct facilities in order to supply the District with retail public water utility service, with the understanding that said facilities will be conveyed to G&W upon retirement of the District's or New Waverly's debt incurred for constructing said facilities. He further stated that the Agreement allows for New Waverly to assign its interest in the Agreement to the District. Mr. Robinson then reviewed and recommended the Board accept the Assignment of the Agreement from New Waverly to the District. Following review and discussion, Director Higley made a motion to accept the Assignment of the Agreement. Director Szeto seconded the motion, which carried unanimously.

#### WHOLESALE WATER PURCHASE CONTRACT

Mr. Robinson then reviewed and recommended approval of a Wholesale Water Purchase Contract between SPWC and the District. He explained that the District will purchase water wholesale from SPWC and that the District will be the retail water supplier to the District's residents. Following review and discussion, Director Higley made a motion to approve the Wholesale Water Purchase Contract with SPWC. Director Szeto seconded the motion, which carried unanimously.

#### OPERATOR'S REPORT

Mr. Hubbard updated the Board regarding operating matters. He did not present a written report. In response to a question from Director Dhoother, Mr. Hubbard discussed what the operator's daily and regular duties will be when the water plant begins supplying water to the District.

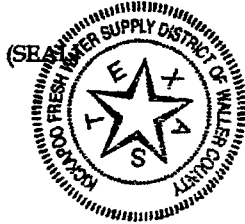
#### ADOPT RATE ORDER

Mr. Robinson stated Water Engineers, Inc. prepared an analysis of the water rates recommended for the District. He then distributed and reviewed the water rates analysis with the Board, a copy of which is attached. Mr. Robinson then reviewed a Rate Order, which incorporates the recommended water rates. Following review and

discussion, Director Dhoother made a motion to adopt the Rate Order and direct that a copy be filed appropriately and retained in the District's records. Director Higley seconded the motion, which carried unanimously.

Mr. Robinson stated the Board will most likely need to meet again in March or April to cancel the 2010 Directors election.

The Board did not receive additional reports from District consultants or Directors. There being no further business to come before the Board, the Board concurred to adjourn the meeting.



Asst. Nicolete S. Saff  
Secretary, Board of Directors

**EXHIBIT D-2**  
**ASSIGNMENT OF WHOLESALE WATER CONTRACT**

**ASSIGNMENT OF WHOLESALE WATER PURCHASE CONTRACT**

Spring Preserve Water Company, LLC ("Spring Preserve Water Co.") hereby assigns the Wholesale Water Purchase Contract ("Wholesale Contract") between Spring Preserve Water Co. and Kickapoo Fresh Water Supply District, which is attached hereto as Exhibit A, to G & W Water Supply Corporation, a non-profit water supply corporation ("G&W WSC").

Spring Preserve Water Co. and G & W WSC agree that the Wholesale Contract will continue in effect under the original terms and conditions, except that the Wholesale Contract will expire upon (1) the successful acquisition by G & W WSC of the Kickapoo Fresh Water Supply District retail water service system, which is contemplated, and (2) the appropriate approvals of such acquisition by the Public Utility Commission of Texas, as prescribed by law.

IN WITNESS WHEREOF, the undersigned parties have executed this assignment in multiple counterparts on the date indicated by each party's signature, but effective the date on which the Bill of Sale and Assignment and the Special Warranty Deed for the subject Wholesale Water Plant and Well Site were executed, such date being the 27th day of March, 2020 (the "Effective Date"), and acknowledging that their respective governing bodies authorized execution of this assignment.

**AGREED:**

SPRING PRESERVE WATER COMPANY, LLC  
a Texas limited liability company

by:   
Rajan Shandassach, Managing Member

Date: 4-16-20


G & W WATER SUPPLY CORPORATION  
a Texas non-profit water supply corporation

by:   
Jake Marcisz, Board President

Date: 4/17/2020

**CONSENT GRANTED BY:**

KICKAPOO FRESH WATER SUPPLY DISTRICT  
a Texas water control and improvement district

by:   
Dr. Sukhinder Phothner, Board President

Date: 4-20-2020



**EXHIBIT D-3  
SPECIAL WARRANTY DEED  
FOR WHOLESALE WATER PLANT**

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**SPECIAL WARRANTY DEED**

STATE OF TEXAS                   §  
  §     KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF WALLER           §

THAT Spring Preserve Water Company, LLC, a Texas limited liability company ("Grantor"), for and in consideration of ten and no/100 dollars (\$10.00), and other good and valuable consideration in hand paid by G & W Water Supply Corporation, a non-profit water supply corporation ("Grantee"), the receipt and sufficiency of which are hereby acknowledged, does GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY to Grantee, the real property and groundwater interests more particularly described on the attached Exhibit A and Exhibit B (the "Property").

This conveyance is made and accepted subject only to (i) the matters set forth in the attached Exhibit C, to the extent, but only to the extent, the same are now in force and effect and relate to the Property, (ii) all taxes and assessments assessed against the Property for the year of the conveyance (which have been prorated as between Grantor and Grantee as of the Effective Date) and all subsequent years, which Grantee shall pay, and (iii) any and all laws, ordinances, and governmental regulations now applicable to and enforceable against the Property, (collectively, the "Permitted Encumbrances").

GRANTEE, ITS HEIRS, SUCCESSORS, AND ASSIGNS, ACKNOWLEDGE AND AGREE THAT ALL WARRANTIES, EXPRESS OR IMPLIED, ARE WAIVED AND DISCLAIMED, AND GRANTEE, ITS HEIRS, SUCCESSORS, AND ASSIGNS, BUY AND ACCEPT THE PROPERTY AND ANY AND ALL IMPROVEMENTS AND APPURTENANCES SITUATED ON THE PROPERTY, AS IS, WHERE IS, AND WITH ALL FAULTS. GRANTEE, ITS HEIRS, SUCCESSORS, AND ASSIGNS, ACKNOWLEDGE AND AGREE THAT EXCEPT FOR THE WARRANTY OF TITLE SET FORTH HEREIN, GRANTOR HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY; (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEES MAY CONDUCT THEREON; AND (D) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT, BEING GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE WILL ACCEPT THIS SPECIAL

WARRANTY DEED IN AND TO THE PROPERTY PURSUANT TO ITS INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE PROPERTY AND GRANTEE IS RELYING UPON ITS OWN DETERMINATION OF THE VALUE OF THE PROPERTY AND USES TO WHICH THE PROPERTY MAY BE PUT, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT WITH RESPECT TO ANY INFORMATION PROVIDED OR TO BE PROVIDED PERTAINING TO THE PROPERTY, THAT GRANTOR HAS NOT MADE AND WILL NOT BE OBLIGATED TO MAKE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION, AND GRANTOR MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

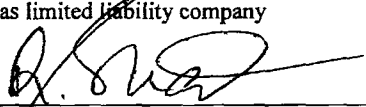
TO HAVE AND TO HOLD the Property, together with all and singular rights and appurtenances belonging in any way thereto, subject to the provisions of this Deed, to Grantee, Grantee's successors and assigns forever, and Grantor binds itself and its successors and assigns TO WARRANT AND FOREVER DEFEND all and singular the Property to Grantee and Grantee's successors and assigns, against every person lawfully claiming or to claim all or any part of the Property, when the claim is by, through, or under Grantor, but not otherwise, and subject, however, to the Permitted Encumbrances and the other provisions of this Deed.

All of the covenants, terms, and conditions set forth herein shall be binding on, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

The use herein of any pronoun to refer to Grantor or Grantee shall be deemed a proper reference even though Grantor and Grantee may be an individual (either male or female), a corporation, a partnership, or a group of two or more individuals, corporations, and/or partnerships, and when this Deed is executed by or to a natural person, the words "successors and assigns" shall, with respect to that person, be deemed to mean "heirs, executors, personal representatives, and administrators."

EXECUTED to be effective the 27 day of MARCH, 2020 (the "Effective Date").

SPRING PRESERVE WATER COMPANY, LLC  
a Texas limited liability company

by:   
Rajan Shamdasani, Managing Member

3/27/20  
Date

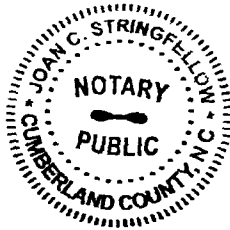
G & W WATER SUPPLY CORPORATION,  
a Texas non-profit corporation

by:   
Jake Marcisz, Board President

3/24/2020  
Date

STATE OF NORTH CAROLINA   §  
  §     ACKNOWLEDGMENT  
COUNTY OF CUMBERLAND   §

This instrument was acknowledged before me on the 27 day of March, 2020,  
by Rajan Shamdasani, managing member of Spring Preserve Water Company, LLC, a Texas  
limited liability company.

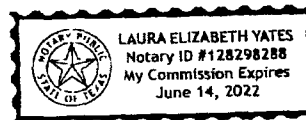


Joan C. Stringfellow  
NOTARY PUBLIC in and for State of North Carolina  
Commission Expires: April 10, 2020

STATE OF TEXAS               §  
  §     ACKNOWLEDGMENT  
COUNTY OF WALLER         §

This instrument was acknowledged before me on the 24 day of March, 2020,  
by Jake Marcisz, Board President of G & W Water Supply Corporation, a Texas non-profit water  
supply corporation.

Laura Elizabeth Yates  
NOTARY PUBLIC in and for State of Texas  
Commission Expires: June 14, 2022



**EXHIBIT A  
TO  
SPECIAL WARRANTY DEED**

The Property shall be defined as the tract of land situated in Waller County, Texas, being 1.262 acres of land, more or less, of real property more particularly described by a metes and bounds description and surveyor's map in Exhibit B, which is attached hereto and incorporated herein by reference as if stated verbatim, and any and all groundwater interests which relate thereto, more particularly described below, together with all improvements and fixtures located thereon, and any and all real personal, and usufructuary rights, privileges, and appurtenances thereto, including all rights in and to easements, air rights, development rights, zoning approvals, permits, authorities, licenses, consents, sewer rights and drainage rights incidental to such real property and groundwater interests including, without limitation, all water and sanitary sewer discharge treatment capacity allocated to such tract of land or owned or held by Grantor for the use and benefit thereof and all zoning and development approvals or rights with respect thereto.

**EXHIBIT B  
TO  
SPECIAL WARRANTY DEED**

Metes and Bounds Description and Surveyor's Map of the Property

# WATER TREATMENT PLANT

1.262 ACRE  
54,949 SQUARE FEET  
SHUBAL MARSH SURVEY  
ABSTRACT NO. 217  
WALLER COUNTY, TEXAS

FIELD NOTE DESCRIPTION of a 1.262 acre (54,949 square foot) tract of land located in the Shubal Marsh Survey, Abstract Number 217, Waller County, Texas and said 1.262 acre tract of land being out of and a part of the called 269.3 acre tract described in the deed to New Waverly Sound Investments, L.L.C. recorded under Volume (Vol.) 1008, Page (Pg.) 260 of the Waller County Deed Records (W.C.D.R.), said 1.262 acre tract being more particularly described by metes and bounds as follows: (The bearings described herein are oriented to the Texas State Plane Coordinate System, South Central Zone, NAD 1983, based on the Cornerstone Co-op CORS ARP, COR ID CMS1, N.G.S. PID DE8140, theta angle = +01°44'10.5".)

COMMENCING at a 5/8-inch iron rod with plastic cap stamped "Kalkomey Surveying" found in the west Right-of-Way (R.O.W.) line of Kickapoo Road (based on a width of 80 feet) (recorded under Vol. 149, Pg. 502, W.C.D.R.) marking the southeast corner of the called 0.3813 acre tract described in the deed to Racedown Partners, Ltd. recorded under Vol. 783, Pg. 824, W.C.D.R., the northeast corner of proposed Hegar Springs Parkway (based on a width of 120 feet) and the most easterly northeast corner of said called 269.3 acre tract;

THENCE, South 88°27'56" West, departing the west R.O.W. line of said Kickapoo Road and over and across said called 269.3 acre tract and along the north R.O.W. line of said proposed Hegar Springs Parkway, at a distance of 787.85 feet, passing the southwest corner of said called 0.3813 acre tract, continuing a total distance of 1,280.80 feet to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set in the north R.O.W. line of said proposed Hegar Springs Parkway marking the POINT OF BEGINNING, and the southeast corner of the herein described tract;

THENCE, South 88°27'56" West, continuing over and across said called 269.3 acre tract and along the north R.O.W. line of said proposed Hegar Springs Parkway, a distance of 50.00 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set in the north R.O.W. line of said proposed Hegar Springs Parkway marking the most southerly southwest corner of the herein described tract;

THENCE, North 02°05'42" West, continuing over and across said called 269.3 acre tract and departing the north R.O.W. line of said proposed Hegar Springs Parkway, a distance of 79.40 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set marking an interior corner of the herein described tract;

THENCE, South 87°54'18" West, continuing over and across said called 269.3 acre tract, a distance of 191.38 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set marking the most westerly southwest corner of the herein described tract;

THENCE, North 02°05'42" West, continuing over and across said called 269.3 acre tract, a distance of 120.10 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set marking an angle in the west line of the herein described tract;

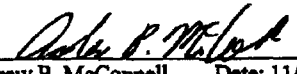
THENCE, North 41°18'44" East, continuing over and across said called 269.3 acre tract, a distance of 162.90 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set marking the northwest corner of the herein described tract;

THENCE, North 87°54'18" East, continuing over and across said called 269.3 acre tract, a distance of 129.55 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set in the west line of the called 20.000 acre tract described in the deed to Racedown Partners, Ltd., recorded under Vol. 549, Pg. 256, W.C.D.R. common with the easterly line of said called 269.3 acre tract, marking the northeast corner of the herein described tract;

THENCE, South 02°05'42" East, along said common line, a distance of 306.32 feet, to a 1/2-inch iron rod found marking the southwest corner of said called 20.000 acre tract and an angle in the east line of the herein described tract;

THENCE, South 01°32'04" East, over and across said called 269.3 acre tract, a distance of 12.02 feet, to the POINT OF BEGINNING and containing a computed area of 1.262 acres (54,949 square feet) of land as depicted on the Water Treatment Plant Exhibit dated: November 11, 2008, prepared by West Belt Surveying, Inc., Project No. S697-0001P.

West Belt Surveying, Inc.  
21020 Park Row.  
Katy, Texas 77449  
(281) 599-8288

  
Andrew P. McConnell Date: 11/11/08  
Texas Registration No. 5651





CALLED 289.3 ACRE  
 NEW WAVERLY SOUND INVESTMENT, LLC.  
 VOL. 1008, PG. 260, W.C.D.R.

LINE	LENGTH	BEARING
L1	50.00	S88°27'26"W
L2	78.40	N02°05'42"W
L3	101.38	S87°34'10"W
L4	120.10	N02°05'42"W
L5	162.90	N41°18'44"E
L6	129.95	N07°34'18"E
L7	12.02	S01°32'04"E

3. THE BEARINGS SHOWN HEREON ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM SOUTH CENTRAL ZONE, NAD 83, BASED ON THE CORNERSTONE CO-OP CORP ARP, COR 10 CWSI, N.G.S. PID DEB140, THETA ANGLE =  $+01^{\circ}44'10.9''$ ).

SHUBAL MARSH SURVEY,  
ABSTRACT NO. 217

TRACT II  
CALLED 20.000 ACRE  
RACEDOWN PARTNERS, LTD.,  
VOL. 549, PG. 258, W.C.D.R.

CALLED 0.3813 ACRE-  
 RACEDOWN PARTNERS, LTD  
 VOL. 783, PG. 824, W.C.D.R.

POINT OF COMMENCING  
5/15 I.R. FND. -  
W/ CAP "KALKOMEY SURVEYING"

KICKAPOO ROAD  
(60' R.O.W.)  
VOL. 140, PG. 502, W.C.D.R.



WEST  BELT  
SURVEYING, INC.

**2800 PARK ROW  
EAST, TX. 77660**

**PHONE: 800 456-6666**  
**FAX: 800 456-6666**

WATER TREATMENT PLANT  
1.262 ACRE  
SHUBAL MARSH SURVEY, A-217  
WALLER COUNTY, TEXAS

NO.	DATE	REVISIONS	BY

SCALE: 1" = 100' PROJECT NO. 888700G1P  
 DRAWN BY: MDL DATE: NOVEMBER 11, 2008

THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1B, CONDITION 1 SURVEY.

ANDREW P. McCONNELL, R.P.L.E.  
TEXAS REGISTRATION NO. 3851

11/11/08  
DATE

Attachment "B"

116

**EXHIBIT C  
TO  
SPECIAL WARRANTY DEED**

Certain permitted encumbrances: That certain overhead utility line encroachment crossing the Property from the southeast side to the north side of the Property.

**Attachment “C” – Question 20**

**LIST OF CUSTOMERS WITH DEPOSITS**

542 KICKAPOO FWSD

## UTILITY BILLING INDEX BY ACCOUNT NAME

DATE:07/29/20 PAGE: 1

ACCOUNT NUMBER	NAME	SERVICE ADDRESS	MAILING ADDRESS	CITY / STATE / ZIP	TABLE	STATUS	DEP DATE	DEP AMOUNT	SURETY AMT	TYPE
542-00025-01		24668 CRYSTAL CAVE BLVD	24668 CRYSTAL CAVE BLVD		-	33	SVC ADDR			R
542-00012-01	AVALES SERVANDO	29677 DEERSKIN DR	29677 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	06/15/2018	100.00	R
542-00032-01	BOEHM D. KELLY	29741 KISKADEE LN	29741 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR	07/23/2019	100.00	R
542-00049-01	BYRD SCHERAI	24590 SEATROUT DR.	24590 SEATROUT DR.	HOCKLEY, TX	77447-	23	REGULAR	09/26/2019	100.00	R
542-00030-01	CAIN BARNHOLT ANGELA	24571 SEATROUT DR	24571 SEATROUT DR	HOCKLEY, TX	77447-	23	REGULAR	10/12/2018	100.00	R
542-00026-01	CATER CHRISTINA/ROBERT JR	24570 GREEN JAY DR	24570 GREEN JAY DR	HOCKLEY, TX	77447-	23	REGULAR			R
542-00039-01	CATER SHARON	29700 RINGTAIL LN	29700 RINGTAIL LN	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00028-01	DAYTON JOHN/LINDA	29700 DEERSKIN DR	29700 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00037-01	DONLEY LOIS	29820 KISKADEE LN	29820 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR	10/29/2019	100.00	R
542-00035-01	DOWTY CHELSEA/DYLAN	29819 KISKADEE LN	29819 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00029-01	FAULKER CHASE / ALYSON	29751 KISKADEE LN	29751 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00002-00	FIRST AMERICA HOMES	29620 DEERSKIN DR	1400 WOODLOCH FOREST DR	THE WOODLANDS, TX	77380-	33	OLD FIN			B
542-00019-00	FIRST AMERICA HOMES	24650 AMBERJACK LN	1400 WOODLOCH FOREST DR	THE WOODLANDS, TX	77380-	33	OLD FIN			B
542-00024-00	FIRST AMERICA HOMES	29676 RINGTAIL LN	1400 WOODLOCH FOREST DR	HOUSTON, TX	77380-	33	OLD FIN			B
542-00038-00	FIRST AMERICA HOMES	24550 GREEN JAY DR	1400 WOODLOCH FOREST DR	THE WOODLANDS, TX	77380-	33	OLD FIN			B
542-00049-00	FIRST AMERICA HOMES	24590 SEATROUT DR.	1401 WOODLANDS PKWY	THE WOODLANDS, TX	77380-	33	OLD FIN			B
542-00022-00	FIRST AMERICAN HOMES	29740 DEERSKIN DR	1400 WOODLOCH FOREST DR	THE WOODLANDS, TX	77380-3	33	OLD FIN			B
542-00023-00	FIRST AMERICAN HOMES	24610 AMBERJACK LN	1400 WOODLOCH FOREST DR	THE WOODLANDS, TX	77380-	23	OLD FIN			B
542-00028-00	FIRST AMERICAN HOMES	29700 DEERSKIN DR	1400 WOODLOCH FOREST DR	THE WOODLANDS, TX	77380-	33	OLD FIN			B
542-00010-00	GLEN ALTAMURO	29769 KISKADEE LN	29769 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR			B
542-00048-01	GREGORY DILLMAN	29810 DEERSKIN DR	29810 DEERSKIN DR.	HOCKLEY, TX	77447-	23	REGULAR	09/20/2019	100.00	R
542-00004-03	HENDERSON STU/MARCI	24617 SEATROUT DR	24617 SEATROUT DR	HOCKLEY, TX	77477-	23	REGULAR	10/22/2018	50.00	R
542-00017-02	HENDERSON, BRENT	24540 GREEN JAY DR	24540 GREEN JAY DR	HOCKLEY, TX	77447-	23	CONNECT	07/23/2020	100.00	R
542-00007-00	HOLDING ACCOUNT	16337 PARK ROW	16337 PARK ROW	HOUSTON, TX	-	0	REGULAR			H
542-00000-01	HUMPHREYS DONALD	29760 DEERSKIN LN	29760 DEERSKIN LN	HOCKLEY, TX	77447-	23	REGULAR	09/13/2018	100.00	R
542-00020-01	IRVAN DOWNIE	24610 SEATROUT DR	24610 SEATROUT DR	HOCKLEY, TX	77447-	23	REGULAR	11/28/2018	100.00	R
542-00019-01	KERN GREGORY/JUSTINA	24650 AMBERJACK LN	24650 AMBERJACK LN	HOCKLEY, TX	77447-	23	REGULAR			R
542-99999-00	KICKAPOO ID	KICKAPOO ID			-	0	REGULAR			
542-00042-02	LEARED LISA/JACK	29541 SEATROUT DR.	29541 SEATROUT DR.	HOCKLEY, TX	77447-	23	REGULAR	07/02/2019	100.00	R
542-00045-01	LEONA L. ROSSY	29670 DEERSKIN DR.	29670 DEERSKIN DR.	HOCKLEY, TX	77447-	23	OLD FIN	06/17/2019	100.00	R
542-00038-01	LYNCH T. JEFFREY	24550 GREEN JAY DR	24550 GREEN JAY DR	HOCKLEY, TX	77447-	23	REGULAR	07/19/2019	100.00	R
542-00016-01	MCCAIG ALBERT	29770 KISKADEE LN	POST OFFICE 760	WALLER, TX	77484-	23	REGULAR			R
542-00044-02	MCCOY KENDRA	29701 DEERSKIN DR	29701 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	01/03/2020	100.00	R
542-00024-01	MCKINZEY KENDALL	29676 RINGTAIL LN	29676 RINGTAIL LN	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00015-01	MENDEZ RAMIRO/ NORMA	29651 DEERSKIN DR	29651 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR			R
542-00023-01	MOFFITT KAYLA/DONALD	24610 AMBERJACK LN	24610 AMBERJACK LN	HOCKLEY, TX	77447-	23	REGULAR	09/13/2018	100.00	R
542-00001-00	NEW WAVERLY SOUND INVESTME	24611 GREEN JAY DR	24668 CRYSTAL CAVE BLVD	HOCKLEY, TX	77447-6385	23	REGULAR			C
542-00009-00	NEW WAVERLY SOUND INVESTME	29780 HEGAR SPRINGS PKWY KP IRR	24668 CRYSTAL CAVE BLVD	HOCKLEY, TX	77447-	35	REGULAR			I
542-00006-00	NOAH BRIDGES	24581 GREEN JAY DR	24581 GREEN JAY DR	HOCKLEY, TX	77447-8437	23	REGULAR			B
542-00045-02	OSANI MEREDITH	29670 DEERSKIN DR.	29670 DEERSKIN DR.	HOCKLEY, TX	-	23	REGULAR	04/01/2020	100.00	R
542-00005-02	PAHL SURINDER/SARABJIT	24623 GREEN JAY DR	21114 WEST CAMERON RIDGE	CYPRESS, TX	77433-	23	OLD FIN			R
542-00050-01	PAYTON TABITHA	24602 SEATROUT DR.	24602 SEATROUT DR.	HOCKLEY, TX	77447-	23	REGULAR	01/06/2020	100.00	R
542-00014-01	PHILLIPS JAMILA	29850 DEERSKIN DR	29850 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	06/20/2019	100.00	R
542-00027-01	PORTER PATRICIA/JOHN	24549 SEATROUT DR	24549 SEATROUT DR	HOCKLEY, TX	77447-	23	REGULAR			R
542-00046-01	PREM KISSINGER KUMARADHAS	29800 KISKADEE LN.	29800 KISKADEE LN.	HOCKLEY, TX	77447-	33	REGULAR	09/30/2019	100.00	R
542-00021-01	PRY CHERYL/PATRICK	24620 SEATROUT DR	24620 SEATROUT DR	HOCKLEY, TX	77447-	23	REGULAR			R
542-00043-01	RABALAIS T. DOROTHY	29640 DEERSKIN DR.	29640 DEERSKIN DR.	HOCKLEY, TX	77447-	23	REGULAR	05/01/2019	100.00	R
542-00018-01	RENTERIA RENE/SONIA	24600 AMBERJACK LN	24600 AMBERJACK LN	HOCKLEY, TX	77447-	23	REGULAR			R
542-00036-01	ROBINSON JAMES/ROBINSON SA	29799 KISKADEE LN	29799 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR	01/15/2019	100.00	R
542-00003-01	RODGERS ELIZABETH	24607 SEATROUT DR	24607 SEATROUT DR	HOCKLEY, TX	77447-	23	REGULAR	09/13/2018	100.00	R
542-00002-01	ROSS TRAVIS	29620 DEERSKIN DR	29620 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R

542

KICKAPOO FMSD

# UTILITY BILLING INDEX BY ACCOUNT NAME

DATE: 07/29/20 PAGE: 2

ACCOUNT NUMBER	NAME	SERVICE ADDRESS	MAILING ADDRESS	CITY / STATE / ZIP	TABLE	STATUS	DEP DATE	DEP AMOUNT	SURETY AMT	TYPE
542-00017-01	ROURKE AMBER/TOM	24540 GREEN JAY DR	24540 GREEN JAY DR	HOCKLEY, TX	77447-	23	NEW FIN	09/12/2017	100.00	R
542-00013-01	RUSIE SUSAN/TRAVIS	24620 AMBERJACK LN	24620 AMBERJACK LN	HOCKLEY, TX	77447-	23	REGULAR	06/19/2017	100.00	R
542-00011-01	SALAZAR JR. PEDRO	29780 DEERSKIN DR	29780 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	07/30/2019	100.00	R
542-00041-01	SASSIE SETH	29730 RINGTAIL LN.	29730 RINGTAIL LN.	HOCKLEY, TX	77447-	23	REGULAR	06/21/2019	100.00	R
542-00008-00	SCIENCE OF THE SOUL STUDY	24689 KICKAPOO RD	24668 CRYSTAL CAVE BLVD	HOCKLEY, TX	77447-	27	REGULAR			C
542-00047-01	SHAMBLIN BRANDI	29650 RINGTAIL LN.	29650 RINGTAIL LN	HOCKLEY, TX	77447-	23	REGULAR	11/25/2019	100.00	R
542-00014-01	STOUT-HAVER ROBIN/HAVER BR	24601 SEATROUT DR	24601 SEATROUT DR	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00013-01	THOMAS KATHY	29720 DEERSKIN DR	29720 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR	12/12/2018	100.00	R
542-00005-03	THOMAS BRENT	24623 GREEN JAY DR	24623 GREEN JAY DR	HOCKLEY, TX	77447-	23	REGULAR	05/22/2020	100.00	R
542-00040-00	TRACI DOBIYANSKI	29731 DEERSKIN DR.	29731 DEERSKIN DR.	HOCKLEY, TX	77447-	23	REGULAR	03/14/2019	100.00	R
542-00022-01	TURNER MARK/ANDREA	29740 DEERSKIN DR	29740 DEERSKIN DR	HOCKLEY, TX	77447-	23	REGULAR			R
542-00011-01	WASHBURN TRACI/MIKE	29841 KISKADEE LN	29841 KISKADEE LN	HOCKLEY, TX	77447-	23	REGULAR			R

TOTALS-----> ITEMS: 63 DEPOSIT AMOUNT: 3,650.00 SURETY AMOUNT: 0.00

**Attachment “D” – Question 7**

**G&W WSC Articles of Incorporation**

*articles of amendment*

Attachment "D"  
FILED<sup>1</sup> of 30  
In the Office of the  
Secretary of State of Texas

AUG 31 1987

ARTICLES OF INCORPORATION

OF

SOUTH GRIMES WATER SUPPLY CORPORATION

Corporations Section

THE STATE OF TEXAS

COUNTY OF GRIMES

KNOW ALL MEN BY THESE PRESENTS: <sup>Witnesses</sup>

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 South Grimes Water Supply Corporation.

ARTICLE II.

The corporation is a non-profit Corporation organized under Article 1434a (Article 1396-1, et seq., of the Revised Civil Statutes of Texas) 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 White Hall and Courtney, Texas, and the surrounding rural areas.

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

ARTICLE V.

The street address of the initial registered office of the Corporation is Route 1, Box 606, Navasota, Texas 77868, and the name of its initial registered agent at such address is Albin Finke.

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>Article</u>
<u>Albin Finke</u>	<u>Rt.1, Box 606</u>	<u>Navasota, Tex.</u>	<u>77868</u>
<u>Dorothy Saathoff</u>	<u>Rt.1, Box 334</u>	<u>Navasota, Tex.</u>	<u>77868</u>
<u>Harris J. Weaver</u>	<u>Rt.1, Box 194</u>	<u>Navasota, Tex.</u>	<u>77868</u>
<u>Pam Ellington</u>	<u>Rt.1, Box 643</u>	<u>Navasota, Tex.</u>	<u>77868</u>
<u>Preston Nobles</u>	<u>P. O. Box 67</u>	<u>Waller, Texas</u>	<u>77484</u>



(Rev. 8-19-64)

## ARTICLE VII.

The name and street address of each incorporator is:

NAME	ADDRESS	CITY
Albin Finke	Rt. 1, Box 606	Navasota, Texas 77868
Dorothy Saathoff	Rt. 1, Box 334	Navasota, Texas 77868
Harris J. Weaver	Rt. 1, Box 194	Navasota, Texas 77868
Pam Ellington	Rt. 1, Box 643	Navasota, Texas 77868
Preston Nobles	P.O. Box 67	Waller, Texas 77484

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.

ARTICLE ~~VII~~. IX

No director shall be liable to the Corporation or to the Corporation's membership for monetary damages for any act or omission in the director's capacity as a director of the Corporation, except and unless the director shall be found liable for a breach of the director's duty of loyalty to the Corporation or the Corporation's membership; an act or omission not in good faith that constitutes a breach of the director's duty to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law on the part of the director; a transaction from which the director receives an improper benefit, whether or not the benefit results from an action taken within the scope of the director's office; or an act or omission for which the liability of the director is expressly provided by Texas law.

FILED  
In the Office of the  
Secretary of State of Texas

JUL 18 1988

ARTICLES OF MERGER  
OF  
NON-PROFIT CORPORATIONS

Clerk IN  
Corporations Section

Pursuant to Article 1396-5.04 of the Texas Revised Civil Statutes, the undersigned non-profit corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations.

South Grimes Water Supply Corporation is a non-profit corporation, incorporated and organized under Article 1434a of the Texas Revised Civil Statutes of 1925, as amended and supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq. as amended, and is validly existing, and in good standing under the laws of the State of Texas. No members of the corporation have voting rights.

Fields Store Water Supply Corporation is a non-profit corporation, incorporated and organized under Article 1434a of the Texas Revised Civil Statutes of 1925, as amended and supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq. as amended, and is validly existing, and in good standing under the laws of the State of Texas. No members of the corporation have voting rights.

At a meeting held May 24, 1988, the Board of Directors of South Grimes Water Supply Corporation adopted Resolutions approving the Plan and Agreement of Reorganization by merger of Fields Store Water Supply Corporation with and into South Grimes Water Supply Corporation under the name "G & W Water Supply Corporation". The plan was approved by a majority (unanimous

consent) of all members of the Board of Directors of the corporation.

At a meeting held May 24, 1988, the Board of Directors of Fields Store Water Supply Corporation adopted Resolutions approving the Plan and Agreement of Reorganization by merger of Fields Store Water Supply Corporation with and into South Grimes Water Supply Corporation under the name "G & W Water Supply Corporation". The plan was approved by a majority (unanimous consent) of all members of the Board of Directors of the corporation.

<u>Name of Corporation</u>	<u>No. of Directors Voted For</u>	<u>No. of Directors Voted Against</u>
Fields Store Water Supply Corporation	5	0
South Grimes Water Supply Corporation	5	0

DATED as of the 24th day of May, 1988.

FIELDS STORE WATER SUPPLY CORPORATION

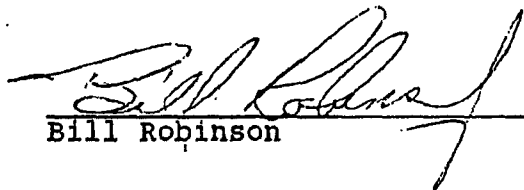
By:

Richard Treichel  
Richard Treichel, Vice President

Thomas Hargrave  
Tom Hargrave


Findley Hamner  
Findley Hamner, President

Lawton Whatley  
Lawton Whatley

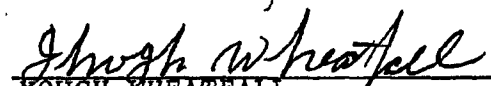
  
Bill Robinson

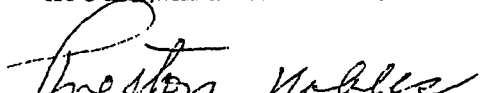
SOUTH GRIMES WATER SUPPLY CORPORATION

By:   
Albin Finke, President

  
Dorothy Seathoff, Vice President

  
Harris J. Weaver

  
HOUGH WHEATFALL

  
Preston Nobles

PLAN AND AGREEMENT OF REORGANIZATION  
by merger of  
FIELDS STORE WATER SUPPLY CORPORATION  
with and into  
SOUTH GRIMES WATER SUPPLY CORPORATION  
under the name of  
"G & W WATER SUPPLY" CORPORATION

FIELDS STORE WATER SUPPLY CORPORATION, a Texas corporation,  
and SOUTH GRIMES WATER SUPPLY CORPORATION, a Texas corporation,  
sometimes hereinafter referred to as the "surviving corporation,"  
agree as follows:

ARTICLE I

PLAN OF REORGANIZATION

Plan Adopted

1.01. A plan of reorganization of FIELDS STORE WATER SUPPLY CORPORATION and SOUTH GRIMES WATER SUPPLY CORPORATION, pursuant to the provisions of Articles 5.01 through 5.13 of the Texas Business Corporation Act and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(1) FIELDS STORE WATER SUPPLY CORPORATION shall be merged with and into SOUTH GRIMES WATER SUPPLY CORPORATION, to exist and be governed by the laws of the State of Texas.

(2) The name of the surviving corporation shall be G & W WATER SUPPLY CORPORATION.

(3) When this agreement shall become effective, the separate existence of FIELDS STORE WATER SUPPLY CORPORATION shall

cease and the surviving corporation shall succeed, without other transfer, to all the rights and property of FIELDS STORE WATER SUPPLY CORPORATION, including but not limited to, all water supply system contracts, applications, and agreements, and shall be subject to all the debts and liabilities of such corporation in the same manner as if the surviving corporation had itself incurred them. All rights of creditors and all liens upon the property of each constituent corporation shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the merger.

(4) The surviving corporation will carry on business with the assets of FIELDS STORE WATER SUPPLY CORPORATION, as well as with the assets of SOUTH GRIMES WATER SUPPLY CORPORATION.

(5) The shareholders of both FIELDS STORE WATER SUPPLY CORPORATION and SOUTH GRIMES WATER SUPPLY CORPORATION will surrender all of their shares in the manner hereinafter set forth, and shares in G & W WATER SUPPLY CORPORATION shall be issued to all existing and/or future shareholders.

#### Effective Date

1.02. The effective date of the merger, hereinafter referred to as the "Effective Date", shall be the date when a certificate of merger is issued by the Secretary of State of Texas.

## ARTICLE 2

### REPRESENTATIONS AND WARRANTIES OF CONSTITUENT CORPORATIONS

#### FIELDS STORE WATER SUPPLY CORPORATION

2.01. As a material inducement to FIELDS STORE WATER SUPPLY CORPORATION to execute this Agreement and perform its obligations hereunder, SOUTH GRIMES WATER SUPPLY CORPORATION represents and warrant to surviving corporation as follows:

(1) FIELDS STORE WATER SUPPLY CORPORATION is a Texas Non-Profit Corporation duly organized under Article 1434a of the Revised Civil Statutes of Texas of 1925, is amended and supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et. seq., as amended, and is validly existing, and in good standing under the laws of the State of Texas, with corporate power and authority to own property and carry on its business as it is now being conducted.

(2) All required federal, state, and local tax returns, if any, of FIELDS STORE WATER SUPPLY CORPORATION have been accurately prepared and duly and timely filed, and all federal, state, and local taxes required to be paid with respect to the periods covered by such returns, have been paid.

(3) The execution of this Agreement has been duly and properly authorized.

(4) There is not now pending any legal action, claim, or litigation against FIELDS STORE WATER SUPPLY CORPORATION and

FIELDS STORE WATER SUPPLY CORPORATION knows of no unasserted claims against said corporation.

Survivor

2.02. As a material inducement to FIELDS STORE WATER SUPPLY CORPORATION to execute this Agreement and perform its obligations hereunder, SOUTH GRIMES WATER SUPPLY CORPORATION represents and warrants to FIELDS STORE WATER SUPPLY CORPORATION as follows:

(1) SOUTH GRIMES WATER SUPPLY CORPORATION is a Texas Non-Profit Corporation duly organized under Article 1434a of the Revised Civil Statutes of Texas of 1925, is amended and supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et. seq., as amended, and is validly existing, and in good standing under the laws of the State of Texas, with corporate power and authority to own property and carry on its business as it is now being conducted.

(2) All required federal, state, and local tax returns, if any, of SOUTH GRIMES WATER SUPPLY CORPORATION have been accurately prepared and duly and timely filed, and all federal, state, and local taxes required to be paid with respect to the periods covered by such returns, have been paid.

(3) The execution of this Agreement has been duly and properly authorized.

(4) There is not now pending any legal action, claim, or litigation against SOUTH GRIMES WATER SUPPLY CORPORATION and



SOUTH GRIMES WATER SUPPLY CORPORATION knows of no unasserted claims against said corporation.

### ARTICLE 3

#### COVENANTS, ACTIONS, AND OBLIGATIONS PRIOR TO THE EFFECTIVE DATE

##### Interim Conduct of Business; Limitations

3.01 (1) Except as limited by Subparagraph (2) of this Paragraph 3.01, pending consummation of the merger, each of the constituent corporations will carry on its business in substantially the same manner as heretofore and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its relationships with suppliers and others having business relationships with it.

(2) Except with the prior consent in writing of the other corporation, pending consummation of the merger, both constituent corporations shall not:

(a) Create or issue any indebtedness for borrowed money.

(b) Enter into any transaction other than those involved in carrying on its business in the ordinary course of business. Each corporation may continue to solicit and accept Applications for participation in the water supply corporation and may make applications

for grant funds either in their respective names or in the name of G & W WATER SUPPLY CORPORATION, as permitted.

Submission to Shareholders and Filing

3.02. This Agreement shall be submitted separately to the shareholders of the constituent corporations in the manner provided by the laws of the State of Texas for approval.

Conditions Precedent to Obligations

3.03. Except as may be expressly waived in writing by FIELDS STORE WATER SUPPLY CORPORATION all of the obligations of FIELDS STORE WATER SUPPLY CORPORATION are subject to the satisfaction, prior to or on the Effective Date, of each of the following conditions:

(1) The representations and warranties made by SOUTH GRIMES WATER SUPPLY CORPORATION to FIELDS STORE WATER SUPPLY CORPORATION in Article 2 hereof shall be deemed to have been made again on the Effective Date and shall then be true and correct in all material respects, and FIELDS STORE WATER SUPPLY CORPORATION shall not have discovered any material error, misstatement, or omission therein.

(2) SOUTH GRIMES WATER SUPPLY CORPORATION shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

(3) No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

(4) All corporate and other proceedings and action taken in connection with the transactions contemplated hereby and all certificates, opinions, agreements, instruments, and documents shall be satisfactory in form and substance to counsel for FIELDS STORE WATER SUPPLY CORPORATION.

Conditions Precedent to Obligations of  
SOUTH GRIMES WATER SUPPLY CORPORATION

3.04. Except as may be waived in writing by SOUTH GRIMES WATER SUPPLY CORPORATION, all of the obligations of SOUTH GRIMES WATER SUPPLY CORPORATION hereunder are subject to fulfillment, prior to or at the Effective Date, of each of the following conditions:

(1) The representations and warranties of FIELDS STORE WATER SUPPLY CORPORATION in this Agreement and in any document delivered pursuant hereto shall be deemed to have been made again on the Effective Date and shall then be true and correct, and SOUTH GRIMES WATER SUPPLY CORPORATION shall not have discovered any material error, misstatement, or omission therein.

(2) FIELDS STORE WATER SUPPLY CORPORATION shall have performed and complied with all agreements or conditions required by this Agreement to be performed and complied with by it prior to or on the Effective Date.

(3) No action or proceeding by any governmental body or agency shall have been threatened, asserted, or instituted to restrain or prohibit the carrying out of the transactions contemplated by this Agreement.

(4) All corporate and other proceedings and action taken in connection with the transactions contemplated hereby and all certificates, opinions, agreements, instruments, and documents shall be satisfactory in form and substance to counsel for SOUTH GRIMES WATER SUPPLY CORPORATION.

#### ARTICLE 4

##### MANNER AND BASIS OF CONVERTING SHARES

4.01. On the Effective Date the holders of shares of both corporations shall surrender their shares to the designated transfer agent promptly after this agreement shall become effective, in exchange for shares of the surviving corporation to which they are entitled.

#### ARTICLE 5

##### DIRECTORS AND OFFICERS

5.01. On the effective date, the names of the Directors and principal officers of the surviving corporation who shall hold office until the next annual meeting of the shareholders of the surviving corporation or until such time as their respective successors have been elected or appointed and qualified are:

Richard Treichel	Route 2, Box 253	Waller, TX 77484
Tom Hargrave	Route 2, Box 263	Waller, TX 77484
Findley Hamner	Route 2, Box 334D	Waller, TX 77484
Lawton Whatley	Route 2, Box 250	Waller, TX 77484
Bill Robinson	P. O. Box 507	Waller, TX 77484
Albin Finke	Route 1, Box 606	Navasota, TX 77868
Dorothy Saathoff	Route 1, Box 334	Navasota, TX 77868
Harris J. Weaver	Route 1, Box 194	Navasota, TX 77868
Pam Ellington	Route 1, Box 643	Navasota, TX 77868
Preston Nobles	P. O. Box 67	Waller, TX 77484

#### ARTICLE 6

#### ARTICLES OF INCORPORATION

##### Amended Articles

6.01.(1) Articles IV and VI of the Articles of Incorporation of SOUTH GRIMES WATER SUPPLY CORPORATION are amended to read as follows:

(a) Article IV of the Articles of Incorporation are amended to read as follows:

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 communities of WHITE HALL, COURTNEY, and FIELDS STORE, Texas, and the surrounding rural areas. The places where the business of the Corporation is to be transacted shall be in the White Hall Community in Grimes County, Texas, and the Fields Store Community in Waller County, Texas, and the surrounding rural areas.

(b) Article VI of the Articles of Incorporation are amended to read as follows:

The number of directors constituting the Board of Directors of the Corporation shall be Ten (10) and the names and addresses of the initial Ten (10) Member Board of Directors are:

Richard Treichel	Route 2, Box 253	Waller, TX 77484
Tom Hargrave	Route 2, Box 263	Waller, TX 77484
Findley Hamner	Route 2, Box 334D	Waller, TX 77484
Lawton Whatley	Route 2, Box 250	Waller, TX 77484
Bill Robinson	P. O. Box 507	Waller, TX 77484
Albin Finke	Route 1, Box 606	Navasota, TX 77868
Dorothy Saathoff	Route 1, Box 334	Navasota, TX 77868
Harris J. Weaver	Route 1, Box 194	Navasota, TX 77868
Pam Ellington	Route 1, Box 643	Navasota, TX 77868
Preston Nobles	P. O. Box 67	Waller, TX 77484

(2) Except as amended in Subparagraph (1), the Articles of Incorporation of SOUTH GRIMES WATER SUPPLY CORPORATION shall continue in full force as the Articles of the surviving corporation until further amended, altered, or repealed as provided therein or as provided by law.

#### ARTICLE 7

##### BYLAWS

##### Bylaws of Survivor

7.01. The Bylaws of FIELDS STORE WATER SUPPLY CORPORATION, as existing on the Effective date of the merger, shall continue in full force as the Bylaws of the surviving corporation until altered, amended, or repealed as provided therein or as provided by law.

## ARTICLE 8

### TERMINATION

#### Circumstances

9.01. This agreement may be terminated and the merger herein provided for may be abandoned at any time prior to the effective date of the merger:

(1) By mutual consent of the Board of Directors of the constituent corporations.

(2) At the election of the Boards of Directors of either constituent corporation if:

(a) The number of shareholders of either constituent corporation, or of both, dissenting from the merger shall be so large as to make the merger, in the opinion of either such Board of Directors, inadvisable or undesirable.

(b) Any material litigation or proceeding shall be instituted or threatened against either of the constituent corporations, or any of its assets, which, in the opinion of either such Board of Directors, renders the merger inadvisable or undesirable.

(c) Any legislation shall be enacted which, in the opinion of either such Board of Directors, renders the merger inadvisable or undesirable.

(d) Between the date of this Agreement and the Effective Date of the merger, there shall have been, in the opinion of either such Board of Directors, any materially adverse change in the business or condition, financial or otherwise, of either constituent corporation.

#### Notice of and Liability on Termination

9.02. In the event an election is made to terminate this agreement and abandon the merger provided for herein:

(1) The Board of Directors of the constituent corporation whose Board of Directors has made such election shall give written notice thereof to the other constituent corporation.

(2) Upon the giving of such notice as provided in Subsection (1), this agreement shall terminate and the proposed merger be abandoned and, except for payment of its own costs and expense incident to this Agreement, there shall be no liability on the part of either constituent corporation as a result of such termination and abandonment.



## ARTICLE 9

### INTERPRETATION AND ENFORCEMENT

10.01. Any notice or other communication required or permitted hereunder shall be properly given when deposited in the United States mails for transmittal by certified or registered mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

(1) In the case of FIELDS STORE WATER SUPPLY CORPORATION, to: FINLAY HAMNER, Route 2, Box 334D, Waller, Texas 77484, or to such other person or address as FIELDS STORE WATER SUPPLY CORPORATION may from time to time furnish to SOUTH GRIMES WATER SUPPLY CORPORATION.

(2) In the case of SOUTH GRIMES WATER SUPPLY CORPORATION, to: ALBIN FINKE, Route 1, Box 606, Navasota, Texas 77868, or to such other person or address as SOUTH GRIMES WATER SUPPLY CORPORATION may from time to time furnish to FIELDS STORE WATER SUPPLY CORPORATION.

### Entire Agreement; Counterparts

10.02. This instrument and the exhibits hereto contain the entire agreement between the parties with respect to the transaction contemplated hereby. It may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts together constitute only one and the same instrument.

Controlling Law

10.03. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of Texas, the state in which this Agreement is being executed.

EXECUTED on May 24, 1988, at Hempstead, Texas.

FIELDS STORE WATER SUPPLY CORPORATION

Richard Treichel  
Richard Treichel

Tom Hargrave  
Tom Hargrave

Findley Hamner  
Findley Hamner

Lawton Whatley  
Lawton Whatley

Bill Robinson  
Bill Robinson

SOUTH GRIMES WATER SUPPLY CORPORATION

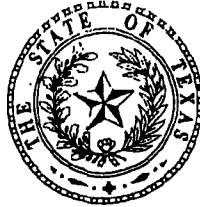
Albin Finke  
Albin Finke

Dorothy Saathoff  
Dorothy Saathoff

Harris J. Weaver  
Harris J. Weaver

Pam Ellington  
Pam Ellington

Preston Nobles  
Preston Nobles



# The State of Texas

Secretary of State

AUG. 28, 1989

G & W WATER SUPPLY CORPORATION  
RTE.2, BOX 334-D  
WALLER, TX 77484

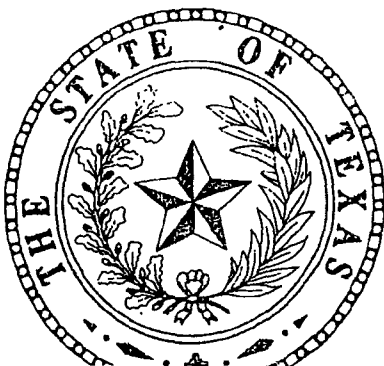
RE:  
G & W WATER SUPPLY CORPORATION  
CHARTER NUMBER 01060490-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR CHANGE OF REGISTERED AGENT OR REGISTERED OFFICE, OR BOTH. THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES, AND THE ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.

VERY TRULY YOURS,



*George S. Bayard Jr.*  
Secretary of State 122

**STATEMENT OF CHANGE OF REGISTERED  
OFFICE OR REGISTERED AGENT OR BOTH  
BY A PROFIT CORPORATION**

FILED  
In the Office of the  
Secretary of State

AUG 28 1989

1. The name of the corporation is G & W WATER SUPPLY CORPORATION Corporations Section

2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of Texas before filing this statement is \_\_\_\_\_

RT. 1 BOX 606, NAVASOTA, TX 77868

3. The address, including street and number, to which its registered office is to be changed is FIELDSTORE ROAD FM WC 100FT FM 1488

BOX 334 D. WALLER, TX 77484

(Give new address or state "no change")

4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, before filing this statement is ALBIN FINKE

5. The name of its new registered agent is T. FINDLEY HAMNER

(Give new name or state "no change")

6. The address of its registered office and the address of the office of its registered agent, as changed, will be identical.

7. Such change was authorized by: (Check One)

   A. The Board of Directors

  X   B. An officer of the corporation so authorized by the Board of Directors.

x T. Findley Hamner  
An Authorized Officer

RESOLUTIONS APPROVING PLAN AND  
AGREEMENT OF MERGER

WHEREAS, there has been presented to and discussed at this meeting a proposed Plan and Agreement of Merger, a copy of which is attached hereto, providing for the merger of FIELDS STORE WATER SUPPLY CORPORATION into this corporation; and,

WHEREAS, this Board of Directors deems it to be in the best interests of this corporation and its shareholders that the Plan and Agreement of Merger be approved and that FIELDS STORE WATER SUPPLY CORPORATION and this corporation be merged;

RESOLVED, that the terms and conditions of the proposed Plan and Agreement of Merger presented to this meeting, and the mode of carrying them into effect as well as the manner and basis of converting the shares of the constituent corporations into shares of the surviving corporation as set forth in the Plan and Agreement of Merger, are hereby approved;

RESOLVED FURTHER, that the President and the Secretary of this corporation are directed to execute said Plan and Agreement of Merger in the name and on behalf of this corporation and to deliver a duly executed copy thereof to FIELDS STORE WATER SUPPLY CORPORATION;

RESOLVED FURTHER, that May 19, 19 88, is hereby fixed as the record date for determination of shareholders entitled to notice of and to vote at such meeting, and that only shareholders of record as of the close of business of this corporation on such day are entitled to notice of or to vote at such meeting; and,

such meeting; and,

RESOLVED FURTHER, that should the shareholders of this corporation approve the proposed Plan and Agreement of Merger in the manner required by Article 5.03 of the Texas Business Corporation Act, the officers of this corporation are directed to execute, acknowledge, and file such instruments and do such other acts in the name and on behalf of the corporation as may be necessary or proper to fully perform the terms and conditions of the proposed Plan and Agreement of Merger.

SOUTH GRIMES WATER SUPPLY CORPORATION

Alvin Finke  
Alvin Finke, President

Dorothy Saathof  
Dorothy Saathof, Vice President

Harris J. Weaver  
Harris J. Weaver

Pam Ellington  
Pam Ellington

Preston Nobles  
Preston Nobles



# The State of Texas

Secretary of State

JULY 20, 1988

LARKIN C. EAKIN, JR.  
P.O. BOX 611  
HEMPSTEAD ,TX 77445

RE:  
G & W WATER SUPPLY CORPORATION  
CHARTER NUMBER 01060490-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR ARTICLES OF MERGER. THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES; THE ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

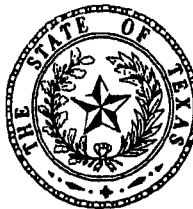
IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.

VERY TRULY YOURS,



*Carl M. Reins*

Secretary of State



# The State of Texas

Secretary of State

DEC. 12, 1989

WALLER COUNTRY FARM BUREAU  
BOX 507  
WALLER, TX 77484

RE:

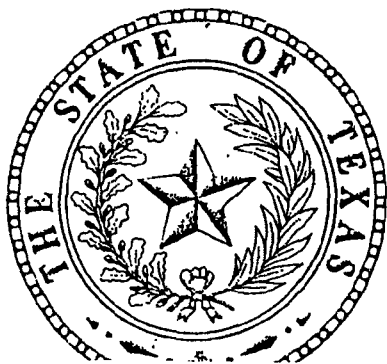
G & W WATER SUPPLY CORPORATION  
CHARTER NUMBER 01060490-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR CHANGE OF REGISTERED AGENT OR REGISTERED OFFICE, OR BOTH. THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES, AND THE ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.

VERY TRULY YOURS,



*George S. Boyd*  
Secretary of State



Attachment "D" and  
Secretary of State of Texas  
DEC 12 1989  
Corporations Section

**STATEMENT OF CHANGE OF REGISTERED  
OFFICE OR REGISTERED AGENT OR BOTH  
BY A PROFIT CORPORATION**

1. The name of the corporation is G & W WATER SUPPLY CORPORATION
2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of Texas before filing this statement is FIELDSTORE ROAD FM WC  
100 FT. FM 1488 — BOX 334D WALLER, TEXAS 77484
3. The address, including street and number, to which its registered office is to be changed is 3019 WALLER STREET  
P.O. BOX 507, WALLER, TEXAS 77484  
**(Give new address or state "no change")**
4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, before filing this statement is T. FINDLEY HAMNER
5. The name of its new registered agent is W.F. ROBINSON  
**(Give new name or state "no change")**
6. The address of its registered office and the address of the office of its registered agent, as changed, will be identical.
7. Such change was authorized by: (Check One)

     A. The Board of Directors

  X   B. An officer of the corporation so authorized by the Board of Directors.

  
An Authorized Officer

**RESOLUTIONS APPROVING PLAN AND  
AGREEMENT OF MERGER**

WHEREAS, there has been presented to and discussed at this meeting a proposed Plan and Agreement of Merger, a copy of which is attached hereto, providing for the merger of SOUTH GRIMES WATER SUPPLY CORPORATION into this corporation; and,

WHEREAS, this Board of Directors deems it to be in the best interests of this corporation and its shareholders that the Plan and Agreement of Merger be approved and that SOUTH GRIMES WATER SUPPLY CORPORATION and this corporation be merged;

RESOLVED, that the terms and conditions of the proposed Plan and Agreement of Merger presented to this meeting, and the mode of carrying them into effect as well as the manner and basis of converting the shares of the constituent corporations into shares of the surviving corporation as set forth in the Plan and Agreement of Merger, are hereby approved;

RESOLVED FURTHER, that the President and the Secretary of this corporation are directed to execute said Plan and Agreement of Merger in the name and on behalf of this corporation and to deliver a duly executed copy thereof to SOUTH GRIMES WATER SUPPLY CORPORATION;

RESOLVED FURTHER, that \_\_\_\_\_, 19\_\_\_\_, is hereby fixed as the record date for determination of shareholders entitled to notice of and to vote at such meeting, and that only shareholders of record as of the close of business of this corporation on such day are entitled to notice of or to vote at

such meeting; and,

RESOLVED FURTHER, that should the shareholders of this corporation approve the proposed Plan and Agreement of Merger in the manner required by Article 5.03 of the Texas Business Corporation Act, the officers of this corporation are directed to execute, acknowledge, and file such instruments and do such other acts in the name and on behalf of the corporation as may be necessary or proper to fully perform the terms and conditions of the proposed Plan and Agreement of Merger.

FIELDS STORE WATER SUPPLY CORPORATION

Richard Treichel  
Richard Treichel

Tom Hargrave  
Tom Hargrave

Findley Hamner  
Findley Hamner

Lawton Whatley  
Lawton Whatley

Bill Robinson  
Bill Robinson



# The State of Texas

## Secretary of State

### CERTIFICATE OF MERGER

FOR  
G & W WATER SUPPLY CORPORATION  
FORMERLY  
SOUTH GRIMES WATER SUPPLY CORPORATION

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,  
HEREBY CERTIFIES THAT ARTICLES OF MERGER OF

FIELDS STORE WATER SUPPLY CORPORATION  
A TEXAS CORPORATION

INTO

G & W WATER SUPPLY CORPORATION  
A TEXAS CORPORATION

HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.  
ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY  
VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, ISSUES THIS  
CERTIFICATE AND ATTACHES HERETO A COPY OF THE ARTICLES.

DATED JULY 18, 1988



  
Secretary of State

**Attachment “E” – Question 7**

**G&W WSC Bylaws**

*Approved  
2008*

**BYLAWS**  
**of**  
**G&W WATER SUPPLY CORPORATION**

Bylaws of G&W Water Supply Corporation, having been presented to the Board of Directors of said Corporation and duly adopted as follows:

**ARTICLE I**

The President shall preside and vote at all Members' and Directors' meetings. The President shall perform all other duties that usually pertain to the office or are delegated by the Board of Directors.

**ARTICLE II**

The Vice-President shall, in case of the absence or disability of the President, perform the duties of the President.

**ARTICLE III**

The Secretary-Treasurer shall have custody of all monies, records and securities of the Corporation. The Secretary-Treasurer shall keep minutes of all meetings of the Corporation. All monies of the Corporation shall be deposited by the Secretary-Treasurer in such depository as shall be selected by the Directors. Checks must be signed by the Secretary-Treasurer or assistant or deputy secretary, and the President or a designee of that office. The Secretary-Treasurer shall have custody of the seal of the Corporation and affix it as directed by resolution passed by the Board of Directors or Members. The Board of Directors may appoint an employee as assistant or deputy secretary to assist the Secretary-Treasurer in all official duties pertaining to that office.

The position of the Secretary-Treasurer, and other Board positions and/or employees entrusted with receipt and disbursement of funds, shall be placed under a fidelity bond in an amount which shall be set from time to time, but not less than once each year, by the Board of Directors. The fidelity bond coverage amount shall approximate the total annual debt service requirements for all USDA Rural Development, Rural Utilities Service (RUS) loans and be evidenced by a position fidelity schedule bond as acceptable to USDA Rural Development, RUS, or its successor agencies and assigns.

#### ARTICLE IV

Section 1. The Board of Directors shall consist of nine (9) Directors, a majority of whom shall constitute a quorum. Upon issuance of the Charter and annually thereafter on the second Tuesday of April<sup>1</sup>, the Board of Directors shall elect a President, a Vice-President and a Secretary-Treasurer. The Directors shall be elected by the Members at the Members' meetings provided for in Article VI of the Bylaws. The Directors shall be divided into three (3) classes, each class to be as near as equal in number as possible. The terms of the Directors of the first class shall expire at the first annual meeting of the Members after their election; the terms of the Directors of the second class shall expire at the second annual meeting after their election; and terms of the Directors of the third class shall expire at the third annual meeting after their election. At each annual meeting after such classification, the number of Directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. Directors, as such, shall not receive any stated salary for their services, except as provided for by state law.

Upon the death or resignation of a Director, a successor shall be appointed by a majority of the existing Directors to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the remaining balance of the previously vacated term.

Section 2. Officers and Directors may be removed from office in the following manner, except as otherwise provided in Article V: Any Member, Officer, or Director may present

charges against a Director or Officer by filing such charges in writing with the Secretary-Treasurer of the Corporation. If presented by a Member, the charges must be accompanied by a petition signed by at least ten (10) percent of the Members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the Membership and shall be effective if approved by a vote of 2/3 majority of those voting if a quorum is present. The Director(s) or Officer(s) against whom such charges have been presented shall be informed in writing of such charges at least twenty (20) 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(s) is approved, such action shall also vacate any other office(s) held by the removed Director(s) in the Corporation. A vacancy in the Board thus created shall immediately be filled by a qualified person other than the removed Director upon a vote of a majority of the Members present and voting at such meeting, in accordance with the written annual or special meetings procedures as adopted by the Board. 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 3. The President of the Board, or Vice-President, shall preside at any meeting of the Members convened to consider removal of an Officer or Director as provided under Section 2, 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 their number to preside over the meeting. Any meeting convened to consider the removal of an Officer or Director shall be conducted in accordance with the procedures prescribed by the Board. The fact that the President, Vice-President, or any other Officer or Director has been made the subject of charges does not otherwise prevent such individual from continuing to act in the capacity as an Officer or Director of the Corporation. 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 4. 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.

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<sup>1</sup> This election shall be held between January 1 and May 1, but after the Members' annual meeting. Inscr day of



to compel the Board of Directors to properly hold an annual or special meeting of the Membership. Voting by proxy shall be permitted. Members holding ten percent (5%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for the transaction of business.

Section 2. The Board of Directors shall adopt, and from time to time may revise, written procedures for conducting annual or special Membership meetings, including the proxy and/or ballot form which shall be the official proxy and/or ballot for such meetings; procedures for proper notification of the Membership of such meetings and delivery of the Corporation's official proxy and/or ballot forms to the Membership; procedures to determine, qualify and register the eligible voters for such meetings; and procedures for canvassing all votes and recording the results of all elections at such meetings of the Membership.

Section 3. The Board of Directors shall establish a standing Credentials Committee of three (3) Members, of which the Secretary-Treasurer shall be the chairperson. This committee shall at no time have sufficient board members appointed to constitute a quorum of the Board of Directors. This committee, in accordance with procedures adopted by the Board under Section 2, shall notify the Membership of annual or special Membership meetings and deliver the Corporation's official proxy and/or ballot forms to the Membership; determine, qualify, and register the eligible voters for such meeting; validate proxies, determine presence of quorum for conducting the meeting, canvas all votes, and record the results of such elections. Should the individual holding the office of Secretary-Treasurer be running for re-election, the President shall appoint an officer not currently running for re-election to serve as chairperson of this committee.

Section 4. After fixing a date for the notice of a meeting, the Board of Directors shall prepare an alphabetical list of the names of all voting members who are entitled to vote as of the record date of the meeting. The list must show the address of each voting member. No later than two (2) business days after the date notice is given of the meeting, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the

---

<sup>2</sup> This meeting shall be held between January 1 and May 1. Insert the day of week, week of month and month of

### ARTICLE VIII

The Corporation shall conduct its business on a non-profit basis, and no dividends shall ever be paid upon the Memberships of such Corporation. All profits arising from the operation of such business shall be annually paid out to the persons who have, during the past year, transacted business with the Corporation, in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid and, provided also, that the Directors of the Corporation may allocate to sinking fund(s) and reserve accounts such amount of profits as they deem necessary for maintenance, operation, capital improvements, expansions and replacements of all facility components, as provided by Section 67.008 (d) of the Texas Water code. Funds allocated by the Board to a sinking fund for replacement, amortization of debts, and the payment of interest that are not required to be spent in the year in which deposited shall be invested in accordance with the provisions of Section 67.014 (b) of the Texas Water Code.

### ARTICLE IX

The Directors of the Corporation shall establish and maintain, so long as the Corporation is indebted to the Government, in an institution insured by the State or Federal Government, or invested in readily marketable securities backed by the full faith and credit of the United States of America, a reserve account separate and apart from other fund accounts of the Corporation. Securities so purchased shall be deemed at all times to be part of the reserve fund account. There shall be deposited in such fund the sum as required by a total of all loan resolutions executed by the Corporation. Such deposits shall be made monthly and shall continue until the total amount deposited equals the sum as required by the executed loan resolutions provided, however, that after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to the sum as required by the executed loan resolutions.

Withdrawals may be made from this fund only upon prior written approval from USDA Rural Development, RUS. Approval shall be made only for emergency repairs, obsolescence of

equipment, improvements to facility, and for making up any deficiencies in revenue for loan payments.

## ARTICLE X

Section 1. The Corporation shall have Members as defined by the Texas Water Code. All customers of the Corporation must hold a Membership or obtain their service through a Membership. A person or entity that holds an interest in property solely as security for the performance of an obligation or that only builds on or develops the property for sale to others is not required to hold a Membership as a condition to receive service on a limited basis. Every person (which includes any legal entity) owning or having a legal right to the control, possession or occupancy of property served, or which may reasonably be served by the Corporation, shall have the right to become a Member of the Corporation upon payment of the Membership fee hereinafter provided and upon compliance with the Corporation's conditions of water and/or sewer service as provided for in its published charges, rates and conditions of service. Membership shall not be denied because of the applicant's race, color, religion, sex, age, marital status, familial status, handicap, income from Public Assistance, disability or national origin. It is the intent of the Corporation to provide service on a nondiscriminatory basis.

Section 2. The Membership fee shall be as determined by the Board of Directors. Payment of Membership fee or transfer of Membership shall entitle an applicant to further qualify for one (1) connection to the system or shall entitle a transferee of Membership to continue to qualify for service to an existing connection to the system by meeting the conditions for water and/or sewer as provided in the Corporation's published rates, charges, and conditions of service. A person may own more than one Membership, but each Member shall be entitled to only one vote regardless of the number of Memberships owned. Membership certificates shall be in such form as shall be determined by the Board of Directors.

Section 3. The Membership fee may be revised by the Board of Directors as the Board may determine to be appropriate. In determining the amount of the Membership fee, however, the Board shall ensure that the fee is sufficient to establish the potential Member as being legitimately interested in securing water and/or sewer service from the Corporation for such

potential Members' own needs. Furthermore, the Board shall determine and administer such fee in a manner or in an amount which does not unreasonably deny service to financially deprived potential Members. In no event, however, shall the Membership fee exceed an amount equal to the sum of twelve (12) charges of the Corporation's minimum monthly water and/or sewer rate unless previously approved by USDA Rural Development, RUS. Membership fees will be refundable.

#### ARTICLE XI

Where necessary for determining those Members entitled to notice of, or those Members entitled to vote at any meeting or any adjournment thereof, or where necessary to make a determination of Members for any other proper purpose, ownership of Memberships shall be deemed to be vested in those persons who are the record owners of Memberships as evidenced by the Membership transfer book on the 15<sup>th</sup> day of the month preceding the month of the date upon which the action requiring such determination is to be taken. Nothing herein shall preclude the holder of a Membership from mortgaging such Membership or, upon notification of the Corporation, preclude the holder of such mortgages from exercising legal rights pursuant to such mortgages upon proper notice to the Corporation.

#### ARTICLE XII

Section 1. In order to ensure that business done by the Corporation shall continue within the capacity of its facilities and to prevent undue financial burden on the Members of the Corporation, Membership in the Corporation shall be transferred in accordance with the following:

(a) Except as herein provided, Membership in the Corporation shall be deemed personal estate and a person or entity that owns any stock of, is a Member of, or has some other right of participation in the Corporation may not sell or transfer that stock, Membership, or other right of participation to another person or entity except: (1) by will to a transferee who is a person related to the testator within the second degree by consanguinity; (2) by transfer without compensation to a transferee who is a person related to the owner of the stock or other interest within the second degree by consanguinity; or (3) by transfer without compensation or by sale to the Corporation.

(b) Subsection (a) of this section does not apply to a person or entity that transfers the Membership or other right of participation to another person or entity as part of the conveyance of real estate from which the Membership or other right of participation arose.

(c) The transfer of stock, Membership, or another right of participation under this section does not entitle the transferee to water and/or sewer service unless each condition for water and/or sewer service is met as provided in the Corporation's published rates, charges, and conditions of service. Water and/or sewer service provided by the Corporation as a result of stock, Membership, or other right of participation may be conditioned on ownership of the real estate designated to receive service and from which the Membership or other right of participation arose.

(d) The Corporation may cancel a persons or other entity's stock, Membership, or other right of participation if the person or other entity fails to meet the conditions for water and/or sewer service prescribed by the Corporation's published rates, charges, and conditions of service, or fails to comply with any other condition placed on the receipt of water and/or sewer service under the stock, Membership, or other right of participation authorized under Subsection (c) of this section. The Corporation may, consistent with the limitations prescribed by Subsection (a) of this section and as provided in the Corporation's tariff, reassign canceled stock, or a cancelled Membership, or other right of participation to any person or entity that has legal title to the real estate from which the canceled Membership or other right of participation arose and for which water and/or sewer service is requested, subject to compliance with the conditions for water and/or sewer service prescribed by the Corporation's published rates, charges, and conditions of service.

Section 2. Notwithstanding anything to the contrary here-in-above provided, the consideration for the transfer of any Membership in the Corporation from the original Members, their transferees, pledges, administrators or executors, or other persons, shall never exceed the amount of the original costs of such Membership. No gain or profit shall ever be realized from the sale or transfer of a Membership.

### ARTICLE XIII

The Board may employ a manager to handle the business of the Corporation under the direction of the Board. The Board shall set the salary for the manager.

### ARTICLE XIV

Notwithstanding the ownership of a Membership certificate, all Members shall be billed, disconnected, or reconnected, and otherwise shall receive service in accordance with the written policies of the Corporation, including the tariff of the Corporation. In the event a member should surrender the Membership certificate properly endorsed to the Secretary-Treasurer of the Corporation, the water and/or sewer service shall be discontinued and the obligation to pay for water and/or sewer service shall terminate except as for the minimum charge for the current month and the charge for water and/or sewer used during the current month, and except as for any prior unpaid amounts due the Corporation. Any remaining balance from the membership fee will be refunded to the former member. In the event Membership is terminated, cancelled, withdrawn, or surrendered, whether voluntarily or involuntarily, the former Member's rights and interest in the assets of the Corporation will not be forfeited.

### ARTICLE XV

Upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation shall be distributed among the Members and former Members in direct proportion to the amount of their patronage with the Corporation insofar as practicable. Any indebtedness due the Corporation by a Member for water and/or sewer service or otherwise shall be deducted from such Member's share prior to final distribution. By application for and acceptance of Membership in the Corporation, each Member agrees that upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation transferred to that Member shall be in turn immediately transferred by the individual Member to an entity that provides a water supply or wastewater service, or both, that is exempt from ad valorem taxation. By application for and acceptance of membership in the Corporation, each Member grants the Corporation's Board of Directors that Member's permission to execute all instruments and

documents necessary to effectuate such transfers in order to preserve the Corporation's statutory rights to exemption from income and ad valorem taxation.

#### **ARTICLE XVI**

The fiscal year of the Corporation shall be January to December.

#### **ARTICLE XVII**

For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the USDA Rural Development, RUS, the Corporation shall insure with a reputable insurance company such of its properties and in such amounts as is required by the State Director of the USDA Rural Development, RUS, for the State of Texas.

#### **ARTICLE XVIII**

Section 1. If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water and/or sewer charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by USDA Rural Development, RUS, so that the sum of such assessments and the amount collected from water and/or sewer and other charges is sufficient to fully pay all costs of operation, maintenance, replacement and repayment on indebtedness for the year's operations, but this provision shall not operate for the benefit of any third party creditor other than USDA Rural Development, RUS, without a favorable vote of the majority of the Members. Any assessments levied to make up operations deficits in any year shall be levied against Members in proportion to their patronage with the Corporation.

Section 2. In the event a Member should surrender their Membership certificate properly endorsed by the Secretary-Treasurer of the Corporation, the obligation to pay such assessments shall be limited to assessments made and levied prior to the date of surrender of the Membership

certificate provided, however, that this paragraph and the second sentence of Article XIV shall not apply to relieve a Member of their obligation under special arrangements covering Multiple Membership certificates held by one Member which may have been required or approved by the USDA Rural Development, RUS.

#### **ARTICLE XIX**

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors, and committees, and shall keep a record of the name and addresses of its Members entitled to vote at its registered office or principle office in Texas.

Annually, the Board of Directors shall prepare or cause to be prepared a report of the financial activity of the Corporation for the preceding year including a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses, and balance sheets for all funds or such financial reports as required by USDA Rural Development, RUS. Such report shall be approved by the Board of Directors.

With prior written request, corporate records, books, and annual reports, subject to exceptions provided by the Public Information Act, Chapter 552, Texas Government Code, including any amendments thereto, shall be available for public inspection and copying by the public or their duly authorized representatives during normal business hours subject to a reasonable charge for the preparation of copies.

In the event of any conflict between the provisions of the Public Information Act and the provisions of the Bylaws, the provisions of the Public Information Act shall prevail.

#### **ARTICLE XX**

These Bylaws may be altered, amended, or repealed by a vote of a majority of the Members present, whether in person or by proxy, at any regular meeting of the Members, or at any special meeting of the Members called for that purpose, except that the Members shall not



have the power to change the purpose of the Corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provisions for the safety and security of the property and funds of the Corporation or its Members, or to deprive any Member of rights and privileges then existing, or so to amend the Bylaws as to effect a fundamental change in the intents and purposes of the Corporation. Notice of any amendment to be made at a special meeting of the Members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered. For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the USDA Rural Development, RUS, or its successor agencies and assigns, these Bylaws shall not be altered, amended, or repealed without the prior written consent of the State Director of the USDA Rural Development, RUS, for the State of Texas.

#### **ARTICLE XXI**

The seal of the Corporation shall consist of a circle within which shall be inscribed "G&W WATER SUPPLY CORPORATION."

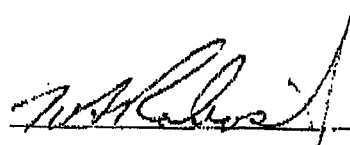
#### **ARTICLE XXII**

The Corporation pledges its assets for use in performing the functions of the corporation as provided by law and the Corporation's Articles of Incorporation.

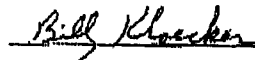
**ARTICLE XXIII**

The above Bylaws and regulations were unanimously adopted by the Board of Directors  
of the G&W WATER SUPPLY CORPORATION, at a meeting in the

G & W Water Supply Office on the 9 day of March, 2004.

  
\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary-Treasurer

**Attachment “F” – Question 9**

**G&W WSC Board of Directors Information**

Kickapoo / G&W WSC  
STM Application

**ATTACHMENT – QUESTION 9**

1.	Name	Jake Marcisz
	Position	President
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

2.	Name	Alicia Taylor
	Position	Financial Officer
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

3.	Name	Rick Noble
	Position	Secretary
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

4.	Name	Tommy Nelson
	Position	Board member
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

5.	Name	Steve Boyd
	Position	Board member
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

6.	Name	Alan Lamascus
	Position	Board member
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

LCR / Yancey WSC  
STM Application

7.	Name	Shelby Smith
	Position	Board member
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

8.	Name	Harry Fikaris
	Position	Board member
	Ownership % (if applicable)	N/A
	Address	P.O. Box 1219, Waller, Texas 77484
	Phone	(936) 372-9858
	Email	gwwsc@gwwsc.net

**Attachment “G” – Question 10**

**G&W WSC 2019 Financial Audit**

**G & W WATER SUPPLY CORPORATION**  
**GRIMES & WALLER COUNTIES, TEXAS**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
Certified Public Accountants

**G & W WATER SUPPLY CORPORATION**  
**GRIMES & WALLER COUNTIES, TEXAS**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**



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**McCALL GIBSON SWEDLUND BARFOOT PLLC**  
*Certified Public Accountants*

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Board of Directors  
G & W Water Supply Corporation  
27395 Fields Store Road  
P. O. Box 1219  
Waller, TX 77484

Independent Auditor's Report

We have audited the accompanying financial statements of G & W Water Supply Corporation (the "Corporation"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities 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 of 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.

*Member of*  
*American Institute of Certified Public Accountants*  
*Texas Society of Certified Public Accountants*

Board of Directors  
G & W Water Supply Corporation

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of G & W Water Supply Corporation as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

April 21, 2020

**G & W WATER SUPPLY CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents without Donor Restrictions	\$ 890,864
Investments without Donor Restrictions	31,136
Investments with Donor Restrictions	224,171
Service Accounts Receivable (Net of Allowance for Doubtful Accounts of \$6,100)	<u>82,780</u>

**Total Current Assets** **\$ 1,228,951**

**Noncurrent Assets**

Land	\$ 103,042
Property, Plant and Equipment, Net of Accumulated Depreciation	<u>8,166,286</u>

**Total Noncurrent Assets** **\$ 8,269,328**

**TOTAL ASSETS** **\$ 9,498,279**

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 76,985
Accrued Interest Payable	7,892
Notes Payable, Current	<u>195,999</u>

**Total Current Liabilities** **\$ 280,876**

**Noncurrent Liabilities**

Notes Payable, Long-Term	<u>\$ 6,816,696</u>
--------------------------	---------------------

**Total Noncurrent Liabilities** **\$ 6,816,696**

**TOTAL LIABILITIES** **\$ 7,097,572**

**Net Assets**

With Donor Restrictions	\$ 224,171
Without Donor Restrictions	<u>2,176,536</u>

**Total Net Assets** **\$ 2,400,707**

**TOTAL LIABILITIES AND NET ASSETS** **\$ 9,498,279**

The accompanying notes to the financial  
statements are an integral part of this report.

**G & W WATER SUPPLY CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Metered Water Revenue	\$ 1,541,036	\$	\$ 1,541,036
Net Change in Membership Revenues		3,301	3,301
Late Fees	32,761		32,761
Water Tap Fees	134,331		134,331
Groundwater Fees	5,722		5,722
Miscellaneous Revenues	42,970		42,970
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>\$ 1,756,820</b>	<b>\$ 3,301</b>	<b>\$ 1,760,121</b>
<b>EXPENSES AND LOSSES</b>			
<b>Program Costs - Water Services:</b>			
Bluebonnet GCD	\$ 8,931		8,931
Contracted Services	7,820		7,820
Depreciation	324,256		324,256
Interest Expense	257,864		257,864
Materials and Supplies	140,896		140,896
Miscellaneous	53,054		53,054
Repairs and Maintenance	137,478		137,478
Utilities	65,777		65,777
Wages and Payroll Taxes	442,098		442,098
<b>Total Program Costs - Water Services</b>	<b>\$ 1,438,174</b>	<b>\$ -</b>	<b>\$ 1,438,174</b>
<b>Management and General:</b>			
Accounting Fees and Professional Services	\$ 22,631	\$	\$ 22,631
Insurance	78,722		78,722
Office Supplies, Expenses and Postage	42,282		42,282
Travel and Training	9,615		9,615
Wages and Payroll Taxes	50,400		50,400
<b>Total Management and General</b>	<b>\$ 203,650</b>	<b>\$ -</b>	<b>\$ 203,650</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,641,824</b>	<b>\$ -</b>	<b>\$ 1,641,824</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 114,996</b>	<b>\$ 3,301</b>	<b>\$ 118,297</b>
<b>NET ASSETS - JANUARY 1, 2019</b>	<b>2,061,540</b>	<b>220,870</b>	<b>2,282,410</b>
<b>NET ASSETS - DECEMBER 31, 2019</b>	<b>\$ 2,176,536</b>	<b>\$ 224,171</b>	<b>\$ 2,400,707</b>

The accompanying notes to the financial  
statements are an integral part of this report.

**G & W WATER SUPPLY CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 118,297
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	324,256
(Increase) Decrease in Operating Assets:	
Accounts Receivable	21,476
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	69,485
Accrued Interest Payable	(475)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 533,039</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Property and Equipment	\$ (14,653)
Purchase of Short-term Investments	(3,664)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>\$ (18,317)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal Payments on Long-Term Debt	\$ (223,507)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>\$ (223,507)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	\$ 291,215
<b>CASH AND CASH EQUIVALENTS - JANUARY 1, 2019</b>	<u>599,649</u>
<b>CASH AND CASH EQUIVALENTS - DECEMBER 31, 2019</b>	<u>\$ 890,864</u>
<b>SUPPLEMENTAL DATA:</b>	
Interest Paid	\$ 257,864

The accompanying notes to the financial  
statements are an integral part of this report.

**G & W WATER SUPPLY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1. INCORPORATION**

G & W Water Supply Corporation (the "Corporation") was incorporated in the State of Texas on July 18, 1988, as a not-for-profit corporation organized under Article 1434a of the Revised Civil Statutes of Texas of 1925. The Corporation was formed from a merger of South Grimes Water Supply Corporation and Fields Store Water Supply Corporation. The Corporation was formed to furnish water for general farm and domestic use to individuals residing in the rural communities of White Hall, Courtney, and Fields Store, Texas, and the surrounding rural areas. These communities are located northwest of Houston, Texas, north of U.S. Highway 290 in Grimes and Waller Counties, Texas.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles as promulgated by the Financial Accounting Standards Board and the audit and accounting guide, "Not-For-Profit Organizations" published by the American Institute of Certified Public Accountants.

**Basis of Accounting** - The financial statements were prepared using the accrual basis of accounting. Under this method, revenues were recorded in the period earned and when the amount and timing of the revenue can be reasonably determined. Expenses and asset additions are recognized at the time a liability arises which is normally at the time title passes or a service is received.

**Basis of Presentation** - The financial statements are presented on the basis of net assets with donor restrictions or net assets without donor restrictions. Assets with donor restrictions are shown as restricted support in the period earned and reclassified to net assets without donor restrictions in the period in which the restriction is met.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - The Corporation considers all checking accounts, money market deposit accounts and all highly liquid investments with a maturity of 90 days or less when purchased to be cash and cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**G & W WATER SUPPLY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Short-Term Investments** - The Corporation's investments are currently in certificates of deposit. These investments are reported at acquisition cost. Investment revenue and gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless a donor or law restricts their use. Certificates of deposit balances are kept below the FDIC limits of coverage with maturities typically less than one year.

**Service Account Receivables** - The Corporation provides for uncollectible accounts receivable through the allowance method of accounting. Under this method a provision for uncollectible accounts is charged to bad debt expense, and the allowance account is increased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the account.

**Capital Assets** - Capital assets are stated at cost, less accumulated depreciation. Assets are depreciated over the estimated useful life of the asset using the straight-line method. Additional disclosure is provided in Note 8.

**Cost Allocation** - Expenses are currently charged directly to a program or management and general category based on specific identification.

**Income Taxes** - The Corporation has been granted an exemption under Section 501(c)(12) of the Internal Revenue Code of 1954. Since the Corporation was determined to be exempt from federal income tax, no provision has been made.

**Subsequent Events** - In preparing these financial statements, management has evaluated and disclosed all material subsequent events through April 21, 2020, which is the date these statements were available to be issued.

**NOTE 3. NOTES PAYABLE**

The Corporation has four USDA notes outstanding at year-end with interest rates ranging from 2.25% to 4.75% and final maturity dates from 2029 through 2053. On September 20, 2016, the Corporation began drawing on the fourth USDA note and has drawn \$731,413 as of December 31, 2019.

On January 20, 2016, the Corporation closed on agreements to refinance three of the prior six USDA notes totaling \$1,313,658 at an interest rate equal to the one-month U.S. dollars deposit rate plus 2% (LIBOR Index rate) adjustable weekly. Monthly installments are due through December 20, 2030.



**G & W WATER SUPPLY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3. NOTES PAYABLE (Continued)**

The following is a summary of all notes payable as of December 31, 2019:

	January 1, 2019	Additions	Retirements	December 31, 2019
Notes Payable	<u>\$ 7,202,728</u>	<u>\$ -0-</u>	<u>\$ 190,033</u>	<u>\$ 7,012,695</u>
			Amount Due Within One Year	\$ 195,999
			Amount Due After One Year	<u>6,816,696</u>
			Notes Payable	<u>\$ 7,012,695</u>

As of December 31, 2019, the debt service requirements on notes outstanding are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 195,999	\$ 251,095	\$ 447,094
2021	202,225	243,244	445,469
2022	208,488	235,363	443,851
2023	214,950	227,243	442,193
2024	221,068	219,467	440,535
2025-2029	1,215,589	959,764	2,175,353
2030-2034	988,008	742,316	1,730,324
2035-2039	1,044,315	571,886	1,616,201
2040-2044	1,067,107	377,866	1,444,973
2045-2049	965,103	209,157	1,174,260
2050-2053	689,843	39,238	729,081
	<u>\$ 7,012,695</u>	<u>\$ 4,076,639</u>	<u>\$ 11,089,334</u>

Covenants to the USDA Notes state the indebtedness authorized to be incurred, together with the interest on the debt, shall be payable from the gross income and revenue to be derived from the operation of the facility, a sufficient portion of which, to pay the principal and interest as and when the same shall become due, is assigned and pledged and shall be set aside for that purpose and this assignment and pledge shall extend to and include any assessments that may be levied.

**G & W WATER SUPPLY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3. NOTES PAYABLE (Continued)**

Vehicles/Equipment

In a prior fiscal year, the Corporation purchased a 2016 John Deere tractor and loader to be financed over five years at 4% interest and a 2016 Ford F 150 to be financed over five years at 4.69% interest. In a prior fiscal year, the Corporation purchased a 2017 Ford F 150 to be financed over five years at 4.04% interest. The 2016 John Deere tractor and loader and the 2017 Ford F 150 were paid off in the current year. The transactions for the year ended December 31, 2019 can be summarized as follows:

	January 1, 2019	Additions	Retirements	December 31, 2019
Notes Payable	\$ 33,474	\$ -0-	\$ 33,474	\$ -0-
			Amount Due Within One Year	\$ -0-
			Amount Due After One Year	
			Total Notes Payable	\$ -0-

**NOTE 4. LONG-TERM DEBT RESERVE**

In accordance with Article IX of the Corporate by-laws, a reserve equal to the sum as required by a total of all loan resolutions shall be established from the revenues of the Corporation. As of December 31, 2019, the cumulative reserve requirement is \$337,280. The Corporation currently holds sufficient cash and investments to satisfy the reserve requirement.

**NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS**

Membership certificates are issued by the Corporation in lieu of stock certificates. The net asset with donor restriction balance is composed of the memberships paid by individual members. Each certificate entitles the member to one connection to the water system of the Corporation.

An individual may own more than one membership certificate but is entitled to only one vote at the Corporation's annual meeting regardless of the number of certificates owned. The membership certificate fees are refunded to individual members when the individual disconnects from the Corporation's water system

Membership certificate activity for the year is as follows:

Membership Balance – January 1	\$ 220,870
Net Change	<u>3,301</u>
Membership Balance – December 31	<u>\$ 224,171</u>

**G & W WATER SUPPLY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 6. BOARD DESIGNATIONS**

During the fiscal year ended December 31, 2014, the Board established certain depositor accounts to accumulate funds to be used for specific purposes. These do not have donor restrictions and, therefore, are reflected as a portion of the net assets without donor restrictions. As of December 31, 2019, these board designated assets include the following:

Grimes Standpipe	\$ 25,302
SCADA System	100,824
Generator Well 5	36,173
¾ Ton Truck	35,196
Repair Field Store Standpipe	<u>80,821</u>
Board Designations – December 31	<u>\$ 278,316</u>

**NOTE 7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As of December 31, 2019, the Corporation has cash without donor restrictions of \$890,864 and investments without donor restrictions of \$31,136. Service revenues of \$147,436 were collected in January 2020.

**NOTE 8. BLUEBONNET GROUNDWATER CONSERVATION DISTRICT**

The Corporation operates within the boundaries of the Bluebonnet Groundwater Conservation District (the "Conservation District"). The Conservation District operates in Austin, Grimes, Walker, and Waller counties. The Conservation District was created to provide a locally controlled groundwater district in order to protect and recharge groundwater, to prevent pollution or waste of groundwater, to control subsidence caused by withdrawal of water from the reservoirs in the area, and to regulate the transport of water out of the boundaries of the Conservation District. The Conservation District charges a minimum fee per well per month along with production fees based on the amount of water authorized by permit to be withdrawn from a well. The Conservation District also charges a transport fee and an excess pumpage charge. During the fiscal year, the Corporation paid the Conservation District \$11,191.

**G & W WATER SUPPLY CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 9. CAPITAL ASSETS**

The following schedule provides a summary of the Corporation's capital assets by asset classification.

	January 1, 2019	Increases	Decreases	December 31, 2019
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 103,042		\$	\$ 103,042
<b>Total Capital Assets Not Being Depreciated</b>	<u>\$ 103,042</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 103,042</u>
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 454,065	\$ 480	\$	\$ 454,545
Water Distribution System	11,365,017	140		11,365,157
Vehicles and Equipment	<u>637,162</u>	<u>14,033</u>	<u>24,380</u>	<u>626,815</u>
<b>Total Capital Assets Subject to Depreciation</b>	<u>\$ 12,456,244</u>	<u>\$ 14,653</u>	<u>\$ 24,380</u>	<u>\$ 12,446,517</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	\$ 203,046	\$ 19,587	\$	\$ 222,633
Water Distribution System	3,239,341	291,418		3,530,759
Vehicles and Equipment	<u>537,968</u>	<u>13,251</u>	<u>24,380</u>	<u>526,839</u>
<b>Total Accumulated Depreciation</b>	<u>\$ 3,980,355</u>	<u>\$ 324,256</u>	<u>\$ 24,380</u>	<u>\$ 4,280,231</u>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 8,475,889</u>	<u>\$ (309,603)</u>	<u>\$ - 0 -</u>	<u>\$ 8,166,286</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 8,578,931</u>	<u>\$ (309,603)</u>	<u>\$ - 0 -</u>	<u>\$ 8,269,328</u>

**NOTE 10. UNCERTANTIES**

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which are likely to have an impact on the operations of the Corporation. The Corporation is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

**G & W WATER SUPPLY CORPORATION**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2019**

**G & W WATER SUPPLY CORPORATION**  
**BOARD MEMBERS**  
**DECEMBER 31, 2019**

Corporation Mailing Address - G & W Water Supply Corporation  
27395 Fields Store Road  
P. O. Box 1219  
Waller, TX 77484

<u>Board Members</u>	<u>Title</u>
Jake Marcisz	President
Ted Parmer	Vice President
Tommy Nelson	Member
Alan Lamascus	Member
Alicia Taylor	Treasurer/Financial Officer
Shelby Smith	Member
Rick Noble	Secretary
Steve Boyd	Member

See accompanying independent auditor's report.



**Attachment “H” – Question 13**

**Information Concerning the Nature of the Transaction**



**Question 13: Provide any other information concerning the nature of the transaction you believe should be given consideration:**

The purpose of the Contract for Purchase, which underlies this application, is to consolidate ownership of the Wholesale Water Plant, the Retail Water Facilities, and the Kickapoo FWSD CCN (the "District CCN") currently serving the Kickapoo FWSD's (the "District") dually certificated service area under G&W WSC, such that G&W WSC will be the sole owner and CCN holder over the District's existing certificated service area (see Contract for Purchase, attached as Attachment B).

On October 23, 2007, G&W WSC and New Waverly Sound Investments, LLC ("Developer") executed an agreement (the "CCN Agreement," attached as Attachment B, Exhibit B-1) whereby Developer agreed to create the District to provide retail water service to the service area now identified by the District CCN and encompassing the Kickapoo Preserve Subdivision. At the time G&W WSC and Developer executed the CCN Agreement, G&W WSC held the sole CCN (CCN No. 12391) over the subject service area. However, under the CCN Agreement, G&W WSC agreed to dual certification of the service area in exchange for a commitment that Developer would transfer title to its planned Retail Water Facilities and the dually certificated District CCN back to G&W WSC upon the District successfully reimbursing the Developer for costs associated with the construction of certain Retail Water Facilities. Those Retail Water Facilities serve the Kickapoo Preserve Subdivision (i.e. the District's existing dually certificated service area).

After Developer successfully created the District, the Texas Commission on Environmental Quality ("TCEQ") granted the District and G&W WSC's application for dual certification over the service area, and issued dual CCN Nos. 13204 and 12391 to the District and G&W WSC respectively, along with a CCN map of the dually certificated service area (certificates and map attached as Attachment I). G&W WSC continues to provide retail water service to the entire service area encompassed by CCN No. 12391, while the District currently serves the dually certificated service area where the CCNs overlap.

After the District was created, the Developer and the District executed a development financing agreement ("Financing Agreement" attached Attachment B, Exhibit C), whereby the Developer agreed to pre-finance the construction of the District's Retail Water Facilities, and the District agreed to reimburse Developer upon the successful sale of bonds, subject to existing TCEQ rules.

Developer advanced approximately \$3,511,422 to fund the design, construction, and maintenance of the Retail Water Facilities. The Retail Water Facilities were subsequently built, and now serve the District's dually certificated service area.

The Developer, who is also a party to the Contract for Purchase, has agreed to forgive all debt owed to it from the District, subject to the Retail Water Facilities being conveyed to G&W WSC and the ultimate dissolution of the District (see Contract for Purchase, attached as Attachment B).

Separately, the Developer created Spring Preserve Water Company, LLC ("Spring Preserve"), which constructed a wholesale water treatment facility ("Wholesale Water Plant") to provide wholesale water to the District. In accordance with the Contract for Purchase, Spring Preserve

assigned its interests to the Wholesale Water Plant, and in the Wholesale Water Supply Agreement to G&W WSC (Wholesale Water Supply Agreement and Assignment attached as Attachment P).

The ultimate purpose of the Contract for Purchase is to consolidate ownership of the Wholesale Water Plant, the Retail Water Facilities, and the District CCN under G&W WSC. Upon a successfully processed and approved application, G&W will be the sole owner of the Wholesale Water Plant and Retail Facilities, as well as the sole CCN holder over the District's existing certificated service area (see Contract for Purchase, attached as Attachment B).

**Attachment “I” – Question 13 & 20**

**TCEQ Order Granting Applicants Dual CCNs and Maps**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS  
I hereby certify that this is a true and correct copy of a  
Texas Commission on Environmental Quality document  
which is filed in the permanent records of the Commission  
Given under my hand and the seal of office on  
Bridget C. Bohac DEC 28 2011  
Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

APPLICATION NO. 36965-C

IN THE MATTER OF THE  
APPLICATION OF KICKAPOO  
FRESH WATER SUPPLY DISTRICT  
OF WALLER COUNTY TO OBTAIN  
DUAL CERTIFICATION WITH A  
PORTION OF CERTIFICATE OF  
CONVENIENCE AND NECESSITY  
(CCN) NO. 12391 OF G & W WATER  
SUPPLY CORPORATION AND TO  
OBTAIN A CCN IN WALLER  
COUNTY, TEXAS

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BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

On December 20, 2011, the Executive Director of the Texas Commission on Environmental Quality pursuant to Chapters 5 and 13 of the Texas Water Code considered the application of Kickapoo Fresh Water Supply District of Waller County to obtain dual certification with a portion of Certificate of Convenience and Necessity (CCN) No. 12391 of G & W Water Supply Corporation and to obtain a CCN in Waller County, Texas.

No person has requested a public hearing on the application;

Notice of the application was given to all affected and interested parties;

The criteria set forth in *Texas Water Code* Section 13.246 has been considered;  
and

The certificate issuance requested in this application is necessary for the service, accommodation, convenience, and safety of the public.

Now, therefore, be it ordered by the Texas Commission on Environmental Quality that the application is granted and Certificate of Convenience and Necessity No. 13204 be issued in accordance with the terms and conditions set forth herein and in the certificate.

IT IS FURTHER ORDERED that Kickapoo Fresh Water Supply District of Waller County shall serve every customer and applicant for service within the area certified under Certificate of Convenience and Necessity No. 13204 and that such service shall be continuous and adequate.

Texas Commission on Environmental Quality

Issued date: **December 20, 2011**

  
For the Commission



# **Texas Commission On Environmental Quality**

**By These Presents Be It Known To All That**

**Kickapoo Fresh Water Supply District of Waller County**

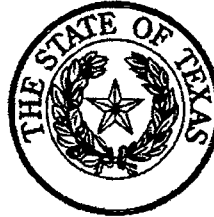
having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled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

## **Certificate of Convenience and Necessity No. 13204**

to provide continuous and adequate water utility service to those service areas in Waller County as by final Order duly entered by this Commission, which Order resulting from Application No. 36965-C is on file at the Commission offices in Austin, Texas; and is a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Kickapoo Fresh Water Supply District to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this **December 20, 2011**

  
For the Commission



# **Texas Commission On Environmental Quality**

**By These Presents Be It Known To All That**

**G & W Water Supply Corporation**

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

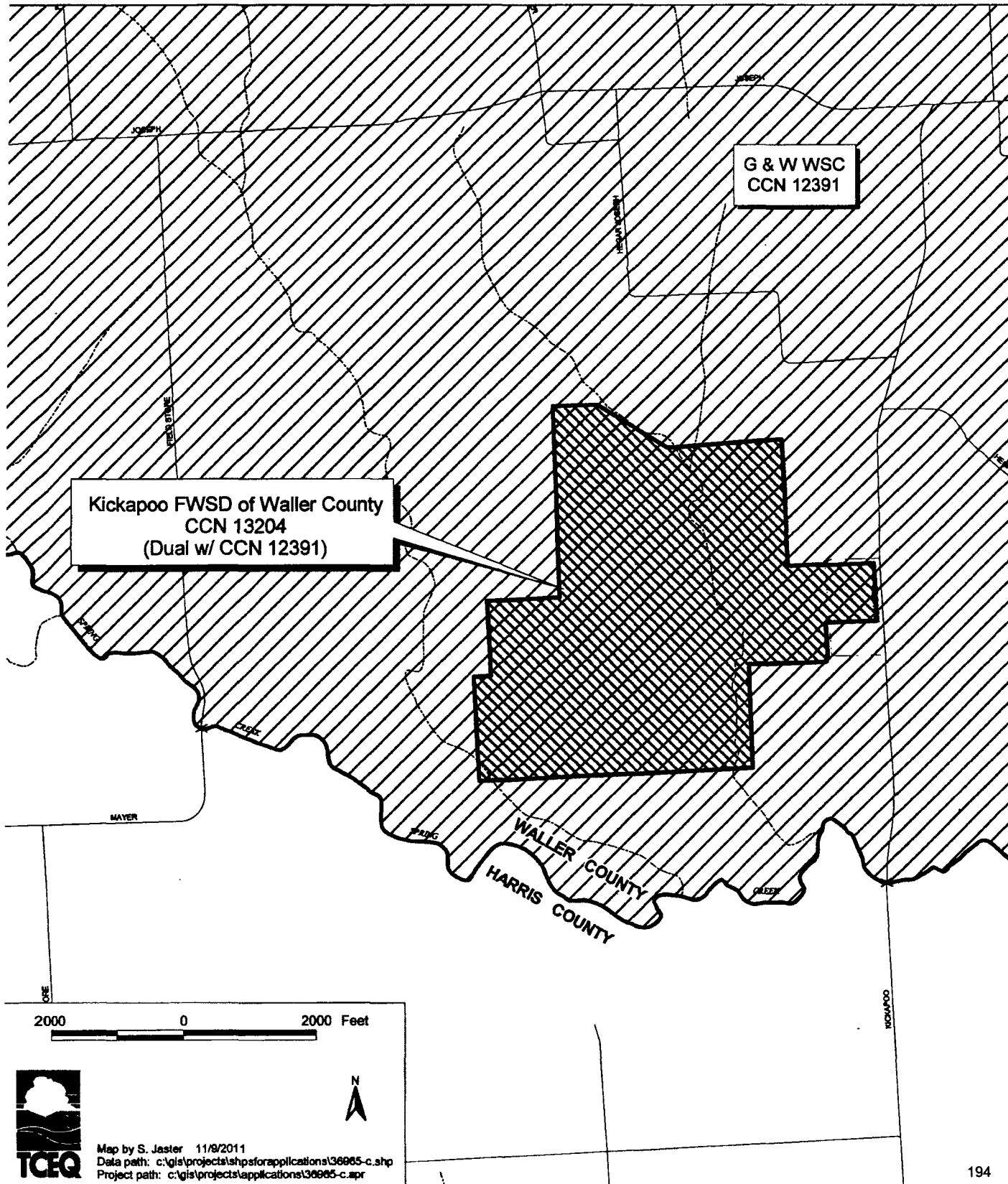
## **Certificate of Convenience and Necessity No. 12391**

to provide continuous and adequate water utility service to those service areas in Grimes and Waller Counties as by final Order or Orders duly entered by this Commission, which Order resulting from Application No. 36965-C is on file at the Commission offices in Austin, Texas; and is a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of G & W Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this **December 20, 2011**

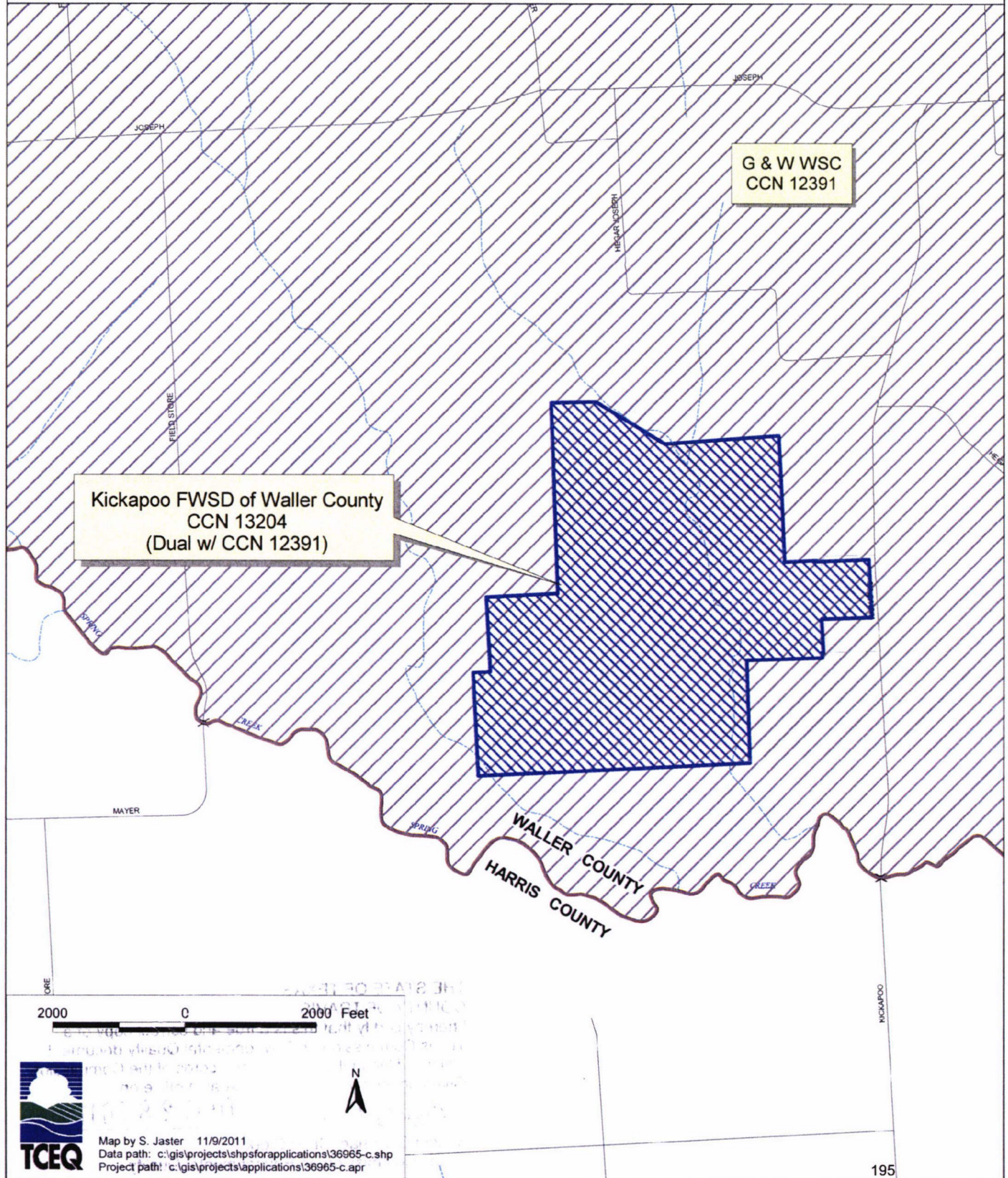
  
For the Commission

Kickapoo Fresh Water Supply District (FWSD) of Waller County  
Water Service Area  
CCN No. 13204  
Application No. 36965-C  
Dual Certification with G & W Water Supply Corporation (WSC), CCN No. 12391  
Waller County





Kickapoo Fresh Water Supply District (FWSD) of Waller County  
Water Service Area  
CCN No. 13204  
Application No. 36965-C  
Dual Certification with G & W Water Supply Corporation (WSC), CCN No. 12391  
Waller County



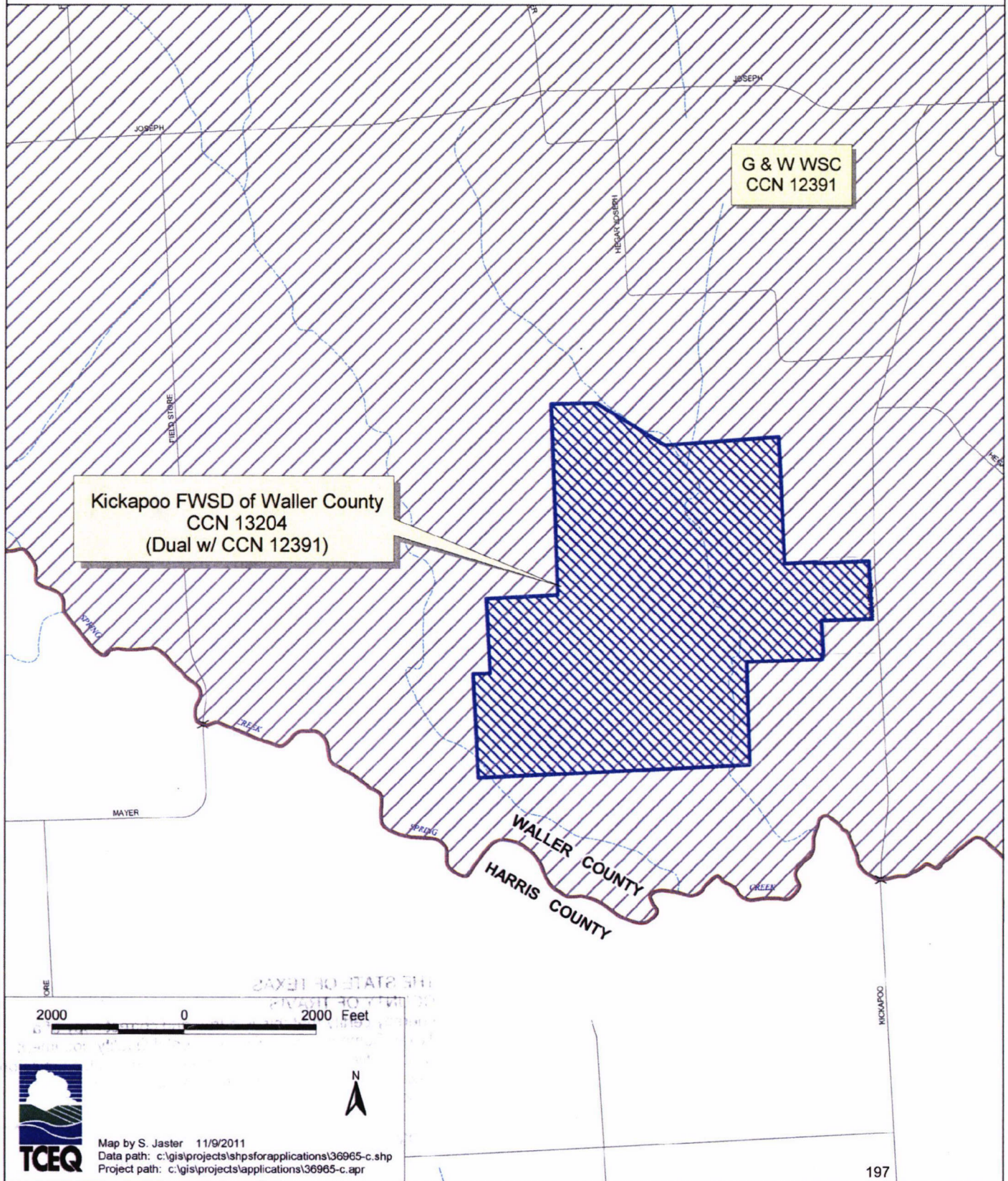


THE STATE OF TEXAS  
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a  
Texas Commission on Environmental Quality document,  
which is filed in the permanent records of the Commission.  
Given under my hand and the seal of office on

Bridget C. Bohac DEC 28 2011  
Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

Kickapoo Fresh Water Supply District (FWSD) of Waller County  
Water Service Area  
CCN No. 13204  
Application No. 36965-C  
Dual Certification with G & W Water Supply Corporation (WSC), CCN No. 12391  
Waller County



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COUNTY OF TRAVIS**

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Bridget C. Bohac **DEC 28 2011**

Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

**Attachment “J” – Question 15**

**G&W WSC Tariff**