



Filing Receipt

Received - 2022-01-21 05:18:26 PM

Control Number - 53075

ItemNumber - 40

WATER UTILITY TARIFF

FOR

Blue Water Oaks Water Supply and Sewer Service Corp.

172 Rill Court, Alvarado, Texas 76009 - 817-783-7772

This tariff is effective for utility operations under the following Certificate (s) of Convenience and Necessary:

~~20381~~ 12596

This tariff is effective in the following county (ies):

Johnson

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Blue Water Oaks Subdivision

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

APPENDIX A SERVICE AGREEMENT.....

SEWER UTILITY TARIFF

FOR

Blue Water Oaks Water Supply and Sewer Service Corp.

172 Rill Court, Alvarado, Texas 76009 - 817-783-7772

This tariff is effective for utility operations under the following Certificate (s) of Convenience and Necessary:

20381

This tariff is effective in the following county (ies):

Johnson

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Blue Water Oaks Subdivision

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION

1.0 RATE SCHEDULE.....2

Blue Water Oaks Sewer Service & Water Supply Corp.

172 Rill Court, Alvarado, Texas 76009 Phone 817-783-7772

LEGAL AFFIDAVIT BLUE WATER OAKS WATER SERVICE COMPANY SERVICE AGREEMENT

I. **PURPOSE** The Blue Water Oaks Water Service Company is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. The purpose of this service agreement is to notify each customer of the plumbing restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the Blue Water Oaks Water Service Company will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not reestablish service unless it has a signed copy of this agreement and all financial obligations to BWO is paid.

II. **PLUMBING RESTRICTIONS.** The following unacceptable plumbing practices are prohibited by State regulations;

A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

C. No connection which allows water to be returned to the public drinking water supply is permitted.

D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

E. No solder or flux which contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between Blue Water Oaks Water Service Corp. (the water system) and Print Name _____ (the Customer).

A. The Water System will maintain a copy of this agreement so long as the Customer and/or the premises is connected to the Water System.

B. The Customer shall allow his property to be inspected for possible cross-connections and other unacceptable plumbing practices. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service, when there is reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any major changes to the private plumbing facilities. The inspections shall be conducted during the Water System's normal business hours.

C. The Water System shall notify the Customer in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the initial inspection or the periodic re-inspection.

D. The Customer shall immediately correct any unacceptable plumbing practice on his premises.

E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Blue Water Oaks Water Service Corp. shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE _____

Date: _____ **Connection Address:** _____ **Alvarado, TX, 76009**

Blue Water Oaks

Property Owners Association
Sewer Service & Water Supply Corp.
172 Rill Court, Alvarado, Texas 76009
(817) 783-7772

144et.
This is a
WSC tariff
update.
CCN 12896

August 2, 2011

TCEQ
ATTENTION Lisa Fuentes MC 153
P.O. BOX 13087
AUSTIN, TEXAS 78711-3087

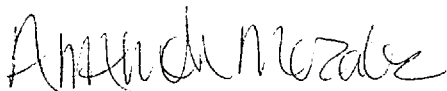
RECEIVED
TCEQ
WATER SUPPLY DIV.
2011 AUG 5 PM 2 54

RE: NAME CHANGE

Dear MS. Fuentes

Blue Water Oaks Property Owners Association a few years back split entities so that we would have a property Owners Association and then Water Supply and Sewer Service Corporation acting as two separate companies. In the beginning of 2011 the association decided things work best with these two entities working under the same legal name. Therefore we filed with the Secretary of State to terminate Blue Water Oaks Water Supply and Sewer Service Corporation. The legal name at this time is Blue Water Oaks Property Owners Association, there has not been any changes to the Bylaws. The only thing that has changed is the name.

If you have any further questions or if any further action is required by BWOPOA please contact me at 817-783-7772.



Amanda Morales
Secretary



Office of the Secretary of State

**CERTIFICATE OF FILING
OF**

Blue Water Oaks Water Supply and Sewer Service Corporation
File Number: 800844330

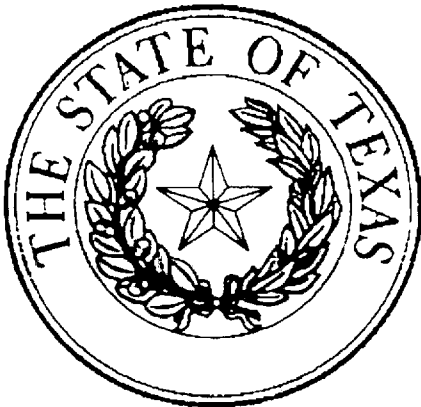
The undersigned, as Secretary of State of Texas, hereby certifies that the Certificate of Termination for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 01/06/2011

Effective: 01/06/2011

RECEIVED
TO EO
WATER SUPPLY DIV.
2011 JAN 5 PM 2 54



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

**BY-LAWS
REFERENCE SHEET**

PAGE # ARTICLE NUMBER

B-4	ARTICLE VII	Officers
	Section 1.	Number and Qualification
A-5	Section 2.	Term.
	Section 3.	President.
	Section 4.	Vice President.
	Section 5.	Executive Secretary.
	a.	
A-6	b, c, d	
B-6	ARTICLE VIII	Committees
	Section 1.	Financial Committee.
	Section 2.	Other Committees.
C-6	ARTICLE IX	Miscellaneous
	Section 1.	Removal.
A-7	Section 2.	Vacancies.
	Section 3.	Notices.
	Section 4.	Checks and Notes.
	Section 5.	Fiscal Year
	Section 6.	Seal.
	Section 7.	Rules of Order.
	Section 8.	By-Laws.
	Section 9.	Conducting Business.
A-8	ARTICLE X	Amendments
B-8	ARTICLE XI	Gifts - Requests
C-8	ARTICLE XII	Motions

RECEIVED
TOEQ
WATER SUPPLY DIV.
2011 AUG 5 PM 2 54

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

(A-1)

ARTICLE I - NAME

The name of "The Association" has been amended to read:
BLUE WATER OAKS PROPERTY OWNER ASSOCIATION
SEWER SERVICE AND WATER SUPPLY CORPORATION

(B-1)

ARTICLE II - PURPOSE

- Section 1. To promote the civic interest of those persons who own lots in Blue Water Oaks Subdivision, Phase 1, per plat recorded in the map records Johnson County, Texas, Volume 1, Page 229, Hereinafter sometimes called "Oaks".
- Section 2. To promote the cleanliness, beautification and protection of the property located within oaks, a subdivision of Johnson County, Texas.
- Section 3. To promote the safety and health of those persons owning lots in Oaks, a subdivision of Johnson County, Texas.
- Section 4. To act as custodian of Association Maintenance Fund.
- Section 5. To own real property within Oaks, a subdivision of Johnson County, Texas, for the purpose of establishing community recreational areas, and equipping these areas with recreational equipment for the use and benefit of the members of this Association.
- Section 6. To engage in all lawful civic activities duly authorized by the Texas Non-Profit Corporation Act and all lawful civic activity not specifically prohibited by any act, status or law of the State of Texas.
- Section 7. **Conflict of Interest**
No board member or committee member may hold a paid position for BWOPOA Sewer Service and Water Supply Corp.
The Board of Directors must refrain from using their position for personal, material, or financial gain or the appearance of such.
The Board of Directors must refrain from giving or seeking preferential treatment in any of the association processes.
Jobs within the Association that need to be filled, must be posted in advance in our BWO monthly statements and/or newsletters. The Board must give due time and consideration to the qualifications of the applicants.

2011 AUG 5 PM 2 54

WATER SUPPLY DIV.

RECEIVED
TOEQ

(C-1)

ARTICLE III - MEMBERSHIP

- Section 1. **Eligibility.** Any person who now or hereafter owns property in Oaks (described in Art. II Sec. 1 of these By-Laws) shall be a member in the Association, subject to Art. III, Sec. 5, and Art. IV, Sec. 1 of these By-Laws.

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

Section 2. **Prerogatives.** All members, except as provided in Art. III, Sec. 5, of these By-Laws, shall enjoy the same rights and privileges. Each member shall be eligible for election to the Board of Directors or to an officership and for appointment to standing or special committees.

Section 3. **Classes.**

- a. **Household Membership.** A householder shall be considered a member, and husband and wife shall be considered as only one member.
- b. **Business Membership.** A partnership of corporation owning property in Oaks shall be entitled to one membership, provided however that some officer of the partnership of corporation shall be designated as the official member and that person shall be responsible for all matters pertaining to membership, and each membership shall be entitled to one vote.

(A-2)

Section 4. **Responsibilities.**

- a. All members shall be responsible for their guests.
- b. All members shall be responsible for payment of assessments as set forth in Article IV, Section 1.
- c. All members shall be responsible for the general upkeep of their property.

Section 5. **Suspension.** All financial obligations of a member of the Association shall be paid within fifteen (15) days from the date of notice thereof to the member. If not paid within twenty five (25) days from the date of such notice, the member's right to vote and to hold office or committee appointment shall be automatically suspended. These rights shall be automatically reinstated if the member pays delinquent financial obligations.

(B-2)

ARTICLE IV

Section 1. **Assessments.** The Association shall establish an assessment to be paid by each property owner/user/renter monthly. However: such assessments may be made upon a monthly, quarterly, semi-annual or annual basis, and shall be payable in advance for each period so designated. The amount of such assessment shall be set forth in the Annual budget adopted at the Annual Meeting of the Association.

Section 2. **Lien.** The Association shall have a lien on the lot of each owner, whether or not a member, second only to the liens for taxes and any recorded deed of trust mortgage or other security instrument now existing or including any and all court costs and reasonable attorneys' fees incurred in connection with the collection of same.

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

(C-2)

ARTICLE V - MEETINGS OF MEMBERS

- Section 1. **Place and Time of Meetings.** All meetings of members shall be held at such time and place in Johnson County, Texas, as shall be stated in notice of the meeting.
- Section 2. **Annual Meeting.** The annual meeting shall normally be held in June. The purpose of the annual meeting shall be the election of such Directors as is necessary to fill directorships expiring at the time of said meeting, the presentation of an annual report by the President, and of a financial report by the Treasurer, and the presentation of a budget for the ensuing fiscal year for approval by the membership, and other such business as may come before the meeting.
- Section 3. **Special Meetings.** Special meetings of the members may be called by the President, or the Board of Directors, or twelve (12) members holding individual membership in Blue Water Oaks: i.e., husband and wife as one (1) membership, may request that such special meetings be called by the Board of Directors. Business transacted at any such special meeting shall be confined to the purpose stated in the notice of such meeting.

(A-3)

- Section 4. **Notice.** Written or printed notice stating the place, day and hour of the meeting (and in the case of special meetings, the purpose or purposes which is before the meeting), either personally or by mail, by or at the direction of the President, the Secretary, or the Officer or members calling the meeting, to each member entitled to vote at such meeting.
- Section 5. **Quorum.** A quorum shall consist of all members of the Association present and entitled to vote at such meeting.
- Section 6. **Voting.** Each member having the right to vote shall be entitled to one (1) vote. A husband and wife shall be entitled to only one (1) vote, and each business membership shall be entitled to only one (1) vote. Except as otherwise provided by law or by the By-Laws, a majority of votes cast by the members at a meeting duly called at which a quorum is present shall be sufficient to take or authorize action upon any matter which may properly be before the meeting. Voting may be done in person, by written proxy, or by mail. Any member may act as proxy for any one (1) other member. Any vote cast by mail shall be received by the corporation at least twenty-four (24) hours prior to the meeting in which the vote is to be counted. Each vote cast by mail shall be in a sealed envelope with the words, in English, "sealed vote" on the front of the envelope. Any vote cast by mail which is not received in accordance with the time limitation, or is not in a sealed envelope, or does not bear the required language on the front of the envelope shall not be counted in the election.

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

Section 7. **Membership List.** The Secretary shall keep a complete list of all members entitled to vote, arranged in alphabetical order, which shall be produced and kept open at the time and place of the meeting.

(B-3)

ARTICLE VI - BOARD OF DIRECTORS

Section 1. **Management.** The affairs of the Association shall be managed by and under the control of the Board of Directors, who may exercise all such powers of the Corporation and do all such lawful acts as are not, by statute or by the Articles of Incorporation or by these By-Laws, directed or required to be exercised or done by the members, subject to Article VI, Section 6.

Section 2. **Number, Qualification, Election, and Term.** The Board of Directors shall consist of seven (7) directors, elected by the Members of the Association. No person may be Director who is not a member of the Association. At each annual meeting of the membership, Directors shall be elected for a term of three (3) years to fill the vacancies.

(A-4)

Section 3. **Meetings.** Meetings of the Board of Directors, regular, or special, may be held either within or without Johnson County, Texas. Regular meetings of the Board of Directors may be held with notice at such time and place as designated by the Board. Special meetings of the Board of Directors may be called by the President and shall be called by the Secretary on the written request of two Directors. Written or verbal notice of a special meeting of the Board of Directors shall be given to each Director, if possible, before the date of the meeting. Neither the business to be transacted or the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

Section 4. **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors four (4) or more, shall be the act of the Board of Directors, except as otherwise specifically provided by statute or by the Articles of Incorporation or by these By-Laws.

Section 5. **Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any document.

Section 6. **Financial Accountability.**
a. Expenditures of \$1,000.00 to \$4,999.99 shall be approved by a majority vote of the Board of Directors at a duly called meeting of the Board, except in cases of dire emergency, whenever possible, such expenditures shall be included in the budget presented and approved at

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

the Annual Meeting.

- b. In the event of an emergency situation requiring the immediate expenditure of \$5,000.00 to \$7,499.99 a vote of two-thirds (2/3) of the Board of directors shall be sufficient to approve the disbursement of an emergency contingency fund. Any such expenditure shall be reported to the next regular meeting of the Association by the Financial Committee.
- c. Any expenditure of \$7,500.00 to \$9,999.99 shall have the prior approval of two-thirds (2/3) majority of the Financial Committee and shall be reported to the next regular meeting of the Association by that Committee.
- d. In no event shall any expenditure in excess of \$10,000.00 be made without the prior approval of the membership.

(B-4)

ARTICLE VII - OFFICERS

Section 1. **Number and Qualification.** The officers of the Corporation shall consist of a President, one or more Vice Presidents. The President and Vice-President shall also be members of the Board of Directors. Each of these officers shall be elected by the Board of Directors at their first meeting after the annual meeting of the members. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by Board of Directors at any time. The President or Vice President (one of the two) of BWO must be a resident of the Association during his/her entire term on the board. In the event he/she moves from the Association during his/her term on the board as president or vice president it will be necessary to give the board a letter of resignation. However: If he/she is in office on the date this ruling becomes effective he/she can remain on the board or in office until his/her term expires as president or vice president.

(A-5)

Section 2. **Term.** The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interest of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointed shall not of itself create contract rights.

Section 3. **President.** The President shall be the chief executive officer of the Association and shall preside at all meetings of the members of the Association and of the Board of Directors. He shall have general responsibility for the activities of the Association and the powers and duties usually associated with the office of President; and shall have such other powers and shall perform such other duties as may be prescribed by the Board of Directors or by these By-Laws. He shall serve on all committees and exercise general supervision over their work in order to assure the most

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

effective operation of the Association. He shall have authority to appoint and discharge agents and employees, to make and enter into contracts to make purchase of sale, to sign execute and deliver all contracts, conveyances, deeds, deeds of trust, leases, assignments, mortgages, security agreements, pledges and releases, and all other written instruments of any character appropriate to any other powers or duties of the President, in the name and binding upon the Association, all subject to the approval of the Board of Directors, and Article VI, Section 6 of these By-Laws.

Section 4. **Vice President.** The Vice-Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. They shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 5. **Executive Secretary.**

a. The Executive Secretary shall attend all meetings of the Board of Directors and all meetings of the members and record all of proceedings of such meetings, and a book be kept for that purpose. He/she shall give or cause to be given notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, or the President, under whose supervision he/she shall be. He/she shall keep in safe custody the Seal of the Corporation and shall affix the same to any instrument requiring it and when so affixed it shall be attested by his/her signature or by the signature of an assistant Secretary.

(A-6)

- b. The Executive Secretary shall receive and deposit all monies belonging to the Association. He/she shall keep a correct record of the membership assessments and shall mail notices to members monthly. He/she shall perform such other duties as may be prescribed by the Board of Directors, or the President, under whose supervision he/she shall be.
- c. The Executive Secretary shall have custody of corporate funds, and securities, and shall keep full and accurate accounts of receipts and disbursements and books belonging to the corporation and shall deposit all monies and all other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Directors; shall disburse the funds of the corporation as may be ordered by the Directors, subject to Article VI, Section 6, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors at its regular meeting, or when the Board of Directors so requires, an account of all the transactions and of the financial condition of the corporation.
- d. The Executive Secretary shall be a paid employee of the corporation.

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

Compensation shall be set by the Board of Directors. He/she shall be hired by the Board of Directors and shall serve at the pleasure of the Board of Directors.

(B-6)

ARTICLE VIII – COMMITTEES

Section 1. **Financial Committee.** The Board of Directors shall appoint a Financial Committee at each Annual Meeting to consist of seven (7) members, none of whom may be officers or Directors of the Association; nor may any two members be husband and wife. Members of the Financial Committee shall serve for one (1) year and may be appointed for one (1) additional year. The duties of the Financial committee shall be to consult with and advise the Board of Directors in Budget matters and to deal with emergency expenditures as set out in Article VI, Section 6.

Section 2. **Other Committees.** The Board of Directors shall appoint such other committees as from time to time the Board of Directors shall think proper. Members of such committees shall be chosen from the Board of Directors or from the general membership.

(C-6)

ARTICLE IX - MISCELLANEOUS

Section 1. **Removal.** Any Director, or officer may be removed from directorship of office at any time by a vote of four (4) of the Board of Directors; provided, however, that the Secretary shall serve upon such officer of Director by registered or certified mail, return receipt requested, written notice of the proposed removal and reasons therefore at least thirty (30) days before removal action by the Board. The officer or Director may appear in person or may present to the Board of Directors a statement in opposition to the proposed action. Removal does not waive payment of assessment to Association or of sewer fees.

(A-7)

Section 2. **Vacancies.** In the event a Director or Officer dies, resigns, ceases to be a member, becomes unable to carry on his/hers duties, or is removed for cause, the Board of Directors shall elect or appoint a successor to serve until the next annual meeting, at which time vacancies on the Board of Directors shall be filled by nomination and election by the membership.

Section 3. **Notices.** Whenever under the provisions of these By-Laws notice is required to be given to any member or Director or Officer, such notice may be given personally or may be given in writing by depositing the same in the United Mail addressed to the person to receive same at his/her address as it appears on the books of the Association, with ordinary postage thereon prepaid. Any such person may waive any notice required to be given; and presence at any meeting shall constitute a waiver of notice of such meeting, except where

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

attendance is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

- Section 4. **Checks and Notes.** All checks or demands for money and notes of the Corporation shall be signed by each officer or officers as such other person or persons as the Board of Directors may from time to time designate.
- Section 5. **Fiscal Year.** The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.
- Section 6. **Seal.** The Corporate Seal (of which there may be one or more exemplars) shall be in such form as shall be fixed by resolution of the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner produced.
- Section 7. **Rules of Order.** Except where inconsistent with these By-Laws or the laws of the State of Texas, Robert's Rules of Order (latest revision) shall govern the conduct of the meetings of the members of the Association and meetings of the Board of Directors.
- Section 8. **By-Laws.** Each member shall be furnished a copy of these By-Laws.
- Section 9. **Conducting Business.** The Directors, Officers, or Employees of BWOPOA Sewer Service and Water Supply Corporation may conduct any necessary business at any place within or without of the State of Texas.

(A-8)

ARTICLE X - AMENDMENTS

Amendments to the By-Laws require the affirmative vote of two-thirds (2/3) of the members present and voting at any two consecutive duly constituted meetings of the membership; provided, however, that no provision of the By-Laws may be amended, repealed or adopted when the effect of such action is inconsistent with the status of the Association as a non-profit corporation under the laws of the State of Texas.

(B-8)

ARTICLE XI - GIFTS - REQUESTS

The Board of Directors may accept on behalf of the Corporation any contributions, gifts, bequests, or devise for the general purpose, or for the special purpose of the Corporation.

(C-8)

ARTICLE XII - MOTIONS

When motions are passed at Board Meetings, actions on these motions must be completed within 12 months. (Board can extend time by 6 months with a 2/3 majority vote.)

These By-Laws are recorded at the Johnson County Courthouse in BK2652 .PG286-295

BY-LAWS
BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION

2006 DISSOLUTION CLAUSE

A corporation organized under Chapter 67, Water Code, that provides in the bylaws of the corporation that on dissolution of the corporation the assets of the corporation remaining after discharge of the corporation's indebtedness shall be transferred to an entity that provides a water supply or wastewater service, or both, that is exempt for ad valorem taxation is entitled to exemption from taxation of: (1) property that the corporation owns and that is reasonably necessary for and used in the operation of the corporation: (A) to acquire, treat, store, transport, sell or distribute water; or (B) to provide wastewater service.

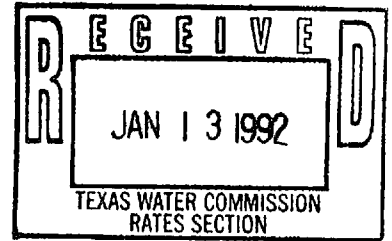
9141-T

BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION
SEWER SERVICE AND WATER SUPPLY CORPORATION
P.O. BOX 988
ALVARADO, TEXAS 76009

817-783-2082
817-783-7485

January 8, 1992

Derrick Shires Rates Section
Texas Water Commission
P.O. BOX 13087 Capital Station
Austin, Texas 78711-3087



Derrick Shires,

Re: Budget for Water and Sewer in BWO.

Enclosed is a copy of our Sewer budget for fiscal year 1991-1992.

Also a copy of our proposed budget for Water service for the first year's operation. This budget is proposed based on the final purchase of a portion of Mohawk Water Co. located in BWO.

If I can be of further help on these matters, Call me any time at the above telephone numbers.

Hoping to hear from you soon.

Sincerely yours,

A handwritten signature in cursive script that reads "Ottis M. Gothard".

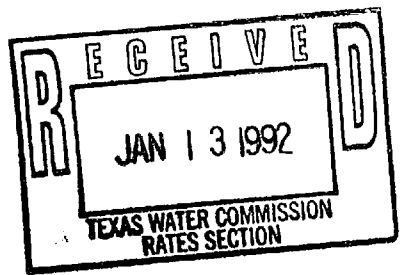
Ottis M. Gothard
Superintendent Sewer & Water
President BWO

CCN# 20381

BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION
SEWER SERVICE AND WATER SUPPLY CORPORATION
(SEWER)
BUDGET
FISCAL YEAR
7/1/91 TO 6/30/92

OPERATING BUDGET
ACCOUNT: 1991-1992

RECEIPTS: SEWER FEE: \$20,858.00
MISC. INCOME: \$100.00
INTEREST IMCOME \$0.00
TAP FEE: \$0.00
TOTALS \$20,958.00



DISBURSE: OPERATING ADV.:
M & R : \$6,300.00
UTILITIES: \$5,000.00
LABOR: \$7,000.00
LAB FEES: \$400.00
TRAVEL: \$350.00
POSTAGE: \$200.00
OFF.SUPPLIES: \$200.00
OFFICE EQUIP.: \$0.00
INSURANCE: \$500.00
PROF. FEES: \$508.00
MISC. EXPENSE: \$500.00
TAP FEES: \$0.00
TOTALS \$20,958.00

OP ACCT. AND CD'S NOT BUDGETED:

CD # 794 NCNB \$10,637.35
CD # 795 NCNB \$3,491.45
CD # 20469 NCNB \$4,291.70
TOTAL VALUE OF CD'S \$18,420.50
CHECKING ACCT.APRIL 30 \$4,464.10
TOTAL AVAILABLE \$22,884.60

JULY 1, 1991 FIGURES
RESIDENCE 74@ \$16.00 MO. Lives here all the time
WEEK-ENDER 33@ \$12.50 MO. Lives elsewhere, comes on week-ends.
STANDBY 105@ \$3.00 MO. Lots for home or camping, fee for dump station.

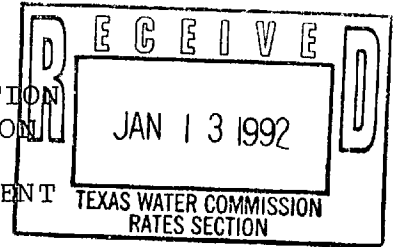
Tap Fee is \$550.00 includes all materials and labor.
Late fee 5%
We have approximately 200 members in our Association.
The Association is owned and operated by the members.
All fees are established by the members.

There are three of us members with class C Wastewater license,
as you can see we work for a very small amount.
One member is secretary.

Ottis Gothard
Ottis Gothard
Superintendent
Association President

CCN#12596

BLUE WATER OAKS PROPERTY OWNERS ASSOCIATION
SEWER SERVICE AND WATER SUPPLY CORPORATION
(WATER)
PROPOSED ANNUAL BUDGET FOR WATER DEPARTMENT



OPERATING EXPENSE page 1

LABOR	\$6,500.00
MAINTENANCE & REPAIR	\$3,500.00
PAINTING.....	\$1,296.72
TREATMENT SUPPLIES	\$250.00
LAB & STATE FEES	\$230.00
ELECTRICITY	\$2,450.00
TAXES (LOCAL)	\$275.00
INSURANCE (LIABILITY)	\$1,000.00
TRAVEL @ 20 CENTS PER MILE	\$300.00
ADMINISTRATION: OFFICE SUPPLIES, POSTAGE, PRINTING	\$350.00
OFFICE EQUIPMENT.....	\$600.00
PROFESSIONAL FEES	\$300.00
*NOTE PAYMENT	\$13,103.28
TOTAL	<u>\$30,155.00</u>
20% MARGIN FOR OPERATING RESERVE	\$6,031.00
ESTIMATED ANNUAL EXPENSE TOTAL	\$36,186.00

**ESTIMATED MONTHLY INCOME	\$3,447.50
ESTIMATED MONTHLY EXPENSE	\$3,015.50

PROPOSED RATE STRUCTURE:

FIRST 2,000 GALLONS MINIMUM @ \$20.00
Ea. 1,000 OVER minimum @ 2.00

BASED ON PURCHASE PRICE OF \$105,000.00 \$15,000.00 down payment,

*FINANCE \$90,000.00 @ 8% FOR 10 YEARS, PAYMENTS WOULD BE \$1,091.94 PER MO.
This is firm .

** BASED ON OCTOBER 1990 ACTUAL READING.

METERS :

151 METERS NOW IN PLACE, 154 STATED TO US BY MOHAWK, 3 HAVE BEEN PULLED.

THE RATES FOR INSTALLING METERS:

THE COST FOR NEW INSTALLATION WILL BE \$300.00. MINIMUM
THE COST WILL BE \$200.00 TO INSTALL A METER WHERE THERE IS A METER BOX
AND WATER IS PIPED TO BOX.

CUT OFF/TURN ON (WEEK-ENDER) \$75.00 PREFER NO CUT/OFF-TURN/ON UNTIL
AFTER 1 YEAR EXPERIENCE. (SIX MONTH'S MAXIMUM ON CUT/OFF)

A LATE FEE OF 5% ON DELINQUENT WATER & SEWER BILL WILL BE CHARGED.
THERE WILL BE A \$25.00 CHARGE TO REINSTATE SERVICE TO WATER & SEWER,
ONLY, AFTER ALL FEES THAT ARE DUE THE ASSOCIATION ARE PAID.

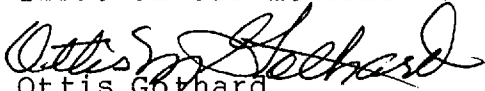
WE WILL NEED AT LEAST ONE YEAR EXPERIENCE TO MAKE ADJUSTMENTS IN THE BUDGET.
SOME OF OUR FIGURES ARE PRETTY ACCURATE, SOME ARE GUESTIMENTS.
WE NEED TO BUILD A RESERVE FUND, FOR FUTURE MAJOR BREAKDOWN AND UPDATING.

Page 2

This budget is pending the completion of the purchase of the portion of Mohawk Water Company in BWO.

The first year budget has been approved by the membership.

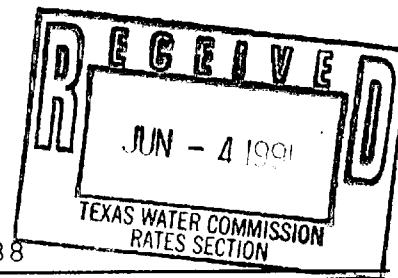
Three of our members have D Ground Water License



Ottis Gothard
Superintendent
Association President

SEWER UTILITY TARIFF

FOR



Blue Water Oaks Service Company P.O. Box 988

(Utility Name)

(Business Address)

Alvarado , Texas 76009

(817) 783-2982

(City)

(State)

(Zip)

(Telephone)

This tariff is effective for utility operations under the following Certificate(s) of Convenience and Necessity:

20381

This tariff is effective in the following county(ies):

Johnson

This tariff is effective in the following cities or unincorporated towns (if any):

NONE

This tariff is effective in the following subdivisions or systems:

Blue Water Oaks

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION	PAGE
1.0 RATE SCHEDULE.....	2
2.0 SERVICE RULES.....	3
3.0 EXTENSION POLICY.....	9
APPENDIX A SERVICE AGREEMENT.....	_____

SECTION 1.0--RATE SCHEDULE

Section 1.01--Rates

CONNECTION TYPE

Weekender - \$ 12.50 per month

Resident - \$ 16.00 per month

Volume charges are determined based on average consumption for winter period which includes the following months: _____

Section 1.02--Miscellaneous Fees

TAP FEE.....\$ 325 .00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION.

ROAD CROSSING.....\$ 100 .00

RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

a) Non payment of bill (Maximum \$25.00).....\$ 25 .00

b) Customer's request.....\$ 35 .00

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

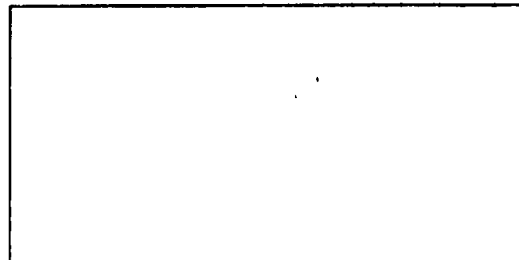
LATE CHARGE \$2.00 OR 5%

A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$ 15 .00

CUSTOMER DEPOSIT (Maximum \$50).....\$ 50 .00

RATES LISTED ARE EFFECTIVE ONLY IF THIS PAGE HAS TWC APPROVAL STAMP



SECTION 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Texas Water Commission Rules

The utility will have the most current Texas Water Commission Rules, Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02--Application for and Provision of Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service at each separate location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install service connections, which may include a utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

Section 2.03--Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TWC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that he may file a complaint with the Commission.

Section 2.04--Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TWC Rules.

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

Section 2.05--Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. When a sewer utility is operated in conjunction with a water utility which serves the same customers, the charge for sewage disposal service may be based on the winter months average monthly consumption of water as registered on the customer's water meter. One connection is required for each residential, commercial or industrial facility in accordance with the TWC Rules.

Section 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. Payment is considered late if not received by 5:00 PM at the utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of either \$2.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the TWC Rules. The utility will maintain and note on the monthly billing a telephone number (or numbers) which may be reached by a local call by customers of each of the systems it operates. At the utility's option, a toll-free telephone number or the equivalent may be provided.

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07--Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TWC Rules.

Utility service may also be disconnected without notice for reasons as described in the TWC Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or because of a hazardous condition.

Section 2.08--Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09--Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10--Quality of Service

The utility will plan, furnish, and maintain and operation a treatment and collection facility of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TWC Rules.

Section 2.11--Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Water Commission complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the TWC Rules to be effective.

SECTION 3.0--EXTENSION POLICY

Section 3.01--Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of collection mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR: Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Water Commission's Rules.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. The approval stamp of the Commission indicates that it is in compliance with the TWC Rules and is effective after the date on the stamp.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Water Commission's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Utility Name _____

System Name _____

Utility Business Address: Street/Box, City, State, Zip _____

Phone Number _____

APPLICATION FOR SEWER SERVICE

Date: ___/___/___

Name of Applicant: _____
(Customer)

Service Address:

Street: _____

City, State: _____

Billing Address:

Street/Box: _____

City, State, Zip: _____

Check Applicable Items:

___ Residential
___ Owner
___ Age Over 65

___ Commercial
___ Tenant
___ Age

Desired Connection:

___ Standard residential

___ Other (State size: ___)

The Utility agrees to provide wastewater service to the Customer and the Customer agrees to purchase and receive wastewater service from the Utility in accordance with the rules and regulations of the Utility as included in its approved Tariff on file with the Utility and the Texas Water Commission.

The connection is for the sole use of the Customer to provide wastewater service to one dwelling, business or property. The Customer shall not share, resell, or submeter wastewater service to any other dwelling, business, property, etc., without the specific written authorization of the Utility and in compliance with applicable laws and regulations.

The Utility has the right to locate a connection and the pipe necessary to make the connection on the property of the Customer at a point mutually agreeable to both the Utility and the Customer. The Customer will allow the Utility access at all reasonable times to its property and equipment located upon Customer's premises for the limited purposes of repairing or replacing existing facilities and the inspection of Customer's facilities to check for illegal connections or unsafe plumbing practices.

Application for Sewer Service
Page 2

The Customer will install, at his own expense, a service line from the sewer connection to the point of use. The Customer will be responsible for maintenance and repair of the service line. The Customer shall hold the Utility harmless from any and all claims or demands for damage to real or personal property occurring from the point the Customer ties on the sewer connection to the final destination of the line installed by Customer.

The Customer agrees to grant to the Utility an easement/right-of-way for the purpose of installing, maintaining and operating such pipe lines, meters, valves, and any other equipment which may be deemed necessary for the provision of Utility service to that Customer. The Utility will attempt to restore the Customer's property to its original condition after installation or repairs. This easement may be in such form as is required by the Utility. The Customer agrees not to interfere with the Utility's employees in the discharge of their duties. The Customer will not permit anyone except the Utility's employees to tamper with or interfere with any of the equipment installed on the Customer's premises.

Commercial Applicants (Customers)

1. Please describe the commercial operations to be served.
2. Will these operations place unique, non-standard service demands upon the system or require any special facilities?
 No Yes If yes, please describe.

The applicant has been shown a copy of the utility's Texas Water Commission approved tariff and agrees to pay the rates in the tariff and abide by the requirements in this application.

Applicant's Signature

\$ _____ Tap Fee Collected

\$ _____ Deposit Collected

Service to be connected at the service location on or about _____, 19____, but in no case later than 5 days from the date this application is accepted by the utility.

Utility Representative