

BENTON CITY WATER SUPPLY CORPORATION
ELECTION PROCEDURES FOR
THE 2025 ANNUAL MEMBERS' MEETING

Adopted in accordance with Sections 67.0051-.0055 and 67.007 of the Texas Water Code by the Board of Directors, this 10th day of December, 2025.



President

Secretary-Treasurer

Corporate Seal
(if applicable)

1. **Annual Meeting Date.** The annual meeting of the members of the Corporation must be held between January 1st and May 1st ¹. If the Corporation's Bylaws or Certificate of Formation/Articles of Incorporation specify a date for the annual meeting, the meeting shall be on that date. If the Bylaws or Certificate of Formation/Articles of Incorporation do not specify a date, the board shall determine the date which is no earlier than January 1st and not later than May 1st. **The Corporation has designated the 2nd (second) Tuesday of April as the date set forth for the Annual Meeting and Election.** The Corporation may hold other special meetings of the members for the purpose of conducting an election on an issue that requires a vote of the membership or for another purpose.
2. **Credentials Committee.** At least 120 days prior (or within 5 (five) days thereafter) to the annual meeting the Board of Directors shall appoint a **Credentials Committee** of three individuals. This committee shall at no time have sufficient board members appointed to constitute a quorum of the Board of Directors.
 - a. The chairperson of the **Credentials Committee** will be the Secretary/Treasurer unless that individual is running for re-election; in which case the Board shall appoint any other officer not running for re-election to serve as the chairperson of the committee. If all officers are running for re-election any other director not running for re-election will be appointed as the chairperson.
 - b. In filling the other positions, the Board shall appoint two other members of the Corporation.
 - c. A **Credentials Committee** member may not be an employee of the Corporation, a candidate for the director election, a family member of a candidate running for election to the board or an independent contractor engaged by the Corporation during the Corporation's regular course of business.
 - d. The **Credentials Committee** shall assist the board by:
 - 1) Recommending for Board approval the ballot form, director application forms, the annual meeting packet, the meeting notice and any other related forms and notices for the annual meeting at least 95 days prior (**Friday, January 3, 2025**) to the annual meeting;
 - 2) Recommending for Board approval a person to fill the role of **Independent Election Auditor** at least 45 days prior (**Friday, February 21, 2025**) to the annual meeting;
 - 3) Ensuring that the election procedures are implemented;
 - 4) Generating interest among the membership to apply to serve on the board;
 - 5) Verifying candidate applications and petitions for completeness (with the assistance of the Corporation if needed); and
 - 6) Serving other functions as set forth in these procedures.
 - e. In the event of a vacancy on the **Credentials Committee**, the Board shall appoint a replacement who meets the qualifications in Section 2.c as soon as is practical.
3. **Adoption of Election Procedures.** The Board will meet at least 90 days before the annual meeting (**Wednesday, January 8, 2025**) to review and adopt the ballot form, director application form, and election procedures. These election procedures apply to a member meeting where an election will be held. They are adopted in accordance with Section 67.007(b) and 67.0054(f) of the Texas Water Code. The timeline for events leading up to an election is set forth in **Attachment 1**.

¹ See. T.W.C. Sec. 67.007

4. **Applications for Director and Requests for Action Items.** At least 80 days before the date of the annual meeting (**Friday, January 17, 2025**) that includes a director election, the Corporation will notify all members of their opportunity to submit an application to serve as a Director.² The notice shall specify the procedures for submitting an application, including instructions on who to send the completed application forms to as well as the mailing address and/or the email address for the designated individuals. The notice shall also inform members that they may request that items be placed on the agenda of the Annual Member Meeting by contacting the Corporation's office during regular business hours or sending an email to the Corporation at bentoncity@bentoncitywater.com at least one week before the date meeting packets are sent to members (**Friday, February 28, 2025**) as described by Section 7.

- a. The application form will require the following information (**Attachment 2**)³:
- 1) The person's name and contact information;
 - 2) If applicable, the director's position number, district number or other distinguishing number for which the person seeks to be elected;
 - 3) Biographical information about the person;
 - 4) A statement of the person's qualifications to serve as director;
 - 5) A signed statement that the person is qualified under Texas Water Code Section 67.0051 as follows:
 - i. is at least 18 years old on the first day of the term to be filled;
 - ii. is a member of the Corporation;
 - iii. has not been determined by a final judgment of a court exercising probate jurisdiction to be totally mentally incapacitated or partially mentally incapacitated without the right to vote; and
 - iv. has not been finally convicted of a felony or if convicted, was pardoned or otherwise released from the resulting disabilities;
 - 6) A statement that the person meets the eligibility requirements, if any, set forth in the Certificate of Formation and Bylaws of the Corporation;
 - 7) The person's written consent to serve, if elected; and
 - 8) If the system has 1,500 or more members, a petition, signed by 20 members, requesting that the person's name be placed on the ballot as a candidate for that position⁴.
- b. By law, Director Applications are due 45 days before the date of the annual meeting (**Friday, February 21, 2025**), at close of business.⁵ Applications received after this date and time will not be accepted. Applicants are encouraged to submit applications earlier to give the **Credentials Committee** time to verify that the application is complete and provide the applicant with the opportunity to correct any defects, if necessary. The Corporation cannot guarantee an applicant the opportunity to correct a defect in the application if it is submitted less than 48 hours before this deadline.
- c. Applications shall be submitted as prescribed in the Application for Board of Directors Position.

² See. T.W.C. Sec. 67.0052(b); This is the first deadline prescribed by law and it is set at 75 days, but extra time is suggested.

³ See T.W.C. Sec. 67.0052

⁴ Note: The Corporation may advise candidates to obtain a few extra signatures in case there are any disqualifications of the signatures provided. Only one representative from each membership may sign a petition supporting an application for director (for example, one individual in a married couple may sign a petition if the couple shares a single membership). An applicant may sign his or her own petition for director.

⁵ See T.W.C. Sec. 67.0052(b).

- d. Upon receipt of each application, the **Credentials Committee** shall review the application for completeness, including confirming with the Corporation that the applicant is a current member and whether the signatures on the petition represent a valid membership (if applicable). Within 48 hours of receiving the application a reviewer shall notify the applicant of any defects in the application and the applicant will be given the opportunity to cure any omitted information on the application or incorrect data on the petition.
 - e. To be listed on the ballot the applicant must submit a corrected application or petition not later than 45 days before the date of the annual meeting (**Friday, February 21, 2025**) in the same manner prescribed for in the original application and petition in this section.
 - f. The Corporation or **Credentials Committee** Member shall not edit the content of an application submitted by the applicant.
5. **Board Meeting.** The board will meet no later than 40 days before the date of the annual meeting (**Thursday, February 27, 2025**) to:
- a. **Select an Independent Election Auditor.**
 - 1) The Board of Directors may select an **Independent Election Auditor** based on the recommendation of the Credentials Committee.
 - 2) The **Independent Election Auditor** is not required to be an experienced election judge or auditor and may serve as an unpaid volunteer.
 - 3) The **Independent Election Auditor** cannot be associated with the Corporation as an employee, director or candidate for director, a family member of a candidate or director or an independent contractor engaged by the Corporation as part of the Corporation's regular course of business, but may be a member of the Corporation.
 - b. **Finalize and approve the voting ballot** listing candidates, the annual meeting agenda and the annual meeting packet.
 - c. **Determine whether any candidate is unopposed.** If there are unopposed candidates, the board may declare the candidates elected and certify in writing by resolution (**Attachment 7**) that the candidates are unopposed⁶. If there is more than one director position for which unopposed candidates are declared elected and the terms are not for equal duration of service, those unopposed candidates will draw lots under the direction of the presiding director to determine who will fill each position. The resolution will specify which candidates have been declared elected for each position. An election will not be held for the unopposed candidates. The Board will direct that the resolution be posted at the Corporation's main office as soon as practical. The resolution also will be read into the record at the annual meeting.

Note: If an election is still necessary after any unopposed candidate has been declared elected as stated above, the ballot must also include the names of the unopposed candidate(s) who have been declared elected under the heading "Unopposed Candidates Declared Elected" along with the opposed candidates, e.g. Director Position for District 1 was unopposed, however District 2 has two candidates running for this position.
 - d. If the board fails to pass a resolution of unopposed candidates, the election shall proceed with the unopposed candidates on the ballot.

⁶ See T.W.C. Sec. 67.0055(a) & (b)

Note: Texas Water Code Sec. 67.0055 specifies that a person may not, by intimidation or by means of coercion, influence or attempt to influence a person to withdraw as a candidate or not to file an application for a place on the ballot so that an election may be canceled.

6. **Voting Roster.** At least 40 days prior to the annual meeting (**Thursday, February 27, 2025**) the Corporation will prepare an alphabetical list of the names and addresses of all its voting members ("Voting Roster") as required by Section 22.158 of the Business Organizations Code. Note that the voting roster is only available during this limited window of time up to the annual meeting to Corporation members only (not the general public) in order to reconcile Section 22.158 of the Texas Business Organizations Code with the 2021 change in law to Section 182.052 of the Texas Utilities Code regarding confidentiality of customer information.
 - a. The Voting Roster of members approved to vote in the annual election shall be available no later than the second business day after the date the annual meeting packets are sent to the members, and through the day of the meeting.
 - b. The Corporation shall provide a copy of Voting Roster to the **Independent Election Auditor** to verify the members which may cast a ballot in the election.
 - c. The Voting Roster will also be made available in the Corporation's office or other location deemed accessible for inspection by a member or the member's agent or attorney.
 - d. The Voting Roster will be available for inspection at the annual meeting.

7. **Meeting Packets.** At least 30 days before the date of a member meeting (**Friday, March 7, 2025**), where an election will be held,⁷ the Corporation shall mail to each voting member of the Corporation the meeting packets, which will contain as applicable:
 - a. the Notice of Member Meeting (**Attachment 3**);
 - b. the Official Ballot Form (**Attachment 4**);
 - c. an envelope for members to return their ballots that includes the member's return address and account number, and the address where the ballots are to be sent (either Corporation's main office or **Independent Election Auditor's** office/address) (**Attachment 5**);
 - d. biographical information about each candidate for director, including their qualifications as provided in their application (**Attachment 6**);
 - e. a detailed explanation of any issue (ballot measure) that the members are being asked to vote on;
 - f. if bylaw changes are being proposed, a copy of the specific changes; and
 - g. if the Corporation's bylaws provide that an official seal must be used on ballots, the Corporation shall ensure that all ballots contain the seal.

The Corporation shall send the voting packet to the members correct billing address. If renters are billed for service, the Corporation shall send the voting packet to the members alternate address on file with the Corporation.

If the Corporation allows for renters to be members, the Corporation shall send the packet to the renter who is a member.

If the election is unopposed, the Corporation is still required to send out a meeting notice; however, the notice may be included with a utility bill.

⁷ See T.W.C. Sec. 67.0053

8. **Voting.** A member is entitled to only one vote regardless of the number of memberships the member owns. A member may be a natural person; a partnership of two or more persons having a joint or common interest, including a married couple who jointly own property; or a Corporation. The system shall use a secured ballot box with a lock on it as the depository of the ballots. The Secretary/Treasurer shall keep the key to the box unless the Secretary/Treasurer is running for re-election, in which case the board shall appoint another officer. If all officers are running for re-election the board will appoint a director or the General Manager/Manager.

a. **Voting in Advance of the Annual Meeting**

- 1) The Corporation will accept ballot forms received during regular office hours at the Corporation's office or by mail not later than **noon** on the business day before the annual meeting (**Monday, April 7, 2025**) or the board may designate the ballots be mailed or delivered to the Office of the **Independent Election Auditor** not later than noon on the business day before the date of the annual meeting (if applicable).⁸
- 2) Upon receipt of a ballot, the board-appointed staff member or the **Independent Election Auditor** will record on the Voting Roster that the member has submitted a ballot envelope, and then will place the unopened ballot envelope in the secured ballot box.
- 3) The secured box[es] will be turned over to the **Independent Election Auditor** after the 12-noon voting deadline and will remain in the custody of the **Independent Election Auditor** until the end of the Election.

b. **Voting in Person at the Annual Meeting.**

- 1) Members attending the annual meeting will check in with the **Independent Election Auditor** who will verify whether the member has already submitted a ballot.
- 2) The **Independent Election Auditor** will provide an official ballot to those members who are voting at the annual meeting. The ballots will be printed on a different color paper or contain a special marking such as a distinct watermark to distinguish them from the ballots sent in advance of the meeting.
- 3) If a member attends the annual meeting but has already submitted a ballot, the member may participate in the meeting but may not change their vote or submit another ballot.

9. **Open Meetings Act Notice.** The Corporation also will post the Agenda of the Members Meeting in accordance with the Open Meetings Act at least 72 hours in advance of any member meeting (see **attachment #3**). If the board plans to hold a board meeting on adjournment of the annual meeting, a separate notice of that meeting also must be posted.

10. **Conducting the Annual Meeting.** The presiding director will conduct the annual members meeting in accordance with the noticed meeting agenda.

11. **Quorum Requirement.** At the commencement of the annual meeting, the presiding director will make a last call for the submission of ballots. The presiding director will report the total number of members who are present, which includes those members who mailed or delivered ballots prior to the meeting, for the purpose of establishing a quorum. Upon establishing a

⁸ See T.W.C. Sec. 67.0054(a). In the alternative, the Corporation may designate that the ballots be delivered to the office of the **Independent Election Auditor**.

quorum, the presiding director will announce that a quorum of the membership is present and that the meeting [and election] may proceed.⁹

12. **Counting the Ballots.** Upon the last call for ballots the **Independent Election Auditor** will count the number of ballots received by mail or in person delivery to the Corporation or **Independent Election Auditor** and the number of ballots cast at the meeting and report the total number to the presiding officer to establish a quorum. Once the quorum has been established the **Independent Election Auditor** may begin to open the ballot envelopes cast in advance and place those ballots with the ballots cast at the meeting. The envelopes will be kept separately in a secured location. The **Independent Election Auditor** will count all the ballots at the meeting prior to adjournment and will provide the board with a written report of the election results¹⁰ (see attachment #9).

The **Independent Election Auditor** may enlist the assistance of members or other individuals to count ballots and to assist with other duties. Individuals assisting the **Independent Election Auditor** may not be an employee of the Corporation, a current director or candidate, a family member of a director running for election, a candidate, or an independent contractor engaged by the Corporation as part of the Corporation's regular course of business.

- If there is more than one director position to be filled and the terms are not for equal duration of service, those candidates receiving the greater number of votes will fill the positions with the longer terms.
- If two or more candidates for a director's position tie for the highest number of votes, those candidates will draw lots under the direction of the **Independent Election Auditor** to determine who is elected.
- If there is a tie vote on an issue other than a director election, the measure fails.

13. **New Board of Directors Meeting.** The first regular board meeting of the newly elected board of directors will be held on the same day and immediately following the annual election meeting. A separate agenda will be posted for this first board meeting, as required by the Open Meetings Act, where business will include electing new officers from among the new board members. Additionally, the board may elect to appoint **Credentials Committee Members** for the next election year. The board also will designate those directors who have authority to sign checks on the behalf of the Corporation, if not otherwise designated by the Corporation's Bylaws.

14. **Election Contest.** Should any member wish to contest an election, said member must officially file suit in _____ District Court within thirty days of the announcement of the official results of the election at issue.

⁹ See T.W.C. Sec. 67.007(a-1). A quorum for the transaction of business at a meeting of the members or shareholders is a majority of the members and shareholders present.

¹⁰ See T.W.C. Sec. 67.0054(b) & (e)