

**BYLAWS OF**  
**3G WATER SUPPLY CORPORATION**

(AMENDED & RESTATED FEBUARY 19, 2024)

ARTICLE I

CORPORATION PURPOSE

Registered Office

1.01. The name of the corporation is 3G Water Supply Corporation. It is located at 504 Willow Street, Buchanan Dam, and Texas 78609.

Water Supply Corporation

1.02. The corporation is formed pursuant to Article 1434a of the Texas Revised Civil Statutes as a water supply corporation, and the corporation shall at all times comply with the provision of said article (Copy attached hereto).

Service Area

1.03 The corporation shall provide water service to all persons and entities within its service area as may be designated by the Texas Public Utility Commission. The current service area includes Golden Beach, Greenwood Acres, and Geola Estates Subdivisions in Llano County, Texas. Any extension of the service area shall only be made by complying with the regulations of the Texas Public Utility Commission.

ARTICLE II

OBJECTIVES

The objectives of this organization are:

2.01 The corporation shall not operate to earn pecuniary gain or profit for any person or entity but shall serve as a non-profit cooperative association by and through its membership. No dividends shall ever be paid by the Corporation. All profits arising from the operation of the business shall be paid out annually to the Corporation's customers during the preceding year in direct proportion to the amount of business so transacted by such customers. HOWEVER, no such profits shall ever be paid while any indebtedness of the Corporation remains unpaid. The Directors of the Corporation may allocate to a

sinking fund the amount of the annual profits they deem necessary for maintenance, upkeep, operation, replacements, and membership fee reserve.

### ARTICLE III

#### MEMBERSHIP

##### Qualification and Obligation of Members

###### 3.01

- a. paying the membership fee; and
- b. agreeing to purchase water from the 3G Water Supply company by executing a membership agreement in a form proposed and approved by the 3G Water Supply Co. board members; and
- c. agreeing to comply with and be bound by the Articles of Incorporated of 3G Water Supply and these Bylaws and any Amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors.

##### Non-Liability for Debts of 3G Water Supply

3.02 The private property of the members of 3G Water Supply shall be exempt from execution for the debts of 3G Water Supply and no member shall be individually liable or responsible for any debts or liabilities of 3G Water Supply.

##### Vacation

3.03 Members may request a “vacation” from water use.

- a. “Vacation”-defined as termination of water use, and a locked water meter, for not more than one year or less than three months to member.
- b. The request should be made in a letter addressed to the Board of Directors and received no later than thirty (30) days prior to the effective date of the leave.
- c. Members on “vacation” will not pay the monthly water usage fee during the time requested only. There will be a minimal fee at time to turn water off and at time to turn water on.

d. 3G Water Supply Corporation has the right to reimburse the member the membership fee and membership certificate, thereby forfeiting membership, once ten months have passed beyond the time frame when the “vacation” was granted.

e. Members granted a “vacation” will not be able to vote within the time frame of the “vacation.”

#### Issuance of Membership Certificates

3.04 Certificates for membership in the corporation shall be issued only when all membership documents have been received completed, and the membership fee fully paid.

3.05 No capital stock in the corporation is authorized. Membership in the corporation is available to those individuals and entities who own property within the Corporation’s service area. Each owner or resident within the service area shall be entitled to one membership in the corporation. Payment of a membership fee shall entitle an applicant to one connection to the water system. 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.

#### New Members

3.06 A new certificate shall be issued to any new owner or multiple property owners upon proper application accompanied by sufficient evidence to the corporation of the transfer of ownership and payment of the membership fee. An applicant shall not be entitled to the privilege of membership in the corporation or water service until such application has been submitted to and approved by the corporation.

#### Membership Certificates

3.07 The corporation shall deliver certificates representing all membership to which members are entitled, which certificates shall be in such form and device as the Board of Directors may provide. Each certificate shall bear upon its face the statement that the corporation is organized in Texas and the name in which it is issued. The certificates shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary, and the seal of the corporation shall be affixed thereto. The certificates shall contain on the faces or backs such recitations or references as are required by law.

## Replacement of Certificates

3.08 In the case of lost or destroyed certificates the Board of Directors may order new certificates to be issued upon such terms, conditions, and guarantees as the Board of Directors may see fit to impose, including the filing of sufficient indemnity.

## Transfer or Termination of Membership

3.09 Membership in the Corporation and a Membership Certificate representing the same shall not be transferable, and upon the death, expulsion or withdrawal of a Member, the Membership of such Member shall be terminated, and the Membership Certificate of such Member shall be effectively revoked. Termination of Membership in any manner shall not release the Member from debts or liabilities of such Member to the Corporation.

a. When a Membership is a Joint Membership, upon death of either party, such Joint Membership may be shall be deemed to be held solely by the survivor with the same effect as though such Membership had been originally issued solely to him or her, as the case may be, and upon the recording of such death on the books of the Corporation, the Membership Certificate may be reissued to and in the name of such survivor, provided however, that the estate of the deceased shall not be released from any Membership debts or liabilities to the Corporation until the satisfaction of such debts and liabilities.

b. When a Membership is held jointly by a husband and wife, upon legal termination of such marriage, the Membership shall be deemed to be held solely by the spouse continuing to meet the Membership requirements who presents his or her personal affidavit assuming the Membership and responsibility of all debts and liabilities owed to the Corporation or a court order of similar effect. In the event of the change in Member's legal name, an affidavit or court order shall also be required to enact the name change on the Membership Certificate.

c. Subject to the payment of all debts and liabilities of a Member to the Corporation, upon termination of Membership, the Corporation shall pay to such Member or the Member's personal representative and amount equal to the Membership Fee paid by such Member.

## Forfeiture of Membership

3.10 Membership in the corporation may be forfeited under the following circumstances:

a. Nonpayment of water service for a period of 60 days following the date the amount owed is initially due. A late payment notice shall be provided to such customer when the bill owed is 30 days late notifying the customer that unless the bill is paid that water service will be disconnected and that the membership in the corporation will be forfeited at the 60-day period.

## Expulsion of Members

3.11 The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of the Directors, expel any members who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation, or these Bylaws, or any rules or regulations adopted from time to time by the Board of Directors. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final unless and until a new cause for expulsion arises.

- a. Any proven tampering or potential hazardous use with any of the 3G Water Supply operations/equipment.

## Withdrawal of Membership

3.12 Any member may withdraw from membership upon payment in full of all debts and liabilities of such member of the Corporation and upon compliance with such terms and conditions as the Board of Directors may prescribe.

- a. In the event a membership is terminated, canceled, withdrawn, whether voluntarily or involuntarily, the former member's rights and interest in the assets of 3G Water Supply will not be forfeited.

## Dispute Resolution

3.13 A Member shall submit any claim or dispute between Member and the Corporation regarding the Governing Documents, the Corporation's provision of Water Service, or other matter to the Board of Directors for resolution before pursuing any other action against the Corporation, except as provided by law.

## Non-Members

3.14 Non-members qualify as renters, realtors, banks, or other persons or entities without a qualified membership certificate, as pursuant to what is in the bylaws, to the 3G Water Supply service area. The Board of Directors may implement policies to allow water usage for non-members.

## ARTICLE IV

### MEMBERSHIP MEETINGS

#### Place of Meetings

4.01. All meetings of the membership shall be held at such a place within Llano County, Texas which is convenient for, and which can accommodate all of the membership.

#### Time of Annual Meeting

4.02. The Annual Meeting of the membership shall be held each year at 6:00 p.m. on the third Monday of February.

#### Notice of Meeting

4.03. Notice of the meeting, stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in writing to each member entitled to vote at the meeting at least ten (10) but not more than fifty (50) days before the date of the meeting either personally, by mail, electronically, or other means of written communication, addressed to the member at that person's address appearing on the books of the corporation or given by him/her to the corporation for the purpose of notice. Notice of adjourned meetings is not necessary unless the meeting is adjourned for thirty (30) days or more, in which case notice of the adjourned meeting shall be given as in the case of any special meeting.

#### Special Meetings

4.04 Special meetings of the membership for any purpose or purposes whatsoever may be called at any time by the President, or by any five (5) or more Board of Directors, or by 25% or more of the members.

#### Quorum

4.05 The members present at any properly announced meeting shall constitute a quorum.

#### Voting

4.06 Only persons in whose name membership certificates appear on the above records of the corporation on the date on which notice of the meeting is mailed shall be entitled to vote at such meeting, unless some other day is fixed by the Board of Directors for the

determination of members of record. Each membership is entitled to one vote for each Director position which may be open for the subdivision in which the member resides, and voting may not be cumulative. In the event a person or persons hold more than one Membership Certificate that person or persons remains entitled to only one vote per Director Position in the subdivision in which they reside.

#### Proxies

4.07 Every person entitled to vote or execute consents may do so either in person or by written proxy executed in writing by the member or his duly authorized attorney in fact.

#### Consent of Absentees

4.08 No defect in the calling or noticing of a membership meeting will affect the validity of any action at the meeting if a quorum was present, and if each member not present in person or by proxy signs a written waiver of notice, consent of the holding of the meeting, or approval of the minutes, either before or after the meeting, and such waivers, consents, or approvals are filed with the corporate records or made a part of the minutes of the meeting.

#### Action Without Meeting

4.09 Action may be taken by members without a meeting if each member entitled to vote signs a written consent to the action and such consents are filed with the Secretary of the corporation.

### ARTICLE V

#### DIRECTORS

##### Number and Qualification of Directors

5.01 The authorized number of Directors of the corporation shall be nine (9). A Director must be a member of the corporation. The number of Directors may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of members called for the purpose.

## Directorship Positions

5.02 Of the nine (9) directors, four (4) shall be owners of property or residents in Greenwood Acres Subdivision; three (3) shall be owners of property or residents in Golden Beach Subdivision; and Two (2) shall be owners of property or residents in Geola Estates Subdivision.

## Staggered Terms

5.03 The nine (9) initially elected directors shall by a “draw-of-straws” or other random method of selection, draw for the length of their initial terms in office. Three (3) of the directors shall initially serve a three (3) years term; three (3) of the directors shall initially serve a two (2) year term; and three (3) of the directors shall initially serve a one (1) year term. Thereafter, all directorship terms shall be for a period of three (3) years, and all terms shall expire on the annual membership meeting date at the end of a director’s term. At each annual meeting of the membership the directors whose terms are expiring shall be filled by an election to be held at such membership meeting.

## Vacancies

5.04 Vacancies on the Board of Directors can be filled by the membership within the respective subdivision, with an election process supported by the Board of Directors and done within 60 days of vacancy. And, if no action is taken by members in said timely manner, the Board of Directors may elect a Director to fill the vacancy.

## Removal of Directors

5.05 The entire Board of Directors or any individual Director may be removed from office with or without cause by vote of a majority of the members entitled to vote for directors, at any regular or a special meeting of such members. Board members must attend regular monthly meetings as scheduled; those who miss four (4) consecutive meetings will be given notice of such misses and if they miss two (2) more consecutive meetings (six total consecutive meetings) that such member or members will automatically be resigned from the board. If a member is sick or has a work situation, this would automatically constitute excused absenteeism.



### Place of Meetings

5.06 All meetings of the Board of Directors shall be held at the principal office of the corporation or at such place within Llano County, Texas as may be designated from time to time by resolution of the Board or by written consent of all members of the Board.

### Regular Meetings

5.07 Regular meetings of the Board of Directors shall be held, without call or notice, immediately following each annual meeting of the membership of this corporation, and at such other times as the Directors may determine.

### Special Meeting – Call and Notice

5.08 Special meetings of the Board of Directors for any purpose shall be called at any time by the President. If he/she is absent or unable or refuses to act, then any Director can call a meeting. Written notices of the special meetings, stating the time, and in general terms the purpose or purposes thereof, shall be mailed, electronically delivered, telegraphed, or personally delivered to each Director not later than the day before the day appointed for the meeting.

### Telephonic or Electronic Participation in Board Meetings

5.09 For good cause and with the approval of the Board of Directors, a Regular Board Meeting or Special Board Meeting may be conducted with Directors participating but not physically present but deemed present in person through a means of communication by which all Directors participating in the Board Meeting may simultaneously hear, reasonably and verifiably identify themselves, and generally simultaneously and instantaneously communicate with each other during the Board Meeting. Directors that are not physically present may deliberate and vote on the question of approving telephonic or electronic participation.

### Meeting Agenda

5.10 All meetings shall be conducted in accordance with an agenda which shall be specified in any notice of a director's meeting to be held. Only such items as are specified in the agenda shall be considered by the Board, unless otherwise agreed by a majority of the directors at such meeting. Items to be placed on the agenda shall be submitted to the

Secretary of the Corporation at least thirty-six (36) hours prior to the date the notice of the meeting is to be sent out.

### Quorum

5.11 A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation.

### Board Action Without Meeting

5.12 Any action required or permitted to be taken by the Board of Directors, may be taken without a meeting, and with the same force and effect as a unanimous vote of Directors if all members of the Board shall individually or collectively consent in writing to such action.

### Adjournment – Notice

5.13 A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place is fixed at the meeting adjourned. In the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn until the time fixed for the next regular meeting of the Board.

### Conduct of Meetings

5.14 If the President is absent, the Vice President will preside over a called meeting. Otherwise, any Director selected by the Directors who are present shall preside at the meeting. In the absence of the Secretary, any person appointed by the presiding officer shall act as Secretary of the Board of Directors.

### Reimbursement

5.15 Services handled by directors, officers, and members of the committees shall not exceed \$500 within thirty days. The Board of Directors must pre-approve any expenses beyond \$500.

## Indemnification of Directors and Officers

5.16 The Board of Directors may authorize the corporation to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against present or former Directors, officers, or employees of this corporation as provided by Article 2.22 of the Texas Non-Profit Corporation Act.

## ARTICLE VI

### OFFICERS

#### Title and Appointment

6.01 The officers of the corporation shall be a President, one Vice President, a Secretary, a Treasurer, and such assistants and other officers as the Board of Directors shall from time to time determine. Any two offices, except President and Secretary, may be held by one person. All officers shall be elected by and hold office at the pleasure of the Board of Directors.

#### Powers and Duties of Officers

6.02 The officers of the corporation shall have the powers and duties generally ascribed to the respective offices, and such additional authority or duty as may from time to time be established by the Board of Directors.

Duties are as follows:

President- shall convene regularly scheduled board meetings, shall preside or arrange for other members of the Executive Committee to preside at each meeting.

Vice President- shall chair committees on special subjects as designated by the board.

Secretary- shall be responsible for keeping records of board actions, including overseeing the taking of minutes at all board meeting, sending out meeting announcements, distributing copies of minutes and the agenda to each board member, and assuring that corporate records are maintained.

Treasurer- shall make a report at each board meeting. The treasurer shall chair the finance committee, assist in the preparation of the budget, and make financial information available to board members and the public.

## ARTICLE VII

### EXECUTION OF INSTRUMENTS

7.01 The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the corporation.

## ARTICLE VIII

### RECORDS AND REPORTS

#### Inspection of Books and Records

8.01 All books and records provided by statute shall be open to inspection of the membership from time to time and to the extent expressly provided by the statute, and not otherwise. The Directors may examine such books and records at all reasonable times.

## ARTICLE IX

### WATER RATES AND FEES

#### Water Rights

9.01 Water rates shall be established by the Board of Directors.

#### Miscellaneous Fees

9.02 The Board of Directors may establish fees for hook-ups, connects, disconnects taps, or other services which may be provided by the Corporation. Fees for Members who are late or delinquent in payment will also be determined by the Board of Directors.

## ARTICLE X

### LEGAL COUNSEL

10.01 The Board of Directors may employ counsel to represent the corporation.

## ARTICLE XI

### DEPOSITORY OF FUNDS

11.01 The Board of Directors shall select a depository for the funds of said corporation, a National Bank or State Bank within the State of Texas and shall require of said depository such bond as the Board deems necessary for the protection of said corporation; and such fund as the Board of Directors may from time to time allocate to a sinking fund for replacement, amortization of debts and the payment of interest, which shall not be required to be expended within the year, is deposited at interest in such National Bank or State Bank in a savings account.

### Audit

11.02 The Corporation's books shall be balanced and audited by individuals selected by the Board of Directors on an annual basis. An outside firm will be contracted to audit every five years.

## ARTICLE XII

### DISPOSITION OF PROPERTY

12.01 Board Approval. The Corporation may, by vote of five (5) or more Directors, sell, mortgage, lease or otherwise dispose of or encumber all or substantially all its property. The Board may not approve the dissolution or any sale of all or substantially all the Corporation's assets ("Dissolution of Sale") on terms that would benefit any Director more than any similarly situated non-Director member. The Board of Directors may not disqualify a director for lawfully opposing a Dissolution or Sale.

12.02 Membership Approval. The Corporation may not dissolve the Corporation or sell or transfer all or substantially all its assets without the approval of two-thirds (2/3) of Members of the Corporation that are in attendance at Board of Directors meeting, and by member proxy.

12.03 Delegated Approval for Certain Property. The Corporation may sell, donate, or otherwise dispose of any of its property that is no longer useful, necessary, desirable, profitable, or advantageous in the conduct of the business of the Corporation.

12.04 Upon dissolution of the organization, the assets remaining after discharge of the corporation's indebtedness shall be transferred to an entity that provides a water supply service that is exempt from property taxation.

### ARTICLE XIII

#### AMENDMENT OF BYLAWS

13.01 The power to alter, amend, or repeal these bylaws is vested in not less than two-thirds (2/3) majority vote by the Board of Directors, and not less than two-thirds (2/3) of members present at annual meeting or at special meeting. Proposed amendments must be submitted to the Secretary to be sent out with regular board announcements.

#### CERTIFICATION

These bylaws were approved at the annual meeting, February 19, 2024, of the 3G Board of Directors, 2/3 majority vote from the Directors and 2/3 majority vote of Members in attendance of annual meeting and by Member Proxy on

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Board President (original signed by) Nancy Stanford

Secretary (original signed by) Annette Chamberlain