



## **Filing Receipt**

**Filed Date - 2025-09-04 02:33:22 PM**

**Control Number - 58582**

**Item Number - 2**

## **Baffin Bay Water Supply Corporation**

513 S. CR 1120 • Riviera, TX 78379

Office 361-297-5253 Fax: 361-297-5355 E-Mail: [baffin1@rivnet.com](mailto:baffin1@rivnet.com)

Manager: Orville Schonefeld

Cell Phone: 361-296-4142

October 22, 2012

Tariff Clerk

Office of Water Supply Division, MC 153

TCEQ

P. O. Box 13087

Austin, Texas 78711-3087

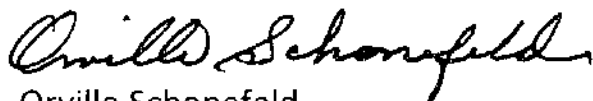
Re: Tariff for Baffin Bay Water Supply Corporation, CCN No. 11016 in Kleberg County

Dear Tariff Clerk:

Pursuant to Texas Water Code Section 13.13 (c) and 30 TAC Section 291.21 (j), enclosed is a tariff for Baffin Bay Water Supply Corporation provided for informational purposes. The tariff was revised and changed on October 18, 2012; therefore, please discard the previously filed tariff and replace it with the attached.

Should you or your staff have questions, please contact me at 361-297-5253 (office) or 361-296-4142 (cell).

Sincerely,



Orville Schonefeld

Manager/ Operator

Baffin Bay Water Supply Corporation

2012 OCT 25 10:11 AM

10/25/12 10:11 AM

## Baffin Bay Water Supply Corporation

513 S. CR 1120 • Riviera, TX 78379

Office 361-297-5253 Fax: 361-297-5355 E-Mail: baffin1@rivnet.com

Manager: Orville Schonefeld

Cell Phone: 361-296-4142

**October 18, 2012**

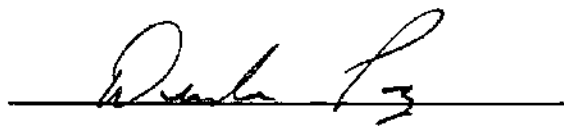
The Board of Directors at the called meeting on October 18, 2012 unanimously approved the following rate schedule to become **effective January 1, 2013**:

### MONTHLY WATER RATES FOR ZERO USAGE

3/4" METER	\$ 40.00
1" METER	\$100.00
1 1/2" METER	\$200.00
2" METER	\$320.00

### THE RATES PER/1,000 GALLONS:

FIRST 20,000 GALLONS	2.75/1,000 GALLONS
NEXT 10,000 GALLONS	2.80/1,000 GALLONS
NEXT 10,000 GALLONS	2.85/1,000 GALLONS
NEXT 10,000 GALLONS	2.90/1,000 GALLONS
OVER 50,000 GALLONS	2.95/1,000 GALLONS



Desiderio Perez

President

Baffin Bay WSC

Date Approved: 10-18-12

APPROVED

11016  
AH?

**BAFFIN BAY WATER SUPPLY CORPORATION**  
**RR 1 Box 26-D**  
**Riviera, Texas 78379**

September 15, 1995

Texas Natural Resource Conservation Commission  
P.O. Box 13087  
Austin, Texas 78711-3087

RE: Baffin Bay Water Supply Corporation Rate change and Tariff update.

Baffin Bay Water Supply Corporation rate changes and tariff updates to be come effective  
October 1, 1995.

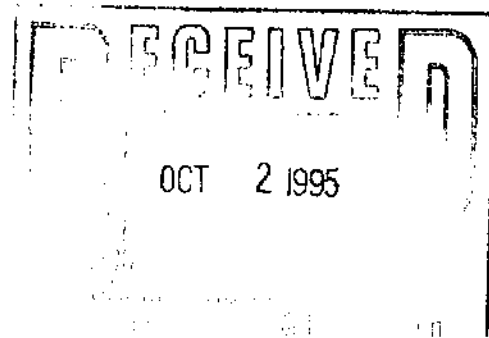
Sincerely,



Gregg Lunaas, President  
Board of Directors

Enclosures

cc: Farmers Home Administration  
cc: Texas Rural Water Association



### 13. Charge Distribution and Payment Application.

a. The Minimum Monthly Charge is applied from meter reading day to meter reading day of the month. Charges may be prorated for service terminations falling during the calendar month. Billings for this amount shall be mailed with the regular billing. All services shall be subjected to this charge whether or not the service is in use by the Member.


b. Gallonage Charge, defined as water usage, shall be billed at the rate specified in Section G, and shall be billed in one thousand (1000) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.

c. Posting of Payments. All payments shall be posted against previous balance prior to posting against current billings.

d. Due Dates, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or about the 30th of the month. All bills shall be due upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid by the past due date. Payments made by mail will be considered late if postmarked after the past due date. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the next past due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods, for current and subsequent billings.

DATE APPROVED

9-14-95  


BBWSC

## 6. Monthly Charges

## a. Minimum Monthly Charges

(1) Water Service - The monthly charge for metered water service is based on demand by meter size. Each charge is assessed based on the number on 5/8" X 3/4" meters( as per American Water Works Association maximum continuous flow specifications) equivalent to the size indicated and is used as a base multiplier for the minimum monthly charge. Rate equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENT	MONTHLY RATE
5/8"X3/4"	1.0	\$ 20.00
3/4"	1.5	\$ 30.00
1"	2.5	\$ 50.00
1 1/2"	5.0	\$100.00
2"	8.0	\$160.00

MINIMUM RATE - All Members are required to pay the minimum monthly rate established by the Board of Directors regardless of metering and usage or non-usage.

TEMPORARY CUSTOMERS - Temporary customers will not be issued Membership Certificates in the Corporation: and are required to observe all rules and regulations applicable to customers.

STUB FEE - The Stub Fee is established by the Board of Directors and shall be applied to all accounts for failure to return the billing stub.

TEMPORARY HIGH VOLUME WATER SERVICE - The Temporary High Volume Water Service rate shall be established by the Board of Directors and shall be determined by the Corporation's ability to provide requested temporary service in the required amount without placing the system on over-loaded operational situation. All rates in this category shall be determined by the Board of Directors prior to the implementation of service and the method of payment shall be predetermined. A Deposit shall be required from the customer requesting the service.

DATE APPROVED

9-14-95

BBWSC



G-4  
 BAFFIN BAY WATER SUPPLY CORPORATION  
 RR 1 BOX 26-D RIVIERA, TX 78379  
 PHONE (512) 297-5253 MOBILE (512) 296-3516

RATE SCHEDULE

The following rate schedule means the amount of water metered per month and the cost per month.

STANDARD CONNECTIONS AND NON -STANDARD CONNECTIONS  
 GALLONS OF USAGE RATE

0	to	20,000	1.30 per/1000
21,000	to	30,000	1.35 per/1000
31,000	to	40,000	1.40 per/1000
41,000	to	50,000	1.45 per/1000
51,000	and above		1.50 per/1000

NON STANDARD CONNECTIONS

METER SIZE	5/8" X 3/4" METER EQUIVALENT	MONTHLY RATE
3/4"	1.5	\$ 30.00
1"	2.5	\$ 50.00
1 1/2"	5.0	\$ 100.00
2"	8.0	\$ 160.00

Mobile Home Parks/Travel	1 - 50 Units	1"	Meter
Trailer Parks/Apartments	51 - 100 Units	1 1/2"	Meter
and Multi-Housing Units	101 - 150 Units	2"	Meter

Monthly rate as per above chart plus \$1.30 per/1000 gallons.

Kaufer-Hubert Memorial Park	101 - 150 Units	2"	Meter
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Monthly rate as per above chart plus \$1.30 per/1000 gallons.

OTHER FEES OR CHARGES	AMOUNT
Membership Fee	\$100.00
Connection Fee	\$750.00 + labor and materials
Restoration of Service	\$ 25.00
Late Monthly Payment Charge	\$ 2.00
Return Check Service Charge	\$ 10.00
Failure to return billing stub with payment	\$ .50

DATE APPROVED

9-14-95

*[Signature]*

BBWSC

# Baffin Bay Water Supply Corp.

RT. 1, BOX 26-D  
RIVIERA, TEXAS 78379

G-4b

ORVILLE SCHONEFELD  
Manager

Phone  
297-5253

August 13, 1992

## IMPORTANT NOTICE

TO: Members of Baffin Bay Water Supply Corporation

REFERENCE: New Board Policy Concerning Member's  
Responsibility

The member shall provide access to the meter and keep it visible at all times for the purpose of reading, installing, checking, repairing, or replacing the meter. Member shall allow Corporation to install a Corporation lock on all locked access gates. Existing gates that are no more than fifty (50) feet from meter are permissible. Any new access gates shall be installed on the property frontage no more than fifteen (15) feet from the meter. (Please have Corporation locate all water lines before digging post holes for new gates.)

Member shall keep gate operable and accessible at all times. If the gate to the Member's premises is locked, or meter cannot be located, thus preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that entrance could not be gained or meter located. Should this remain for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and meter removed with no further notice.

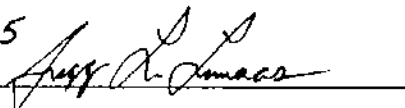
Grass, weeds, and trees need to be cut and trimmed around meters to make them visible and accessible for meter reading, testing, and repairs. This will also keep someone from running over the meter, causing damage to meter, meter box, and service line. Your immediate attention will be appreciated. If this is not done, the Corporation will do the trimming as necessary and a post marker will be put by the meter. The Member will be billed for this service.

Members, if you are checking your meter to see how much water you are using, please keep meter lid and meter box lid closed. This is necessary to protect the meter.

Due to the age of meters and the amount of water that has been used, some meters will need to be checked for accuracy. This testing will be done by the Corporation at Corporation expense.

DATE APPROVED

9-15-95



BBWSC



007 110.5 A1

# Baffin Bay Water Supply Corp.

RT. 1, BOX 26-D  
RIVIERA, TEXAS 78379

ORVILLE SCHONEFELD  
Manager

Phone  
297-5253


January 25, 1995

Texas Natural Resource Conservation Commission  
P.O. Box 13087  
Austin, Texas 78711-3087

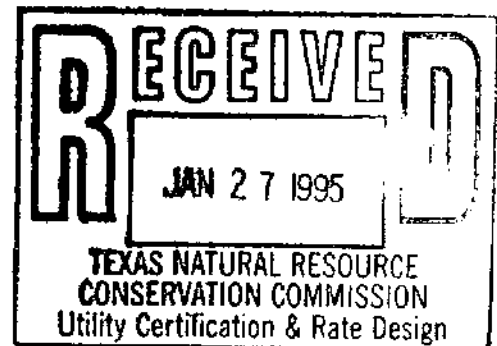
Attention: Albert Holck;

Enclosed is the Revised Baffin Bay Water Supply Corporation  
Water Tariff, dated January 13, 1994.

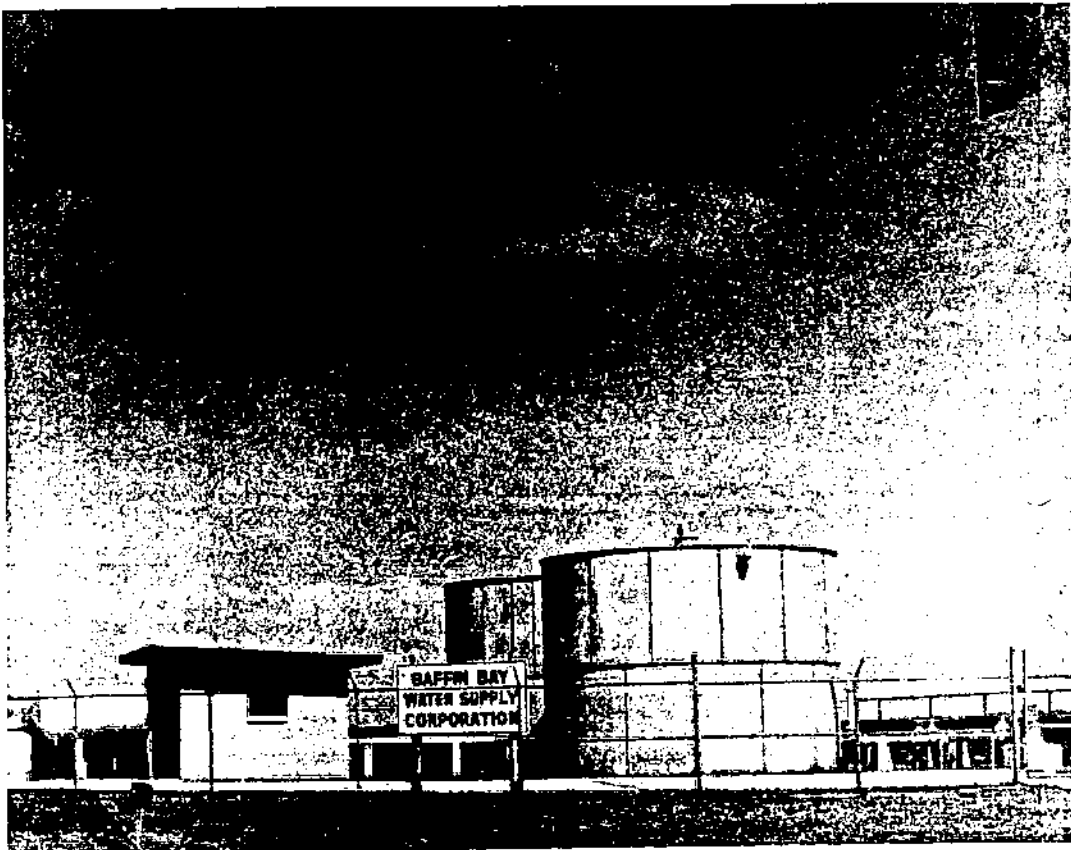
Sincerely,



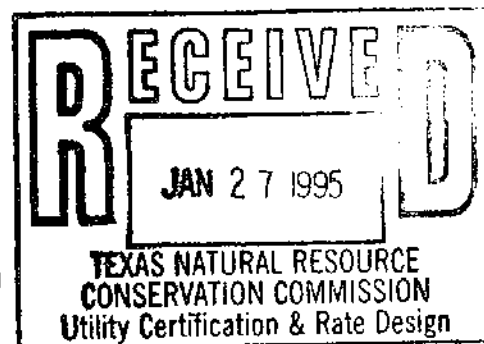
Orville J. Schonefeld  
Manager



# WATER TARIFF



BAFFIN BAY WATER  
SUPPLY CORPORATION  
ROUTE 1, BOX 26-D  
RIVIERA, TEXAS 78379



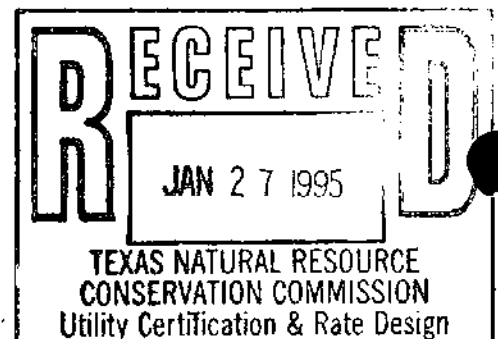
## FOREWORD

The Baffin Bay Water Supply Corporation was founded in the late 1970's to serve the rural communities of Vattmann, Loyola Beach, and Riviera Beach located in the Southeastern part of Kleberg County, Texas.

The Baffin Bay Water Supply Corporation was organized by a group of concerned citizens in the area, to serve the residential, farm, ranch and commercial needs of the Baffin Bay area. Approximately 120 area families applied for service or membership. The group then applied to the Farmers Home Administration for a loan to finance a well, pressure system, storage tanks and a distribution system. Documents were filed with the Tariff Clerk of the Public Utility Commission of Texas on February 23, 1979.

The water system was originally designed for 252 customers and was placed in operation; certain areas of the system were modified and redesigned to accommodate the increased demand or to solve identified operational problems.

The Corporation is currently fiscally solvent, employs two employees, directed by a seven member elected Board of Directors and planning for future needs.



# **TARIFF**

**ADOPTED BY BOARD OF DIRECTORS**

**AT REGULAR MONTHLY MEETING**

**JANUARY 13, 1994**

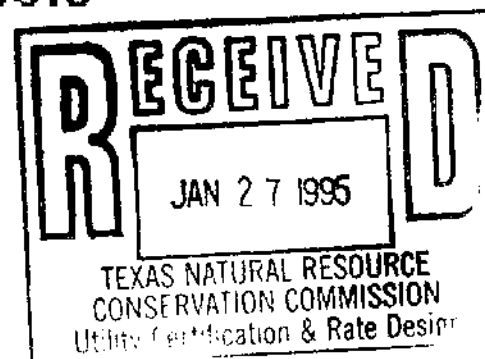
**BAFFIN BAY WATER  
SUPPLY CORPORATION**

**ROUTE 1, BOX 26-D**

**RIVIERA, TEXAS 78379**

**OFFICE 512-297-5216**

**MOBIL 512-296-3516**



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E. SERVICE RULES AND REGULATIONS. . . . .	E
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RESOLVED BY THE BOARD OF DIRECTORS OF THE BAFFIN BAY WATER SUPPLY CORPORATION THAT:

1. This Tariff of BBWSC, serving parts of Kleberg County, consisting of Sections A through H inclusive, is hereby adopted and enacted as the current regulations which shall supersede all policies passed by the Board of Directors before January 13, 1994, to the extent provided in paragraph 2 hereof.

2. No prior agreement executed by the Board of Directors is repealed by any provision contained herein, save and except as provided in the terms of that agreement.

3. The adoption of the provisions of this Tariff shall not affect any offense or act committed or done, or any penalty of forfeiture incurred, or any contract or vested right established or accruing before the effective date of this Tariff.

4. An official copy of this policy shall be available to the Membership of this Corporation during regular office hours of the Corporation. Requests for copies of this Tariff shall be subject to reproduction charges. The manager of the Corporation shall maintain the original copy as approved, and clearly exhibit all additions, deletions, and amendments separately.

5. This Tariff shall take effect immediately upon its approval as provided by law, and according to its terms. Rules and regulations of state and federal agencies having applicable jurisdiction, promulgated under any applicable State or Federal Law, shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected thereby.

PASSED and APPROVED this 13th day of Jan, 1994.

Raesh Yabl  
President, Baffin Bay Water Supply Corporation

SEAL

ATTEST:

Angie L. Jones  
Secretary, Baffin Bay Water Supply Corporation

## SECTION B: STATEMENTS

1. Organization. The BBWSC is a member-owned, non-profit corporation incorporated pursuant to the Water Supply Corporations Act, Article 1434a, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et. seq. (West 1980, Vernon Supp. 1993 as amended) for the purpose of furnishing potable water. Corporation operating policies, rates, Tariffs, and regulations are formulated and effected by a Board of Directors elected by the Members of the Corporation.

2. Non-Discrimination Policy. Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, or marital status.

3. Rules Application. The rules and regulations specified herein apply to the water services furnished by Baffin Bay Water Supply Corporation, also referred to as Corporation or BBWSC. Failure on the part of the Member, Consumer, or Applicant to observe these rules and regulations of the Corporation, after due notice of such failure, automatically gives the Corporation the authority to deny or to discontinue the furnishing of service as provided herein and as may be amended from time to time by the Board of Directors of the Corporation.

4. Corporation Bylaws. The Corporation has adopted bylaws which establish the make-up of the Board of Directors, establish the Membership voting rights, provide for annual and regular meetings, provide for reserve accounts, and establish the rights of the Members and other important regulations of the utility. These bylaws are included by reference herein, as amended from time to time, and are on file for inspection in the Corporation's office.

5. Fire Protection Responsibility. Fire hydrants installed within the Corporation's water distribution system are provided at the convenience of the Corporation and do not imply any responsibility on the part of the Corporation to meet fire flow requirements of local, county, state, or federal governmental agencies. Fire hydrants paid for by individuals or groups of individuals and donated to the Corporation for county volunteer fire department use shall remain in place for such use as "refill only" of fire trucks. The Corporation reserves the right to remove any fire hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or

DATE APPROVED \_\_\_\_\_ JAN 13 1994

BBWSC

compensation to the contributors UNLESS SUCH FIRE HYDRANTS ARE INSTALLED PURSUANT TO THE TERMS OF A NON-STANDARD SERVICE CONTRACT AS PROVIDED UNDER SECTION F, IN WHICH EVENT THE TERMS AND CONDITIONS OF THE CONTRACT SHALL APPLY.

6. Damage Liability. The BBWSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limit of liability of the BBWSC is the extent of the cost of the service provided. By acceptance of Membership, Member consents to waiver of such liability.

7. Information Disclosure. The records of the Corporation shall be kept in the Corporation office in Riviera, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Open Records Act: Article 6252-17a, Tex. Rev. Civ. Stat. (Vernon Pamp, 1992). An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of a utility acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each Member on a list to be made available to the Corporation's voting Members, or their agents or attorneys, in connection with any meeting of the Corporation's Members. The utility shall give its Applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.

8. Customer Notice Provisions. The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all affected Members and/or consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.

JAN 13 1994

DATE APPROVED \_\_\_\_\_

BBWSC



9. Grievance Procedures. Any Member of the Corporation or individual demonstrating interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:

- a. By presentation of concerns to the Corporation's manager or authorized staff member for discussion and resolution. If not resolved to the satisfaction of the aggrieved party then,
- b. By presenting a letter of request for a hearing before the Board of Directors. The letter shall state the individual's desired business before the Board and the desired result.
- c. The President of the Board of Directors shall review the request and determine the best means by which the complaint shall be resolved.
- d. The President shall further determine a reasonable time and place of all hearings, but not beyond 45 days of the date of receipt of the letter of complaint.
- e. The Board of Directors, committee thereof, and/or legal counsel shall hear the complaint as directed by the Board.
- f. Any hearings by committees or staff delegated to hear complaints shall report its recommendation to the full Board for a decision by the Board.
- g. The Board of Directors shall act upon the information available and direct the President or other representative to respond to the complaint by communicating with Board's decision in writing.
- h. Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors. The Board's decision shall be final.

10. Plumbing Standards. The Corporation adopts the Uniform, Southern Standard Plumbing Code as guidance in the design installation, and maintenance of plumbing systems and service facilities connecting or connected to the utility's water facilities, to the extent appropriate under the applicable statutes and regulations governing public water utility systems. Any Member may be required to retrofit plumbing systems and service facilities as determined to be necessary by the Corporation for purposes of compliance with the Uniform/Southern Standard/National Standard Plumbing Code.

JAN 13 1994

DATE APPROVED \_\_\_\_\_

BBWSC

## SECTION C: DEFINITIONS

ACTIVE SERVICE - Service status of any Member receiving authorized water service under the provisions of this Tariff.

APPLICANT - Person, partnership, cooperative corporation, corporation, agency, public or private organization of any character applying for service with the BBWSC.

BOARD OF DIRECTORS - Means the Board of Directors elected by the Membership of the Corporation in accordance with the By-Laws of the Baffin Bay Water Supply Corporation.

BYLAWS - The rules pertaining to the governing of the BBWSC adopted by the Corporation Members.

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) - The authorization granted under chapter 13 of the Texas Water Code for BBWSC to provide water utility service within a defined territory. BBWSC has Certificate Number 11016. Territory defined in the CCN shall be the Certified Service Area.

CORPORATION - Baffin Bay Water Supply Corporation (BBWSC), Route 1, Box 26-D, Riviera, Texas 78379. Office phone number (512) 297-5216. Mobil phone number (512) 296-3516.

DISCONNECTION OF SERVICE - The locking or removal of a water meter to prevent the use of water by a Member/Consumer.

EASEMENT - A private perpetual dedicated right-of-way for the installation of water pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, and/or installation of additional pipelines.

FmHA - Abbreviation for Farmers Home Administration, an agency of the U. S. Department of Agriculture, providing loan and grant funds for development of rural water systems serving communities with a population of less than ten thousand (10,000) people. [Includes succeeding agencies such as the Rural Development Administration.]

FINAL PLAT - A complete and exact plan for the subdivision of a tract of land into lots for marketing which has been approved by all regulatory agencies having jurisdiction over approval of the design, planning, and specifications for the facilities of such subdivision. The BBWSC shall determine if a plat submitted for the purposes of this Tariff shall qualify as a final plat.

DATE APPROVED JAN 13 1994

BBWSC

FRONT-END CAPITAL CONTRIBUTION - A fee assessed of new Applicants for water service for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet the customer growth needs of the Corporation. This fee is charged for each meter equivalent or Service Unit for which service has been requested.

HAZARDOUS CONDITION. A condition which jeopardizes the health and welfare of the Member/Consumers of the Corporation as determined by the Corporation or regulatory authority.

INDICATION OF INTEREST FEE - A fee paid by a potential Member of the Corporation for the purpose of aiding the FmHA and Corporation officials in determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. Upon such conversion, the Applicant may then further qualify as a Member and shall become a Member of the Corporation upon receipt of a Membership certificate.

LIQUIDATED MEMBERSHIP - A Membership which has been cancelled due to delinquent charges exceeding the Membership or for other reasons as specified in this Tariff. Service shall not be provided to any person whose Membership Fee has been liquidated until a new Membership Fee has been paid and all other applicable requirements for service as provided in this Tariff have been satisfied.

MEMBER - Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and Membership in accordance with the Corporation's Tariff.

MEMBERSHIP FEE - A fee qualified as such under the terms of the Tariff and bylaws of the Corporation. The Membership fee will not be refunded upon termination of service and Membership.

MEMBERSHIP CERTIFICATE - A stock certificate purchased from the Corporation evidencing a Member's interest in the Corporation.

MINIMUM MONTHLY CHARGE - The term Minimum Monthly Charge is used to define the monthly charge assessed each Member of the Corporation utilizing service of each Member who has the opportunity to utilize service via a metering device installed by the Corporation.

DATE APPROVED \_\_\_\_\_ JAN 13 1994

BBWSC

PERSON - Any natural person, partnership, cooperative corporation, association, private corporation, agency, or public or private organization of any character.

RENTER - A consumer who rents property from a Member and may otherwise be termed a lessee or tenant.

RE-SERVICE - Providing service to an Applicant at a location for which service previously existed, but where Membership Fee has been liquidated and now requires the fitting of metering device into an existing setting and possibly requiring modifications to the setting in order to restore service. Costs of such re-servicing shall be based on justifiable and reasonable costs to the Corporation for restoration of service.

SERVICE CLASSIFICATION - A type of service which warrants a specific charge for service based on specific criteria such as usage, meter size, demand, type application, etc. as determined by the Corporation upon evaluation of the service requirement of the Applicant or Member.

SERVICE APPLICATION AND AGREEMENT - A written agreement between the Member/Applicant and the Corporation outlining the responsibilities of each party regarding the service of water.

SERVICE UNIT - The base unit of service used in facilities design and rate making. For the purposes of this Tariff, a service unit is the 5/8" X 3/4" water meter.

SURRENDERED MEMBERSHIP - A Membership in which service has been discontinued upon request of the Member and all indebtedness due the Corporation has been paid in full.

TARIFF - The Corporation's published rates, fees, and conditions of service.

TRANSFeree - An Applicant receiving a BBWSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights to Membership to another person or entity.

TRANSFEROR - A Member who transfers Membership by legal means to another person or entity desiring to qualify for service to a property for which the Membership is currently issued or to the Corporation.

DATE APPROVED JAN 13 1994

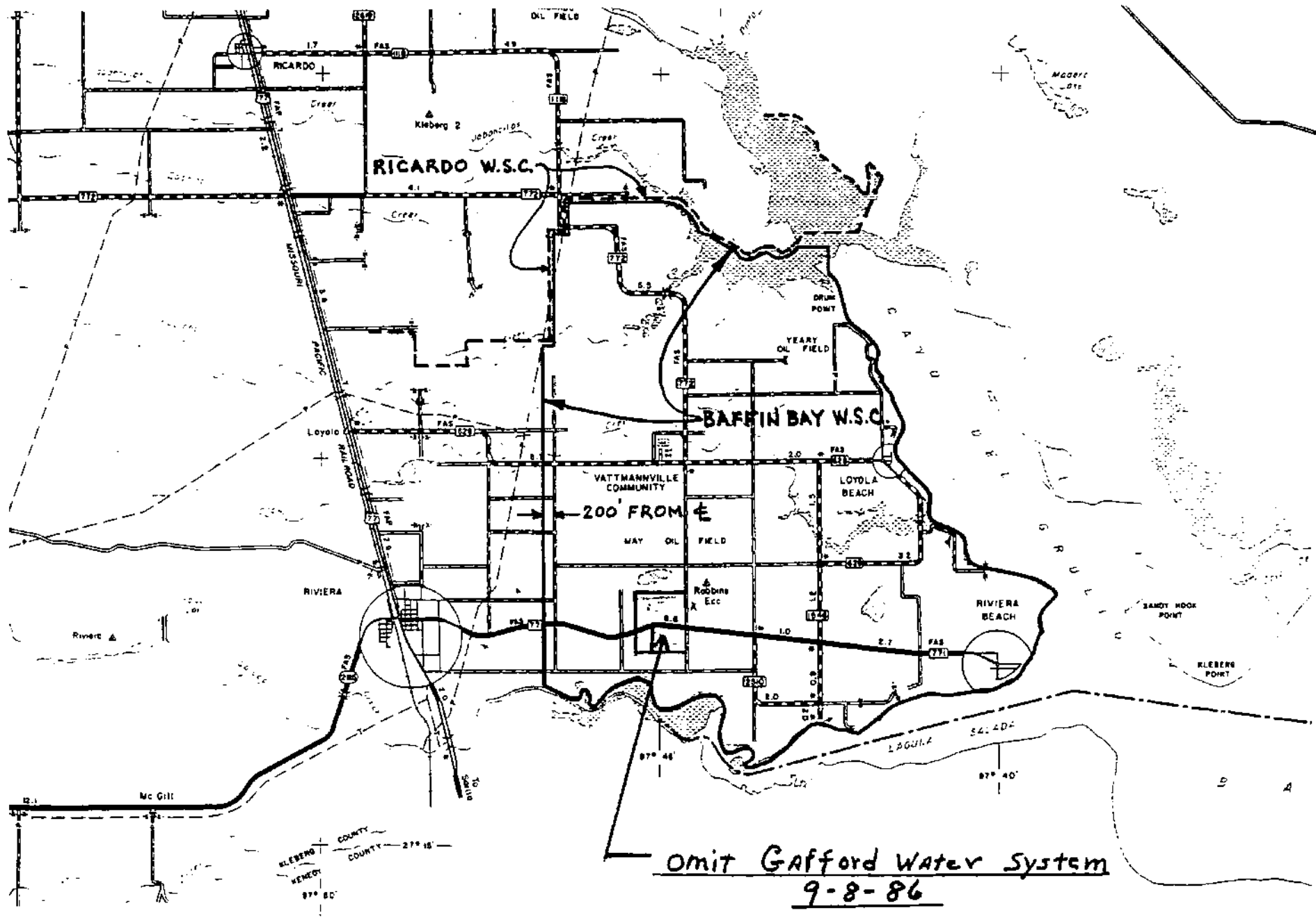
BBWSC

## Section D

# GEOGRAPHIC AREA SERVED

THIS SECTION INCLUDES AN AREA MAP WHICH SHOWS THE  
CORPORATION CERTIFICATED SERVICE AREA: includes  
the rural communities commonly known as Vattmann,  
Loyola Beach, Riviera Beach, and the adjoining  
Baffin Bay area of the Southeastern part of  
Kleberg County, Texas

DATE APPROVED JAN 13 1994 BBWSC



GEOGRAPHIC AREA SERVED

DATE APPROVED JAN 13 1994 BBWSC

K E N E D Y C O

## SECTION E: SERVICE RULES AND REGULATIONS

1. Service Entitlement. An Applicant shall be considered fully qualified and entitled to water utility service when proper application has been made, terms and conditions of SERVICE AND MEMBERSHIP have been met and continue to be met, and all fees have been paid as prescribed by this Tariff.

2. Application Procedures and Requirements. For the purposes of this Tariff, service requested by an Applicant and provided by the Corporation shall be divided into the following two (2) classes:

a. Standard Service is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include only a 5/8 " X 3/4 " to 3/4 " sized water meter services set on existing pipelines.

b. Non-Standard Service is defined as any service applied for which is not Standard Service. In addition to the following requirements for service, service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to the extension of such pipelines, and/or service facilities.

c. Requirements for Standard and Non-Standard Service

(1) The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant.

(2) A Right-of-Way Easement Form, sanitary control easement or other such easement forms, approved by the Corporation, must be completed by the Applicant for the purpose of allowing future extensions or facility additions to improve or provide service to future Applicants. NOTE: This requirement may be delayed for Non-Standard Service requests.

DATE APPROVED JAN 13 1994

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(3) The Corporation shall consider master metering of multiple units for an Applicant's request provided the total number of units to be served are all:

(a) owned by the same person, partnership, cooperative, corporation, agency, public or private organization of any character but not including a family unit,

(b) inaccessible to public right-of-way and

(c) considered a commercial enterprise i.e. for business, rental, or lease purposes.

(4) All Service Applications approved and cost of service fees quoted by the Corporation shall be presented to the Applicant in writing and shall stand approved at quoted costs for a period not to exceed thirty (30) days. After thirty (30) days, each Applicant shall re-apply for service under the terms of this Tariff.

(5) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purposes of installing the water main and appurtenances, and the Corporation has documentation of such refusal on file, the Applicant, prior to receiving the requested service, shall grant easement to the Corporation.

### 3. Activation of Standard Service.

a. New Tap - The Corporation shall charge a non-refundable service installation fee as required under Section G of this Tariff. The service installation fee shall be quoted in writing to the Applicant. All other fees shall be paid in advance of installation or in advance of reservation of service capacity including, as applicable, the Membership Fee, any Easement Fees, and the Front-end Capital Contributions as required under Section G of this Tariff.

b. Re-Service - On property where service previously existed, the Corporation shall charge the Membership Fee and labor and material costs necessary to restore service. This fee shall be cost-based.

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- c. Performance of Work - After all applicable fees are paid and approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or the Corporation's designated representative.
- d. Inspection of Customer Service Facilities - The Corporation staff or its designated representative shall inspect all customer service facilities before and periodically after the tap is made to insure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems as promulgated by the Texas Water Natural Resource Conservation Commission or successor agency, applicable plumbing codes, and utility construction standards.

4. Activation of Non-Standard Service.

- a. Activation of Non-Standard Service shall be conducted as prescribed by terms of Section F of this Tariff.
- b. Re-Service - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests.

5. Changes in Service Classification. If at any time the Corporation determines that the customer service needs change from those needs originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnect with Notice Provisions of this Tariff, Sub-Section 15.a.

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## 6. Membership.

- a. Eligibility - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership ability for new Applicants or continued Membership for Membership Transferees.
- b. Membership Certificates - Upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall issue a Membership Certificate to the Applicant. The Membership Certificate provides proof of Membership in the Corporation and shall entitle the Applicant/Member to one (1) connection to the Corporation's water main and one (1) share of Corporation stock. The Membership Certificate also entitles the Member to one (1) vote in the conducting of the affairs of any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. An original or a copy of each Membership Certificate shall be held on file in the Corporation office. Ownership of more than one (1) Membership Certificate shall not authorize the Member to cast more than one (1) vote at any annual or special meeting.

Each Membership Certificate and stock thereby represented shall be assigned to the specified parcel of land originally designated to receive service at the time of application.

NOTE: In the event that the Corporation is conducting a potential Members survey for indications of interest in future water service for the purpose of determining the feasibility of an initial construction or expansion project under FmHA guidelines (See Sample Application Packet FmHA Form 442-1, Membership Survey Data Sheet), regular application procedures may be modified. An Indication of Interest Fee may be required prior to qualifications for receipt of service by the Applicant but shall only be used or applied as a Membership Fee for Membership purposes (upon issuance of a Membership Certificate) if water service is ultimately received or reserved by the Applicant as a result of the planned project facilities. If service is not provided within the scope of this project, Indication of Interest Fees shall be refunded, less expenses, within sixty (60) days of the loan closing with FmHA.

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## c. Transfers of Membership.

(1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:

(a) The Membership is transferred by will to a person related to the Transferor within the second degree of consanguinity; or

(b) The Membership is transferred without compensation to a person related to the Transferor within the second degree of consanguinity; or

(c) The Membership is transferred as a part of conveyance of real estate from which the Membership arose.

(d) Such transfers of Membership shall be requested by letter from the Member to the board, and no charge will be incurred by either the Member or the Corporation.

(2) In the event that Membership is transferred pursuant to the provisions of Sub-Section 6.c.(1) such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall not be binding on the Corporation until such transfer has been approved as provided by Sub-Section 6.c.(3).

(3) Qualifications for water service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(2) shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:

(a) A Transfer Authorization Form has been completed by the Transferor and Transferee;

(b) The Transferee has completed the required Application Packet;

(c) All indebtedness due the Corporation has been paid;

(d) The Membership Certificate has been surrendered, properly endorsed, by the record Transferor; and

(e) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.

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d. Cancellation of Membership - To keep a Membership in good standing, a minimum charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee. A Member may be relieved of this obligation to pay by surrendering the Membership Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form, prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section 3.a. of this Tariff.

e. Liquidation Due to Delinquency - When the amount of the delinquent minimum monthly charges, gallonage charges, penalties, and service Fees owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership cancelled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of the Service Application and Agreement, and the delinquent Member owns more than one Membership certificate, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (see section E, Sub-section 15.1.[4]). The Corporation shall collect any remaining account balances through appropriate means. Reinstatement of service shall be subject to the terms of the Activation of Service Sub-Section 3.a. of this Tariff.

f. Cancellation Due to Policy Non-Compliance - The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose.

g. Re-assignment of Cancelled Membership - The Corporation may, upon cancellation of Membership under the provisions of this tariff, re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose.

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h. Mortgaging of Memberships - Nothing herein shall preclude a Member from mortgaging his Memberships. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement (See Misc. Transaction Forms). Prior to the cancellation of any Membership as provided under Sub-Section 6.d. (Cancellation of Membership), the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.

7. Owners and Renters. Any BBWSC Member renting or leasing property to other parties is responsible for all charges due the Corporation in the event a renter or lessee leaves the Corporation with any unpaid bills. The Corporation will bill the renter or lessee for service as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. (See Misc. Transaction Forms.) The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges.

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8. Denial of Service. The Corporation may deny service for the following reasons:

a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;

b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;

c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/users of the Corporation upon connection;

d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property for which water service has been requested when there is reason to believe that a hazardous condition may exist for which access is necessary to verify;

e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation on file with the state regulatory agency governing the service applied for by the Applicant;

f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or

g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.

h. If the Applicant or Transferee refuses to make a deposit.

9. Applicant's or Transferee's Recourse. In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, of the basis of its refusal, and the Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.

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10. Insufficient Grounds for Refusal of Service. The following shall not constitute sufficient cause for the refusal of service to an Applicant:

a. Delinquency in payment for service by a previous occupant of the premises to be served;

b. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;

c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;

d. Failure to pay bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;

e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill;

f. Failure to pay for the restoration of a tap removed by the utility at its option or removed as the result of tampering or delinquency in payment by a previous customer;

g. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

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### 13. Charge Distribution and Payment Application.

a. The Minimum Monthly Charge is applied from meter reading day to meter reading day of the month. Charges may be prorated for service terminations falling during the calendar month. Billings for this amount shall be mailed with the regular billing. All services shall be subject to this charge whether or not the service is in use by the Member.

b. Gallonage Charge, defined as water usage in excess of any water allotment, if included, in the Minimum Monthly Charge, shall be billed at the rate specified in Section G, and shall be billed in one thousand (1000) gallon increments. Water charges for usage exceeding the monthly allotment are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.

c. Posting of Payments. All payments shall be posted against previous balances prior to posting against current billings.

14. Due Dates, Delinquent Bills, and Service Disconnection Date. The Corporation shall mail all bills on or about the 30th of the month. All bills shall be due upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid by the past due date. Payments made by mail will be considered late if postmarked after the past due date. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U. S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the next past due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings.

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## 15. Rules for Disconnection of Service.

a. Disconnection With Notice - After proper notification has been given, water utility service may be disconnected for any of the following reasons:

(1) Returned Checks - In the event a check, draft, or other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the Corporation may mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms may initiate disconnection of service.

Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12 month period may be considered evidence of bad credit risk by the Corporation. The Member/customer in violation may be placed on a "cash only" basis for a period of 12 months.

(2) Failure to pay a delinquent account for utility service.

(3) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;

(4) Failure of the Member to comply with the terms of the Corporation's service agreement, Tariff, bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.

(5) Failure to provide access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.

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(6) Misrepresentation by any Applicant or Transferee or any fact on any form, document, or other agreement required to be executed by the Corporation.

(7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.

b. Disconnection Without Notice - Water utility service may be disconnected without notice for any of the following conditions:

(1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the hazardous condition.

(2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and

(3) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.

Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefor shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

c. Disconnection Prohibited - Utility service may not be disconnected for any of the following reasons:

(1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;

(2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;

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(3) Failure of the Member to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;

(4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;

(5) Failure of the Member to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due to meter error under the Inoperative Meters subsection E.15.19. of this Tariff.

(6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control;

(7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.

d. Disconnection on Holidays and Weekends - Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.

e. Disconnection Due to Utility Abandonment - The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Water Natural Resource Conservation Commission.

f. Disconnection for Ill and Disabled - The Corporation may not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit with the Member established that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this sub-section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the Corporation and Member's physician.

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g. Disconnection of Master-Metered Services - When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units) the following shall apply:

(1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants off the service complex in ten (10) days if payment is not rendered before that time.

(2) The tenants may pay the Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.

16. Billing Cycle Changes. The Corporation reserves the right to change its billing cycles if the work load requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.

17. Back-billing. The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service and the reestablishment of credit. Back-billing shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.

18. Disputed Bills. In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Member. All disputes under this Sub-Section must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h.

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19.. Inoperative Meters. Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

20. Bill Adjustment Due to Meter Error. The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of the American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided under Sub-Section 6.h. The billing adjustment shall be made to the degree of the meter's accuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test. (See Misc. Transaction Forms.)

21. Meter Tampering and Diversion. For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's meter or equipment, by-passing the same, or other instances of diversion, such as removing a locking or shut-off device used by the Corporation to discontinue service, physically disorienting the meter, attaching objects to the meter, and other electrical and mechanical means of tampering with, by-passing, or diverting service. The burden of proof of meter-tampering, by-passing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering as provided in these Sections is initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code 28.03.

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22. Meter Relocation. Relocation of meters/taps shall be allowed by the Corporation provided that:

a. The meter is relocated on the same piece of property.

b. No transfer of Membership is involved;

c. An easement for the proposed location has been granted to the Corporation;

d. The Member pays the actual cost of relocation plus administrative fees, and

e. Service capacity is available at proposed location.

23. Prohibition of Multiple Connections to a Single Tap. In order that the Corporation may maintain adequate records of the actual number of users on its system to assure compliance with Texas Department of Health Rules and Regulations on minimum service standards, to ensure that the Corporation's metering device is adequately sized for proper flow and accurate measurement of water used, all connections of any dwelling, household, business, and/or water-consuming establishment currently receiving or planning to receive water service, either directly or indirectly from the Corporation's water system, shall individually apply for service under the rules of this tariff. Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this tariff.

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## 24. Member's Responsibility.

a. The Member shall keep the meter visible at all times and shall provide access to the meter at all reasonable times for the purpose of reading, installing, checking, repairing, or replacing the meter. If fenced, a gate shall be provided within 15 ft. of meter. Member shall provide a key to locked gates. If the gate to the Member's premises is locked, preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that entrance could not be gained and that a key should be furnished or the gate unlocked for each reading period. Should the gate remain locked for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice.

b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.

(1) All connections shall be designed to ensure against back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough.

(2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum SDR-26 PVC pipe.

Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected.

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c. A Member owning more than one (1) Membership certificate shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.

d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.

e. The Corporation shall require each Member to provide a cut-off valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges.

f. If the Corporation has to work on a Member's connection and there is no cut-off valve, the Corporation will install a valve for the Member and the Member will be billed for this service, payable with the next month's water bill.

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## SECTION F: NON-STANDARD SERVICE REQUIREMENTS

1. Corporation's Limitations. All Applicants shall recognize that the Corporation must comply with the local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness.

2. Purpose. The purpose of this Section is to govern agreements and service procedures for subdivisions, additions to subdivisions, or developments where service to more than one tract is necessary; and/or additional piping, service facilities, etc. are required to accommodate individual, multiple, commercial, or industrial Applicants. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard.

3. Application of Rules. This Section may be altered or suspended when applied to planned facility expansions for which the Corporation extends its indebtedness. The board of directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.

4. Non-Standard Service Application. The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation.

a. The Applicant shall provide the Corporation a completed Service Application and Agreement giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.

b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all regulatory authorities having jurisdiction over lot sizes, sewage control, drainage right-of-way, and other service facilities. Plans, specifications, and special requirements of such regulatory authorities shall be submitted with the plat. Applicants for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.

c. At the time the Applicant tenders the application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal, and engineering fees shall be paid to the Corporation. The balance of actual expenses shall be refundable to the Applicant and any additional expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant shall be paid by the Applicant.

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d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the Corporation's Certificated Service Area of Public Convenience and Necessity, service may be extended provided that:

(1) The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area of Public Convenience and Necessity;

(2) The service location is not in an area receiving similar service from another utility; and

(3) The service location is not within the Area of Public Convenience and Necessity of another similar utility.

5. Design. The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:

a. The Corporation's Consulting Engineer shall approve all service facilities for the Applicant's requested service.

b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided however, that the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the Applicant's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.

c. Upon request by the Board of Directors, the Consulting Engineer shall submit to the Corporation a set of detailed plans, specifications, and cost estimates for the project.

d. If no local authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall approve all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands, provided however, that the Corporation pays the expense of such upgrading above the Applicant's facility requirements.

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6. Non-Standard Service Contract. All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation's Attorney, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:

a. Definition of all costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.

b. Definition of procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.

c. Definition of Front-end Capital Contributions required by the Corporation in addition to the other costs required under this Section.

d. Definition of terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Front-end Capital Contributions.

e. Definition of terms by which the Corporation shall administer the Applicant's project with respect to:

- (1) Design of Applicant's service facilities;
- (2) Execution of the Service Agreement;
- (3) Dispensing advanced funds for construction of facilities required for the Applicant's service;
- (4) Inspecting construction of facilities; and
- (5) Testing facilities and closing the project.

h. Definition of terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connection with the project contemplated.

i. Definition of terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.

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j. Definition of terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.

k. Definition of terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.

7. Property and Right-of-Way Acquisition. With regard to construction of facilities, the Corporation shall require private right-of-way easements on private property as per the following conditions:

a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant to secure easements or title to facility sites in behalf of the Corporation. All right-of-way easements and property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.

b. All facilities required to be installed in public right-of-ways in behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways or subject to the cost of installation under state condemnation procedures, whichever is most desired by the Applicant.

c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site facilities.

d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.

DATE APPROVED \_\_\_\_\_

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8. Bids for Construction. Upon request by the Board of Directors, the Corporation's Consulting Engineer shall advertise for bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest and best bidder in accordance with the following criteria:

- a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in advance of construction associated with the project;
- b. The Contractor shall, upon request by the Board of Directors, provide an adequate bid bond under terms acceptable to the Corporation;
- c. The Contractor shall, upon request by the Board of Directors, secure adequate performance and payment bonding for the project under terms acceptable to the Corporation.
- d. The Contractor shall, upon request by the Board of Directors, supply favorable references acceptable to the Corporation;
- e. The Contractor shall, upon request by the Board of Directors, qualify with the Corporation as competent to complete the work; and
- f. The Contractor shall, upon request by the Board of Directors, provide adequate certificates of insurance as required by the Corporation.

9. Pre-Payment for Construction and Service. After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract.

#### 10. Construction.

a. All road work pursuant to county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.

b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure that Corporation standards are achieved.

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c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.

DATE APPROVED       JAN 13 1994      

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## 11. Requirements for Non-Standard Service Application:

- a. Manager will meet with Applicant and discuss application;
- b. Manager will estimate total cost of project including Engineering in accordance with generally accepted practices of BBWSC;
- c. Manager will submit proposal to the Board of Directors and Applicant;
- d. Upon approval of Engineers, Board of Directors, and Applicant, the final application and Service Agreement shall be completed;
- e. After the Applicant has executed the Service Agreement, the Applicant shall pay to the Corporation all costs necessary for completion of the project prior to construction and in accordance with the terms of the Service Contract;
- f. If Applicant does not approve project as submitted by Manager and upon request by the Board of Directors, the project will be submitted to the Corporation Consulting Engineers to draw up plans and specifications and advertise for bids for construction of the Applicant's proposed project.
- g. The Applicant shall be responsible for any additional expenses incurred as a result of efforts by the Corporation to complete this project.

DATE APPROVED

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## SECTION G: RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as herein stated shall be non-refundable.

1. Service Investigation Fee. The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-standard. An investigation shall then be conducted and the results reported under the following terms:

a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.

b. All Non-Standard Service requests shall be subject to a fee, unique to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant, to provide cost estimates of the project, to present detailed plans and specifications as per final plat, to advertise and accept bids for the project, if applicable, to present a Non-Standard Service Contract to the Applicant and to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)

2. Membership Fee. At the time the application for service is approved, a non-refundable Membership Fee must be paid before service shall be provided for the Applicant by the Corporation.

(The Membership Fee for water service is \$100.00 for each service unit.)

3. Easement Fee. When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant.

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4. Installation Fee. The Corporation shall charge an installation fee for service as follows:

a. Standard Service shall include all current labor, materials, engineering, legal, plumbing inspection, and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as service is requested and installed.

b. Non-Standard Service shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.

c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E.1.c.(6) of this Tariff.

5. Front-End Capital Contributions. In addition to the Membership Fee, each Applicant shall be required to contribute capital in an amount of the Connection Fee (\$750.00) to defray the cost of up-grading system facilities to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing service on a per service unit residential meter equivalent basis for each tap and shall be assigned and restricted to the tap for which the service was originally requested.

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DATE APPROVED \_\_\_\_\_

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## 6. Monthly Charges.

## a. Minimum Monthly Charges

(1) Water Service - The monthly charge for metered water service including allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8 " X 3/4 " meters (as per American Water Works Association maximum continuous flow specifications) equivalent to the size indicated and is used as a base multiplier for the minimum monthly charge and allowable gallonage. Rates, equivalents, and allowable gallonages are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	ALLOWABLE GALLONAGE	MONTHLY RATE
5/8 " X 3/4 "	1.0	2,000	\$20.00
3/4 "	1.5	3,000	\$30.00
1 "	2.5	5,000	\$50.00
1 1/2 "	5.0	10,000	\$100.00
2 "	8.0	16,000	\$160.00

MINIMUM RATE - All Members are required to pay the minimum monthly rate established by the Board of Directors regardless of metering and usage or non-usage. Each Member is entitled to minimum service of 2,000 Gallons per month, non-cumulative.

TEMPORARY CUSTOMERS - Temporary customers will not be issued Membership Certificates in the Corporation; and are required to observe all rules and regulations applicable to customers.

STUB FEE - The Stub Fee is established by the Board of Directors and shall be applied to all accounts for failure to return billing stub with payment.

TEMPORARY HIGH VOLUME WATER SERVICE - The Temporary High Volume Water Service rate shall be established by the Board of Directors and shall be determined by the Corporation's ability to provide requested temporary service in the required amount without placing the system in an over-loaded operational situation. All rates in this category shall be determined by the Board of Directors prior to the implementation of service and the method of payment shall be predetermined. A deposit shall be required from the customer requesting the service.

DATE APPROVED Jan 13 1994

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**BAFFIN BAY WATER SUPPLY CORPORATION**  
**RR 1 BOX 26-D RIVIERA, TX 78379**  
**PHONE (512) 297-5253 MOBIL (512) 296-3516**

**RATE SCHEDULE**

The following rate schedule means the amount of water metered per month and the cost per month

**STANDARD CONNECTION 5/8" X 3/4" METER**

GALLONS OF USAGE	RATE
0-2000	\$20.00 (MINIMUM CHARGE)
EACH ADDITIONAL 1000	\$1.30 PER THOUSAND

**NON-STANDARD CONNECTION**

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	ALLOWABLE GALLONAGE	MONTHLY RATE
3/4 "	1.5	3,000	\$30.00
1"	2.5	5,000	\$50.00
1 1/2 "	5.0	10,000	\$100.00
2"	8.0	16,000	\$160.00

Mobil Home Parks/Travel  
Trailer Parks/Apartments  
and Multi-Housing Units

Monthly minimum charge of  
\$20.00 for 2000 gals. plus  
\$2.05 per/1000 gals. after  
the minimum

Kaufer-Hubert Memorial  
Park - One 2" Meter

Monthly minimum charge of  
\$54.00 for 6000 gals. plus  
\$2.05 per/1000 gals. after  
the minimum

OTHERS FEES OR CHARGES	AMOUNT
Membership Fee	\$100.00
Connection Fee	\$750.00 + labor and materials
Restoration of Service	\$25.00
Late Monthly Payment Charge	\$2.00
Return Check Service Charge	\$10.00
Failure to return billing stub with payment	\$ .50

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The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent (0.5%) of the charge for retail water. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this Tariff.

Late Payment Fee. A penalty of \$2.00 per billing period shall be made on delinquent bills. This late payment penalty shall be applied to the unpaid balance.

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10. Returned Check Fee. In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$10.00.

11. Reconnect Fee. The Corporation shall charge a fee of \$25.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under E.S.b. (Re-service.)

12. Equipment Damage Fee. If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be assessed equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs of all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence of unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.

14. Customer History Report Fee. A fee of \$5.00 shall be charged to provide a copy of the Member's record of past water purchases in response to a Member's request for such a record.

15. Meter Test Fee. The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of \$25.00 may be imposed on the affected account, upon the second requested test.

DATE APPROVED \_\_\_\_\_

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16. Membership Certificate Copy Fee. A fee of \$2.00 may be charged to provide a duplicate copy of the Membership Certificate.

17. Information Disclosure Fee. All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Open Records Act: Article 6252-17a.

18. Other Fees. All services outside the normal scope of utility operations which the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.

JUL 13 1958

DATE APPROVED \_\_\_\_\_

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## SECTION H: EMERGENCY RATIONING PROGRAM

The following water rationing program is adopted for emergency usage only during periods of acute water shortage.

1. Declaration of Emergency. When a system demand exceeds production or storage capability measured over a twenty-four (24) hour period, and refilling the storage facilities is rendered impossible, the Corporation may declare an emergency to exist, and thereafter ration water in the following manner.

2. Notice Requirements. Written notice of the proposed rationing shall be mailed or delivered to each affected Member seventy-two (72) hours before the Corporation actually starts the program, and shall also be placed in a local newspaper. The Member notice shall contain the following information:

- a. The date rationing shall begin;
- b. The date rationing shall end;
- c. The stage (level) of rationing to be employed;
- d. A copy of this rationing authority; and
- e. Affected area to be rationed.

3. Emergency rationing due to a storm will be at the discretion of the Board of Directors and may not allow time for written notice.

4. Stage Levels of Rationing

a. STAGE I (Mild Rationing Conditions) - Alternate day usage of water for outdoor purposes such as lawns, gardens, car washing, etc. The provisions for alternate day use shall be specified by the Corporation in the written notice.

b. STAGE I-A (Limited Water Usage) - The Corporation may limit water usage to a gallonage determined by the water plant's mechanical capability to provide continuous service in direct proportion to the loss of production/re-fill capability at a plant where no back-up facilities are available to remedy the shortage, prorated over all Members served by the water plant. Water restrictors may be installed for Members that exceed the limited gallonage determined by the system's mechanical capability. A flow restrictor shall be installed at the Member's expense (not to exceed actual costs.) Tampering with the flow restrictor will result in water service termination for seven (7) days. The normal Reconnection Fee of the Corporation shall apply for restoration of service. The maximum number of gallons per meter per month shall be contained in the notice to each Member.

c. STAGE II (Moderate Rationing Conditions) - All outdoor water usage is prohibited; however, usage for livestock is exempt.

DATE APPROVED JAN 13 1936

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d. STAGE III (Severe Rationing Conditions) - All outdoor water usage is prohibited; livestock may be exempted by the Corporation. All consumption shall be limited to each member in one of the following ways:

(1) A fixed percentage of each Member's average use in the prior month, the percentage to be uniformly applied on a system-wide basis, each Member being notified of this percentage amount, or

(2) A maximum number of gallons per meter (Member) per week, with notice to each Member of this number.

Total percentages under item 1 or maximum number of gallons under item 2 above shall be calculated not to exceed 80% of the system's current production/re-fill capability for the area being rationed.

#### 5. Violation of Emergency Rationing Rules.

a. First Violation - The Corporation may install a flow restrictor in the line to limit the amount of water which will pass through the meter in a twenty-four (24) hour period. The cost to be charged to the Member's account shall be the actual installed cost to the Corporation.

b. Subsequent Violations - The Corporation may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal service fee of the Corporation shall apply for restoration of service.

5. Exemptions or Variances From Rationing Rules. The Board of Directors may grant any Member an exception or variance from the uniform rationing program, for good cause. The Corporation shall treat all Members equally concerning exemptions and variances, and shall not employ discrimination in such grants.

6. Rates. All existing rate schedules shall remain in effect during the rationing period, and no charges may be levied against a Member which are not contained in the approved Tariff of the Corporation.

The purpose of this Emergency Rationing Program is to conserve the total amount of water demanded from the Corporation until supply can be restored to normal levels. This rationing program shall not exceed sixty (60) days without extension by the Board of Directors.

DATE APPROVED       JUL 13 1964      

BBWSC



## SERVICE APPLICATION AND AGREEMENT

Date Approved \_\_\_\_\_  
Service Classification \_\_\_\_\_  
Cost \_\_\_\_\_  
Work Order Number \_\_\_\_\_  
Eng. Update \_\_\_\_\_  
Account Number \_\_\_\_\_

APPLICANT'S NAME \_\_\_\_\_

CO-APPLICANT'S NAME \_\_\_\_\_

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

PHONE NUMBER - Home ( ) Work ( )

PROOF OF OWNERSHIP PROVIDED BY \_\_\_\_\_

DRIVER'S LICENSE NUMBER OF APPLICANT

**LEGAL DESCRIPTION OF PROPERTY** (Include name of road, subdivision with lot and block number)

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring Membership)

ACREAGE                      HOUSEHOLD SIZE \_\_\_\_\_

NUMBER IN FAMILY \_\_\_\_\_ LIVESTOCK &amp; NO. \_\_\_\_\_

SPECIAL SERVICE NEEDS OF APPLICANT: \_\_\_\_\_

**NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.**

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

☐ WHITE    ☐ BLACK    ☐ AMERICAN INDIAN OR ALASKAN NATIVE    ☐ HISPANIC    ☐ ASIAN OR PACIFIC ISLANDER    ☐ OTHER (SPECIFY)

☐ MALE  
☐ FEMALE

## SERVICE APPLICATION AND AGREEMENT (CONT'D)

AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between BAFFIN BAY WATER SUPPLY CORPORATION, a Corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and \_\_\_\_\_, (hereinafter called the Applicant and/or Member)

Witnesseth:

The Corporation shall sell and deliver water service to the Applicant and Applicant shall purchase water service from the Corporation in accordance with the Bylaws and Tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new or continued Membership as a Transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this Agreement.

The Board of Directors shall have the authority to cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service.

If this agreement is completed for the purpose of assigning utility service as part of a rural domestic water system loan project contemplated with the Farmers Home Administration, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining

a. the number of taps to be considered in the design and  
b. the number of potential ratepayers considered in determining the financial feasibility of constructing either  
(1) a new water system or  
(2) expanding the facilities of an existing water system,  
the Applicant thereby agrees to obtain and utilize service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges

CONTINUED ON SHEET 3

Member, the monthly charges for such service as prescribed in the Corporation's published rates, fees, and conditions of service. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed unfeasible by the Corporation as a part of this project, and Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fee.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter connection is for the sole use of the Member or customer and is to provide water service to only one (1) dwelling and/or only one (1) business. Extension of pipe or pipes to transfer water utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, business, and/or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property.

The Corporation's authorized employees shall have access to the Member's property or premises and service lines and plumbing facilities at all reasonable times for the purpose of inspection to insure compliance with state required Minimum Acceptable Operating Practices for Public Drinking Water Systems, as promulgated by the Texas Natural Resource Conservation Commission or successor agency, applicable plumbing codes, and utility construction standards. The Corporation strictly prohibits the connection of service pipelines from its water service meter to any private well or other unknown water supply.

In the event the total water supply is insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution by the Applicant of this Agreement, Applicant hereby shall comply with the terms of said Program.

## SERVICE APPLICATION AND AGREEMENT (CONT'D)

The Member shall install at his own expense any necessary service lines from the water meter Corporation's facilities and equipment to the point of use, including any customer service isolation valves, and other equipment as may be specified by the Corporation. The use of pipes and pipe fittings that contain more than 8.0% lead or solders and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation.

By execution hereof, the Member shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/Users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other such equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as required by the Corporation.

By execution of this Service Application and Agreement, Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of water utility service under the terms and conditions of the Corporation's Tariff.

By execution of this Service Application and Agreement, Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this form shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's Tariff.

-----  
Applicant/Member

-----  
Witnesseth

-----  
Approved and Accepted

BAFFIN BAY WATER SUPPLY CORPORATION  
ROUTE 1, BOX 26-D  
RIVIERA, TEXAS 78379

REQUEST FOR SERVICE DISCONTINUANCE

DATE\_\_\_\_\_

I, \_\_\_\_\_, hereby request  
that my water meter (SN#\_\_\_\_\_) for account  
number \_\_\_\_\_ located on \_\_\_\_\_,  
be disconnected from BBWS Corporation service. I understand  
that if I should ever want my service reinstated I will have  
to reapply for service as a new member and I will have to  
pay all costs as indicated in a then current copy of the BB  
Water Supply Corporation Tariff. Future ability to provide  
service will be dependent upon system capacity, which I  
understand may be limited and may require capital  
improvements to deliver adequate service. I also understand  
that these improvements will be at my cost. I further  
represent to the Corporation that my spouse joins me in this  
request and I am authorized to execute this Request for  
Service Discontinuance on behalf of my spouse.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date of Signature

NOTE: Charges for service will terminate when this signed  
statement is received by the BBWSC office.

BAFFIN BAY WATER SUPPLY CORPORATION  
ROUTE 1, BOX 26-D  
RIVIERA, TEXAS 78379

BBWSC NOTICE TO OWNER

DATE \_\_\_\_\_

You are hereby given notice that your renter/lessee is past due on your account with the Corporation. The renter/lessee has been sent a second and final notice, a copy of which is enclosed herein, and utility service will be scheduled for disconnection unless the bill is paid by the final due date. If disconnection occurs, the Corporation's policies under the terms and conditions of its Tariff shall govern restoration of disconnected service. Any unpaid bills, service fees, or reconnect fees are chargeable to the owner. If you have any questions concerning the status of this account, please do not hesitate to call.

BBWSC MANAGEMENT

\_\_\_\_\_  
MANAGER

TOTAL AMOUNT DUE \_\_\_\_\_

FINAL DUE DATE \_\_\_\_\_

BAFFIN BAY WATER SUPPLY CORPORATION  
ROUTE 1, BOX 26-D  
RIVIERA, TEXAS 78379

NOTICE OF RETURNED CHECK

TO:

DATE\_\_\_\_\_

CHECK NUMBER:

AMOUNT OF CHECK:

Your check has been returned to us by your bank for the  
following reasons:

-----

-----

You have ten days from the date of this notice in which to  
redeem the returned check and pay an additional \$10.00 fee.  
Redemption of the returned check and payment of additional  
fees may be made by cash, money order, or certified check.  
If you have not redeemed the returned check and paid the  
additional service fees within ten (10) days, your service  
will be disconnected.

BBWSC MANAGEMENT

-----  
MANAGER

BAFFIN BAY WATER SUPPLY CORPORATION

Rt. 1, Box 26-D  
Riviera, Texas 78379  
(512) 297-5253

TERMINATION NOTICE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Customer:

The agreement you signed with BAFFIN BAY WATER SUPPLY CORPORATION was to pay a minimum bill each month. The minimum bill or total of each bill needs to be paid each month so that the Corporation can make their loan payment to Farmers Home Administration.

The Board of Directors have set a policy that at which time a members total bill exceeds his membership fee, he will be notified by certified letter that his bill should be paid in full within ten (10) days or he shall forfeit his membership. If your membership is forfeited and you need water at a later date, if there is available water in your area, you will need to purchase a new membership and pay a reconnection fee at the going rate at that time. Your total bill on this day, \_\_\_\_\_ is \$ \_\_\_\_\_ and is PAST DUE.

This is to serve notice that if the total bill is not paid in full within ten (10) days from today, your membership will be forfeited.

Sincerely,

Orville Schonefeld  
Manager  
BBWSC

Account # \_\_\_\_\_  
Amt. Due: \$ \_\_\_\_\_



BAFFIN BAY WATER SUPPLY CORPORATION  
Rt. 1 Box 26-D  
Riviera, Texas 78379  
(512) 297-5253

PAST DUE NOTICE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This is to inform you that your water bill is PAST DUE. According to policy set by the Board of Directors: If your bill is not paid in full within ten (10) days from the date above, your water will be shut off and the meter locked. IF it is locked, there will be a \$25.00 charge added to the bill and it too must be paid in full before the water can be turned back on.

Your prompt attention will be appreciated.

Orville Schonefeld  
Manager  
Baffin Bay Water Supply Corp.

Account #: \_\_\_\_\_  
Amount Due: \_\_\_\_\_

BBWSC METER TEST  
AUTHORIZATION AND TEST REPORT

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

DATE OF REQUEST: \_\_\_\_\_ PHONE NUMBER (DAY): \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_ METER SERIAL NUMBER: \_\_\_\_\_

REASONS FOR REQUEST: \_\_\_\_\_  
\_\_\_\_\_

Members requesting a meter test may be present during the test, but if not, Member shall accept test results shown by the Corporation. The test shall be conducted in accordance with the American Water Works Association standards and methods on a certified test bench. Member agrees to pay \$25.00 for additional tests if the results indicate an AWA acceptable performance, plus any outstanding water utility service. In the event that the Member is required to pay for the test and for outstanding water utility service as set forth herein, said charges shall be applied to the next billing sent to the Member after the date of the test.

x \_\_\_\_\_  
Signed by Member

TEST RESULTS

Low Flow (1/4 GPM) \_\_\_\_\_% AWA Standard 97.0 - 103.0 %

Intermediate (2 GPM) \_\_\_\_\_% AWA Standard 98.5 - 101.5 %

High Flow (10 GPM) \_\_\_\_\_% AWA Standard 98.5 - 101.5 %

Register test \_\_\_\_\_ minutes at \_\_\_\_\_ gallons per minute recorded

\_\_\_\_\_ per \_\_\_\_\_ gallons.

\_\_\_\_\_ Meter tests accurately; no adjustments due

\_\_\_\_\_ Meter tests high; adjustment due on water charges by \_\_\_\_\_%

\_\_\_\_\_ Meter tests low; no adjustment due

Test conducted by \_\_\_\_\_  
\_\_\_\_\_

Approved \_\_\_\_\_

BBWSC WATER SUPPLY CORPORATION  
RIGHT-OF-WAY EASEMENT DENIAL FORM AND AFFIDAVIT

-----  
PROPERTY OWNER'S NAME

-----  
LEGAL DESCRIPTION OF PROPERTY

BBWSC has attempted to acquire an easement for a community water distribution system across your property. It is now necessary to require an easement either be granted or refused by you within thirty (30) days after receipt of this notice. Attached is BBWSC's standard easement form as furnished to us by the FmHa. If you are not in agreement to grant easement, sign the middle portion of this document and return it to us, at which time this document will be filed in our office. Failure to return this document or the attached easement will result in a copy of this document being completed and signed by us to keep on file for future reference purposes. Failure to grant easement does not relieve BBWSC of the obligation to serve water to the aforementioned property in the future, but does make the then current property owner, at time of application for water service, responsible for the financial burden of moving the water line from public right-of-way to private right-of-way plus and other normal charges for service. For further clarification, contact our office (Baffin Bay Water Supply Corporation, R.R.1, Box 26-D, Riviera, Tx 78379, phone (512) 297-5253)

-----  
Signature of Property Owner

AFFIDAVIT

Being duly sworn upon my oath, I hereby certify that this is a true copy of the document sent by certified mail to

----- on -----,  
and a signed receipt verifying delivery and acceptance is on file in the office of BBWSC, Riviera, Texas. I further certify a signed easement or signed refusal of easement was not received within thirty (3) days following receipt by property. I further state under oath that the engineer for the Corporation has furnished the property owner an estimate of cost for rerouting pipeline for which easement was denied to private property.

-----  
Official of BBWSC

THE STATE OF TEXAS

COUNTY OF KLEBERG

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON -----  
19 ----- BY -----.

Notary Public, Kleberg County, Texas,-----

My Commission Expires -----

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the BBWSC by execution of the attached Stock Certificate. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the BBWSC.

By execution hereof, the undersigned hereby acknowledges that the Membership Transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of Membership in accordance with the laws of the State of Texas.

(1) The Membership is transferred by will to a person related to the Transferor within the second degree of consanguinity; or

(2) The Membership is transferred without compensation to a person related to the Transferor within the second degree of consanguinity; or

(3) The Membership is transferred as a part of conveyance of real estate from which the Membership arose.

(4) Such transfers of Membership shall be requested by letter from the Member to the board, and no charge will be incurred by either the Member or the Corporation.

Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify Member for continued water service unless the following terms and conditions are met:

(1) This Membership Transfer Authorization Form has been completed by the Transferor and Transferee;

(2) The Transferee has completed the required Application Packet;

(3) All indebtedness due the Corporation has been paid;

(4) The Membership Certificate has been surrendered, properly endorsed, by the record Transferor;

(5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and

(6) Any other terms and conditions of the Corporation's Tariff are properly met.

-----  
Signature of Transferor

-----  
Signature of Transferee

## MEMBERSHIP TRANSFER AUTHORIZATION (CONT'D)

-----  
Transferor's Name-----  
Transferee's Name-----  
Forwarding Address-----  
Current Address-----  
City, State, Zip Code-----  
City, State, Zip Code-----  
Phone-----  
Phone

Account No. \_\_\_\_\_ Final Reading \_\_\_\_\_ Reading Date \_\_\_\_\_

Location of Meter \_\_\_\_\_

## ACKNOWLEDGEMENT

The State of Texas  
County of KlebergIN WITNESS WHEREOF the said Transferor and Transferee have  
executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,BEFORE ME, the undersigned, a Notary Public in and for said  
County and State, on this day personally appeared \_\_\_\_\_-----  
known to me to be the persons whose names are subscribed to the  
foregoing instrument, and acknowledged to me that they executed  
the same for the purposes and consideration therein expressed.GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

(SEAL)

-----  
Notary Public in and for  
\_\_\_\_\_ County, Texas  
Commission expires \_\_\_\_\_

## BBWSC MEMBERSHIP MORTGAGE AGREEMENT

This agreement hereby verifies that the BBWSC provides or is able to provide water utility service under the terms and conditions of its Tariff to the property so designated in this agreement.

The BBWSC does meet the service requirements of the Texas Department of Health and currently holds all authorization of certification required by the Texas Water Commission.

The Membership available/assigned to this property is transferable to all legally qualifying interests upon compliance with the terms and conditions of the BBWSC's Tariff, including but not limited to completion of all required forms and applications, payment of all fees, and payment of final account balances.

The BBWSC shall notify any Loan/Membership guarantor and/or mortgagee by certified mail at least sixty (60) days prior to Membership/service termination and guarantor/mortgagee hereby guarantees payment of any account balances required to prevent termination of Membership by the BBWSC.

A guarantor and/or mortgagee shall qualify as a bona fide lien-holder to the Membership by providing a Deed of Trust, to be hereto affixed, for the real property in question and designated below which clearly defines the guarantor and/or mortgagee as the lien-holder of the Membership and the real property for which Membership was issued. BBWSC shall notify the entity so designated in the Deed of Trust.

Legal Description of Property:

-----  
-----

-----  
Mortgagee (Lien-holder)

-----  
Guarantor (If Applicable)

-----  
BBWSC Representative

-----  
Date

NOTE: Please attach Deed of Trust for Permanent Record.

## **NEW LAW AFFECTS CONFIDENTIALITY OF UTILITY RECORDS**

The Texas Legislature passed H.B. 859 this past session to allow various utilities to maintain confidentiality of certain records at the request of the customer. Effective September 1, 1993, H.B. 859 provides that a government operated utility which provides water, sewer, garbage, gas, or electricity for compensation, may not disclose personal information in a customer's account records if the customer requests in writing that the utility keep the information confidential. The utility is required to include with a bill sent to each of its customers a notice of the customer's right to request confidentiality of personal information as well as any applicable fee or form required to comply with such requests. Personal information means an individual's address, telephone number, or social security number. This bill applies to WSC's, cities, districts and all governmental bodies who are subject to the Open Records Act.

Such confidentiality does not prohibit a WSC from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with any annual or special meeting of the Corporation's members.

The attached forms are designed for your use and may be copied, customized to your utility's needs, and mailed to each customer as required by law. Note the following instructions:

Form #2 is for use by water supply corporations.

Type your address in the appropriate spaces.

This is a one-time requirement for each customer. All existing customers should be notified by use of these or similar forms and all new applicants should be given notice and opportunity for confidentiality of records. The attached forms may be used in your application for new services.

# YOU CAN NOW REQUEST THAT PERSONAL INFORMATION CONTAINED IN OUR UTILITY RECORDS NOT BE RELEASED TO UNAUTHORIZED PERSONS

The Texas legislature recently enacted a bill, effective September 1, 1993 allowing non-profit water supply corporations to give their customers the option of making the customer's address, telephone number, and social security number confidential.

IS THERE A CHARGE FOR THIS SERVICE? No.

## HOW CAN YOU REQUEST THIS?

Simply complete the form at the bottom of this page and return it to:

BAFFIN BAY W S C  
RR 1 BOX 26-D  
RIVIERA TEXAS 78379

Your response is not necessary if you do not want this service.

## WE MUST STILL PROVIDE THIS INFORMATION UNDER LAW TO CERTAIN PERSONS.

We must still provide this information to (1) an official or employee of the state or a political subdivision of the state, or the federal government acting in an official capacity; (2) an employee of a utility acting in connection with the employee's duties; (3) a consumer reporting agency; (4) a contractor or subcontractor approved by and providing services to the utility or to the state, a political subdivision of the state, the federal government, or an agency of the state or federal government; (5) a person for whom the customer has contractually waived confidentiality for personal information; or (6) another entity that provides water, wastewater, sewer, gas, garbage, electricity, or drainage service for compensation. However, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with any meeting of the Corporation's members.

### Detach And Return This Section

Yes, I want you to make my personal information (address, telephone number, and social security number) confidential.

\_\_\_\_\_  
Name of Account Holder

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Signature



BAFFIN BAY WATER SUPPLY CORPORATION  
RR 1 BOX 26-D  
RIVIERA TEXAS 78379

February 01, 1994

NOTICE OF EIGHTEENTH ANNUAL MEETING

Pursuant to the provisions of Article XI of the By-Laws of the Baffin Bay Water Supply Corporation, the regular Annual Meeting of the members of the Corporation will be held at Our Lady of Consolation Church Hall, Vattman, Texas at 7:30 P.M., Thursday, February 17, 1994 to transact all business that may be properly brought before it.

Agenda items will include the annual audit by Davis, Trant, and Wiesman, C.P.A.; reports of up-to-date operations; an election of three (3) directors to serve for a period of three (3) years and an election of one (1) director to serve for a period of one (1) year. Directors whose terms expire at the conclusion of this Annual Meeting are Ralph Yaklin, Gregg Lunaas, and Desiderio Perez (three year terms) and George Coalson (one year term).

The presence at a meeting of the members entitled to cast in their own right or by proxy of ten (10%) of the total number of votes shall constitute a quorum for the transaction of business. In the event that a corporation member cannot attend the annual meeting, the Board of Directors urge that a proxy be designated on the enclosed form to cast the Member vote as specified by the Member so that the business of the Corporation may be transacted.

The proxy form enclosed is an official numbered proxy. The Member must fill in the blank to designate another member to vote in the Member's absence. You must also sign the proxy and return it by mail to the BBWSC office in the enclosed self-addressed marked envelope. Only official numbered proxies completed and returned in marked envelopes by mail will be accepted. They must be returned on or before February 14, 1994, at which time the Board of Directors will meet to validate all returned proxies. If your proxy is lost or misplaced, you may come by the office and request a replacement.

Each Corporation member may vote his/her own vote and no more than two (2) proxies.

The Board of Directors for 1993 are:

Ralph Yaklin, President  
William Schonefeld, Vice President  
Gregg Lunaas, Jr. Sec-Treasurer  
George Coalson, Director

Desiderio Perez, Director  
Jeff Yaklin, Director  
Curtis Unterbrink, Director

The Board of Directors  
Baffin Bay Water Supply Corporation

PROXY

KNOW ALL MEN BY THESE PRESENTS:  
THAT I, THE UNDERSIGNED MEMBER OF THE BAFFIN BAY WATER SUPPLY CORPORATION,  
DO HEREBY CONSTITUTE AND APPOINT: \_\_\_\_\_,  
MEMBER, TO ACT IN MY NAME, PLACE AND STEAD, TO REPRESENT ME ONLY IN MY  
ABSENCE, AND VOTE MY SHARE OF STOCK AT THE SEVENTEENTH ANNUAL MEMBERSHIP  
MEETING OF SAID WATER SUPPLY CORPORATION TO BE HELD ON FEBRUARY 18, 1993, OR  
ANY ADJOURNMENT THEREOF, FOR THE PURPOSE OF ALL OF THE BUSINESS BEFORE THE  
MEETING, AND TO CONSIDER ANY OTHER BUSINESS PROPERLY BROUGHT BEFORE THE MEETING  
AND WITH FULL POWER AND AUTHORITY AS I, MYSELF, WOULD HAVE SAID AND ACTED.

SIGNED \_\_\_\_\_

OUR LADY OF CONSOLATION  
RR 1 BOX 21  
RIVIERA TX

# 17

78379

DEC 1 1975

ARTICLES OF INCORPORATION  
OF

Raffin Bay WATER SUPPLY CORPORATION

*James L. Nelson*  
Deputy Director, Corporation Division

THE STATE OF TEXAS      0

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF Kleberg      0

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 Raffin Bay Water Supply Corporation.

ARTICLE II.

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

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

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

transacted shall be the Lovola Beach Community in Kleberg County, Texas, and the surrounding rural areas.

#### ARTICLE V.

The street address of the initial registered office of the Corporation is Rt. 1, Box 67, Riviera, Texas 78379, and the name of its initial registered agent at such address is William C. Langley.

#### ARTICLE VI.

The number of directors constituting the initial Board of Directors of the Corporation is Seven (7), and the name and address of the persons who are to serve as the initial directors are:

NAME	ADDRESS	CITY
William C. Langley,	Rt. 1, Box 67, Riviera, Texas 78379	
Gene Yaklin,	Rt. 1, Box 20B, Riviera, Texas 78379	
Mrs. Harry Clark,	Rt. 1, Box 75 H, Riviera, Texas 78379	
Mrs. Arnold Mircovich,	Rt. 1, Box 44 D, Riviera, Texas 78379	
Gerald Unterbrink,	Rt. 1, Box 63 A, Riviera, Texas 78379	
Ralph Yaklin,	Rt. 1, Box 43 Y, Riviera, Texas 78379	
E. R. Cawley,	Rt. 1, Box 45 D, Riviera, Texas 78379	

#### ARTICLE VII.

The name and street address of each incorporator is:

NAME	ADDRESS	CITY
William C. Langley,	Rt. 1, Box 67, Riviera, Texas 78379	
Gene Yaklin,	Rt. 1, Box 20 B, Riviera, Texas 78379	
E. R. Cawley,	Rt. 1, Box 45 D, Riviera, Texas 78379	
Mrs. Harry Clark,	Rt. 1, Box 75 H, Riviera, Texas 78379	
Mrs. Arnold Mircovich,	Rt. 1, Box 44 D, Riviera, Texas 78379	
Gerald Unterbrink,	Rt. 1, Box 63 A, Riviera, Texas 78379	
Ralph Yaklin,	Rt. 1, Box 43 Y, Riviera, Texas 78379	

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

ARTICLE VIII.

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

IN WITNESS WHEREOF, we have hereunto set our hands, this the 25th day of November, 19 75.

Ralph Yaklin  
Gerald Unterbrink  
Mrs. Harry Clark  
Mrs. Arnold Mircovich  
William C. Langley  
E. R. Cauley

THE STATE OF TEXAS      0  
COUNTY OF Kleberg      0

I, Jack Ray, a Notary Public, do hereby certify that on this 25th day of November, 19 75, personally appeared before me William C. Langley, Gene Yaklin, Mrs. Harry Clark, Mrs. Arnold Mircovich, Gerald Unterbrink, Ralph Yaklin, and E. R. Cauley,

who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Jack Ray  
Notary Public in and for  
Kleberg County, Texas

(Notarial Seal)

My commission expires 12-31-78.

THE STATE OF TEXAS

COUNTY OF Kleberg

I, Jack Ray, a Notary Public,  
do hereby certify that on this 25th day of November 19 75,  
personally appeared before me Ralph Gaskin, Gerald Centerville  
Mrs. Harry Clark, George Gaskin, Mrs. Gerald Mrs.  
William Langley, E. L. Canley  
who each being by me first duly sworn, severally declared that they are the  
persons who signed the foregoing document as incorporators, and that the  
statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day  
and year above written.

Jack Ray  
Notary Public in and for  
Kleberg County, Texas

(Notarial Seal)

My commission expires 12-31-78.



STATE OF TEXAS  
OFFICE OF THE SECRETARY OF STATE  
AUSTIN, TEXAS 78711

MARK WHITE  
SECRETARY OF STATE

DEC. 11, 1975

BRUCE HUGHES  
ASST. SECRETARY OF STATE

W C MCDANIEL  
ATTORNEY AT LAW  
KINGSVILLE, TX 78363

RE: BAFFIN BAY WATER SUPPLY CORPORATION  
CHARTER NUMBER 371610-1

DEAR SIR:

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD THE ARTICLES OF INCORPORATION THAT CREATED YOUR CORPORATION. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR NEW VENTURE.

AS A CORPORATION, YOU ARE SUBJECT TO THE FRANCHISE TAX LAWS. THE COMPTROLLER OF PUBLIC ACCOUNTS ADMINISTERS THESE LAWS. FRANCHISE TAX IS DUE ONE YEAR AND NINETY DAYS FROM THE DATE OF THE CERTIFICATE AND YOU WILL BE CONTACTED BY THE COMPTROLLER CONCERNING THE PAYMENT THEREOF. IF THE CORPORATION SHOULD BE EXEMPT, YOU MUST APPLY TO THE COMPTROLLER FOR SUCH EXEMPTION. THE SECRETARY OF STATE CANNOT MAKE SUCH A DETERMINATION FOR YOUR CORPORATION.

WE SUGGEST THAT YOU KEEP THIS LETTER AS A REMINDER, OR, SO MARK YOUR RECORDS THAT YOU WILL NOT UNWITTINGLY BECOME LIABLE FOR STATUTORY PENALTIES FOR LATE FILING AND LATE PAYMENT.

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

*Handwritten:*  
J.C. HUGHES  
12/15/75  
M.C.

VERY TRULY YOURS,  
MARK WHITE  
SECRETARY OF STATE

BY: BILL KIMBROUGH  
DIRECTOR, CORPORATION DIVISION

*Handwritten:* J 5



# The State of Texas

## Secretary of State

### CERTIFICATE OF INCORPORATION

OF

BAFFIN BAY WATER SUPPLY CORPORATION  
CHARTER NUMBER 371610

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,  
HEREBY CERTIFIES THAT DUPLICATE ORIGINALS OF ARTICLES OF INCORPORATION  
FOR THE ABOVE CORPORATION, DULY SIGNED AND VERIFIED, 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 HIM BY LAW, HEREBY ISSUES THIS  
CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A DUPLICATE ORIGINAL  
OF THE ARTICLES OF INCORPORATION.

DATED DEC. 1, 1975



*Mark H. White Jr.*  
Secretary of State

DLU



# TEXAS WATER COMMISSION



## CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service Under V.T.C.A., Water Code  
and the Texas Water Commission Substantive Rules

Certificate Number 11016

### I. Certificate Holder:

Name: Baffin Bay Water Supply Corporation

Address: Route 1, Box 26D

Riviera, Texas 78379

### II. General Description and Location of Service Area:

Baffin Bay Water Supply Corporation serves the area located approximately 18 miles southeast of Kingsville, Texas that is bounded by a county road and Jaboncillos Creek on the north, Cayo Del Grullo on the east, Laguna Salado and Olmos Creeks on the south and a county road on the west and excluding an area approximately one square mile on Highway 771 in the southwest portion of the service area in Kleberg County, Texas.

### III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on map number 6710(a) and on the Commission's official service area map, WRS-137, maintained in the offices of the Texas Water Commission, 1700 North Congress, Austin, Texas with all attendant privileges and obligations.

This certificate is issued subject to the rules and orders of the Commission, the laws of the State of Texas and the conditions contained herein. This certificate is valid until amended or revoked by the Commission.

ISSUED this 18th day of August, 1987.

ATTEST:

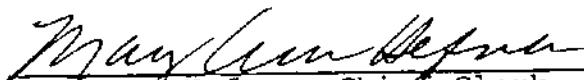
May Ann Hefner

Paul Hopkins  
For the Commission

STATE OF TEXAS       X  
                          X  
COUNTY OF TRAVIS    X

I, Mary Ann Hefner, Chief Clerk of the Texas Water Commission, do hereby certify that the attached and foregoing is a true and correct copy of Certificate of Convenience and Necessity No. 11016 issued to Baffin Bay Water Supply Corporation on August 18, 1987, the original of which is on file in the office of the Commission.

Given under my hand and the seal of the Texas Water Commission, this the 20th day of August, 1987.

  
\_\_\_\_\_  
Mary Ann Hefner, Chief Clerk  
Texas Water Commission

# TEXAS WATER COMMISSION



DOCKET NO. 6710

IN THE MATTER OF THE	§	
APPLICATION OF BAFFIN BAY	§	BEFORE THE
WATER SUPPLY CORPORATION	§	
TO AMEND WATER CERTIFICATE	§	TEXAS WATER COMMISSION
OF CONVENIENCE AND NECESSITY	§	
IN KLEBERG COUNTY, TEXAS	§	

## ORDER

On August 18, 1987, the Texas Water Commission pursuant to Chapter 13 of the Texas Water Code considered the application of Baffin Bay Water Supply Corporation to amend its water certificate of convenience and necessity in Kleberg County, Texas. After considering the evidence, the Commission makes the following Findings of Fact and Conclusions of Law:

## FINDINGS OF FACT

1. On January 28, 1986, Baffin Bay Water Supply Corporation filed an application to amend Certificate of Convenience and Necessity No. 11016 with the Public Utility Commission of Texas.

2. Baffin Bay Water Supply Corporation (WSC) was granted Certificate of Convenience and Necessity No. 11016 on November 1, 1979. This application is to amend Certificate of Convenience and Necessity No. 11016 by increasing Baffin Bay Water Supply Corporation's service area. Baffin Bay Water Supply Corporation is located about 18 miles southeast of Kingsville, Texas, in south central Kleberg County, Texas. Baffin Bay Water Supply Corporation was serving approximately 244 residential connections. Baffin Bay Water Supply Corporation's proposed service area is bounded by a county road and Jaboncillos Creek on the north, Cayo Del Grullo on the east, Laguna Salada and Olmos Creek on the south and a county road on the west. Ricardo Water Supply Corporation lies just to the north and northwest of the proposed amended service area. On September 16, 1986, an amendment to the application was received. Baffin Bay Water Supply Corporation submitted an amended proposed service area map which, although the proposed boundary was not changed, an area of approximately one square mile within the proposed service area was excluded. This excluded area is currently served and will continue to be served by another water system. The excluded area is located entirely within the proposed

service area, near the southwest corner and is bounded by a county road on the east and crossed laterally by Farm Road 771. Baffin Bay Water Supply Corporation's water tariff (W-29-9) was accepted on February 29, 1979, and is in the Commission files. Baffin Bay Water Supply Corporation began operation in 1976.

3. The applicant's notice of intent to provide service was published on February 12 and February 19, 1986, in the Kingsville Record, a newspaper regularly published and circulated in Kleberg County, Texas.

4. The applicant mailed notice to all entities which provide the same utility service within 2 miles of the requested service area.

5. No person has requested a public hearing on the application.

6. In determining whether to grant the application, the Commission has considered the criteria set forth in §13.246(c), Texas Water Code.

7. The Water Utilities Division of the Commission has reviewed the application, and based on this review, the Executive Director recommends that Baffin Bay Water Supply Corporation's certificate of convenience and necessity be amended to include water service to the area as platted on Map No. 6710(a) and located on Texas Water Commission map WRS-137 maintained by Central Records.

8. There is no evidence to demonstrate that granting the application of Baffin Bay Water Supply Corporation will have any adverse impact on the holder of the certificate or on any public utility providing water service in the proximate area or on community values, recreational and park areas, historical and aesthetic values, environmental integrity or on the cost or quality of providing service to consumers in the service area.

#### CONCLUSIONS OF LAW

1. Notice of the application was given in accordance with V.A.T.S., Article 1446c, §54(a) and 16 TAC 21.24.

2. Jurisdiction over this matter was transferred from the Public Utility Commission to the Texas Water Commission effective March 1, 1986.

3. The Commission has jurisdiction to consider the application under Chapter 13 of the Texas Water Code.

4. Applicable requirements of the Texas Water Code and the rules of the Texas Water Commission, the Public Utility Regulatory

Act, and the Rules of Practice and Procedure of the Public Utility Commission have been followed in issuing this certificate.

5. A certificate is necessary for the service, accommodation, convenience or safety of the public.

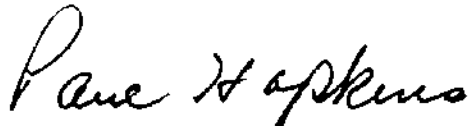
NOW, THEREFORE, BE IT ORDERED BY THE TEXAS WATER COMMISSION that amended Certificate of Convenience and Necessity No. 11016 be granted to Baffin Bay Water Supply Corporation in accordance with the terms and conditions set forth herein.

BE IT FURTHER ORDERED that Baffin Bay Water Supply Corporation shall serve every customer within the area certified under Certificate of Convenience and Necessity No. 11016 and that such service shall be continuous and adequate.

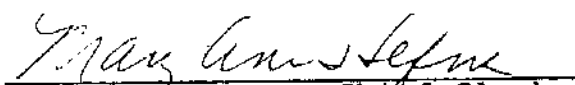
BE IT FURTHER PROVIDED that in considering the adequacy of existing service under §13.246(c) of the Texas Water Code, the Commission makes no finding whether existing service is adequate and in compliance with Commission standards; rather, the Commission has determined only that amendment of the certificate is not rendered contrary to the public convenience and necessity because of the quality of existing service.

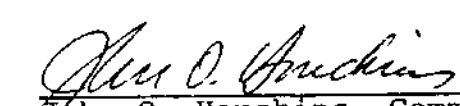
Signed this the 18th day of August 1987.

TEXAS WATER COMMISSION

  
Paul Hopkins, Chairman

ATTEST:


  
Mary Ann Hefner, Chief Clerk

  
John O. Houchins, Commissioner

STATE OF TEXAS       X  
                          X  
COUNTY OF TRAVIS    X

I, Mary Ann Hefner, Chief Clerk of the Texas Water Commission, do hereby certify that the attached and foregoing is a true and correct copy of an Order of the Commission dated August 18, 1987, on the application of Baffin Bay Water Supply Corporation to amend Water Certificate of Convenience and Necessity (Docket No. 6710), the original of which is on file in the office of the Commission.

Given under my hand and the seal of the Texas Water Commission, this the 20th day of August, 1987.

  
\_\_\_\_\_  
Mary Ann Hefner, Chief Clerk  
Texas Water Commission

BY-LAWS

OF

THE BAFFIN BAY WATER SUPPLY CORPORATION

By-Laws of THE BAFFIN BAY 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 at all Members' and Directors' meetings. The President may, and upon demand of one-third (1/3) of the Members shall, call a special meeting of the Members or Directors. Such special meeting shall be held upon giving the notice required in Article XII of the By-Laws. The President shall perform all other duties that usually pertain to the office or are delegated to him 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 the custody of all the monies and securities of the Corporation. The Secretary-Treasurer shall keep regular books and shall keep minutes of all meetings of Members and Directors. All monies of the Corporation shall be deposited by the Secretary-Treasurer in such depository as shall be selected by the Directors. The Secretary-Treasurer shall have custody of the seal of the Corporation and affix it as directed hereby or resolution passed by the Board of Directors or Members.

The Board of Directors may appoint employees as assistant or deputy secretaries to assist the Secretary-Treasurer in all official duties pertaining to the office of Secretary-Treasurer. Checks may be signed by the Secretary-Treasurer (or an assistant secretary) and the President or Vice-President, in the absence of the President. Checks may also be signed by the Secretary-Treasurer and an assistant secretary.

The position of the Secretary-Treasurer and other positions 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 FmHa loans and be evidenced by a position fidelity schedule bond as acceptable to the Farmers Home Administration.

#### ARTICLE IV

Section 1. The Board of Directors shall consist of seven (7) Directors, a majority of whom shall constitute a quorum. Directors shall be Members of the Baffin Bay Water Supply Corporation and have an active connection. Upon issuance of the Charter and annually thereafter, no later than 3rd Thursday of March, 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' regular meeting provided for in Article XI of the By-Laws. 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 shareholders 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. The Directors shall serve without pay, but may be compensated for actual expenses by a majority vote of Directors.

Upon the death or resignation of a Director, a successor shall be elected 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 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. 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 his designee 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 by the Board of Directors.

The fact that President, Vice-President, or any other Officer or Director has been made the subject of charges does not otherwise prevent such Officer from continuing to act in his 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.

## ARTICLE V

Section 1. Regular meetings of the Board of Directors shall be held at such time and place as the Board may determine at the next previous regular meeting, and shall include posting of the meeting as required by the Texas Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., by furnishing the notice to the County Clerk or clerks of the county or counties in which the Corporation provides service, and by posting such notice in a place readily convenient to the public in its administrative office at all times for at least seventy-two (72) hours preceding the scheduled time of the meeting. Such notice shall specify the date, hour, place and subject of each meeting held by the Board of Directors.

Section 2. Any Director failing to attend two (2) consecutive regular monthly meetings shall be given written notice by the balance of the Board of Directors that failure by said Director to attend a third consecutive monthly meeting, without justifiable cause acceptable to the balance of the Board of Directors, shall give rise to removal of said Director from the Board. A successor shall be elected by a majority vote of the Directors remaining to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the balance of the term. If the removal of a Director pursuant to this Section 2 occurs at an annual Membership meeting, then the successor shall be elected by a majority vote of the Membership in attendance at the meeting.

Section 3. The Board of Directors shall provide access for the public, new service applicants, or Members to the regular monthly meetings of the Board of Directors by setting aside a time for hearing of

suggestions, proposals, or grievances. The Board of Directors shall establish reasonable rules for access to such meetings.

Section 4. The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., including any subsequent amendment thereto. In the event of any conflict between the provisions of these By-Laws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail.

Section 5. In conducting their duties as Members of the Board, each Director (1) shall be entitled to rely, in good faith and with ordinary care, on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or the Corporation's affairs, that have been prepared or presented by one or more officers or employees of the Corporation; or by legal counsel, public accountants, or other persons retained by the Corporation for the development of professional advice and information falling within such person's professional or expert competence; (2) may believe, in good faith and with ordinary care, that the assets of the Corporation are at least that of their book value, and (3) in determining whether the corporation has made adequate provision for the discharge of its liabilities and obligations; and may rely in good faith and with ordinary care on the financial statements of, or other information concerning, any person or entity obligated to pay, satisfy or discharge some or all of the Corporation's liabilities or obligations; and may rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Corporation; legal counsel, public accountants,

or other persons provided the Director reasonably believes such matters to fall within such person's professional or expert competence. Nevertheless, a Director must disclose any knowledge he or she may have concerning a matter in question that makes reliance otherwise provided herein to be unwarranted.

#### ARTICLE VI

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.

#### ARTICLE VII

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. 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 Farmers Home Administration. 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.

The Directors shall invest all sums in this fund not required to be expended within the year in which the same are deposited in bonds or other evidence of indebtedness of the United States of America, or in readily marketable securities backed by the full faith and credit of the United States of America. Securities so purchased shall be deemed at all times to be a part of the reserve fund account.

#### ARTICLE VIII

Section 1. 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, creed, citizenship, or national origin. It is the intent of the Corporation to provide service on a non-discriminatory basis to all persons desiring service to the extent that the capabilities of the system will reasonably permit.

Section 2. The Membership fee shall be \$100.00. 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 service from the Corporation for such potential Member's 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 rate unless previously approved by Farmers Home Administration.

#### ARTICLE IX

Where necessary for the 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 15th 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 X

Section 1. In order to insure 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 as a part of conveyance of real estate from which the Membership arose. Such transfers of Membership shall be requested by letter from the Member to the Board, and no charge will be incurred by either the Member or 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, a Membership, or another right of participation under this section does not entitle the transferee to water or sewer service unless each condition for water or sewer service is met as provided in the Corporation's published rates, charges, and conditions of service. Water 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 person's or other entity's stock, Membership, or other right of participation if the person or other entity fails to meet the conditions for water 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 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 canceled 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 or sewer service is requested, subject to compliance with the conditions for water or sewer service prescribed by the Corporation's published rates, charges, and conditions of service.

Section 2. Notwithstanding anything to the contrary herein 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 XI

Section 1. There shall be a regular meeting of the Members annually, on the third (3rd) Thursday of February, to transact all business that may be properly brought before it. The Secretary-Treasurer shall give at least fifteen (15) days written notice of such annual meeting to the Membership indicating the time, place and purpose of such meeting, and shall address and mail the notice to each Member at the address last known to the Corporation. Failure to hold or call an annual or special meeting in accordance with these By-Laws shall give each Member rights to compel the Board of Directors to properly hold an annual or special meeting of the Membership. Voting by proxy shall not be permitted. Proxies will be used for the purpose of establishing a quorum at a meeting of the Membership. Members holding ten percent (10%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for the transaction of business.

NEW SECTION 2. 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. Not 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 meeting at the Corporation's office. Any voting Member, or voting Member's agent or attorney, shall be

allowed, on written demand, to inspect and, at a reasonable time and at his expense, copy the list. Further, the Board shall make the list of voting Members available at the meeting, and shall allow inspection of such list by any voting Member or voting Member's agent or attorney at any time during the meeting, including any adjournments thereof.

Section 3. The Board of Directors shall adopt proper procedures for conducting an annual or special Membership meeting, adopt a specific proxy form to be used in conducting an annual or special Membership meeting; adopt procedures for proper notification of the Membership of such meetings and delivery of the Corporation's proxy forms to the Membership; determine, qualify, and register the eligible voters for such meeting; validate proxies, determine presence of quorum for conducting the meeting, design ballots, canvass all votes, and institute proper recording of the results of such elections.

## ARTICLE XII

Special meetings of the Directors may be held upon the posting of notice of such special meeting, in the manner provided under Article V of these By-Laws, at least two hours before the meeting is convened. It shall be the responsibility of the President or his designee to ensure that proper notice is posted. In no event shall any special meeting of the Directors be convened where the business of such meeting could be considered at a regular meeting of the Directors receiving at least seventy-two (72) hours notice as provided under Article V of these By-Laws.

Prior to convening any special meeting of the Members, the President shall request in writing, that the Secretary-Treasurer give at least ten (10) days prior notice to the Members, and that such special meeting is

otherwise noticed as provided under Article V of these By-Laws. Such notice shall specify the time, place and purpose of the meeting, and shall be addressed and mailed to each of the Members at their address last known to the Corporation.

#### ARTICLE XIII

The business of the Corporation shall be handled under the direction of the Board of Directors by a manager to be elected by majority vote of the Board. The manager shall serve with or without compensation. The manager, with the approval of the Board of Directors, may employ, with or without compensation, such supervisory, clerical or other employees as may be required to effectively operate the business of the Corporation.

#### 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 his Membership certificate properly endorsed to the Secretary-Treasurer of the Corporation, the water service shall be discontinued and the obligation to pay for water service shall terminate except as for the minimum charge for the current month and the charge for water used during the current month, and except as for any prior unpaid amounts due the Corporation. 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.