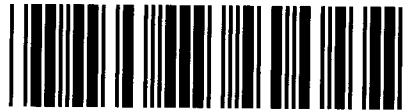


Control Number: 42956



Item Number: 2

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

COATS | ROSE

A Professional Corporation

ANGELA M. STEPHERSON
OF COUNSEL

astepherson@coatsrose.com
Direct Dial
(972) 982-8455
Fax
(972) 982-8451

April 11, 2014

VIA OVERNIGHT DELIVERY

Lisa Fuentes
TCEQ Utilities & Districts Section
Utilities Financial Review (MC 153)
12100 Park 35 Circle, Building F
Austin, Texas 78753

Dear Ms. Fuentes:

Enclosed please find four (4) originals of an application to transfer a portion of the water certificate of convenience and necessity held by the City of Dorchester to Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County. Also enclosed is a CD with a digital map of the CCN area to be transferred. Please note that the area to be transferred does not currently include any customers, so customer notice is not necessary.

Please direct all correspondence regarding this matter to me at the address below. Thank you.

Very truly yours,



Angela M. Stepherson

Enclosures

4851-9572-8410, v 1

Two Lincoln Centre, 5420 LBJ Freeway, Suite 600 Dallas, Texas 75240
Phone: 972-982-8450 Fax: 972-982-8451
Web: www.coatsrose.com

HOUSTON | CLEAR LAKE | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS

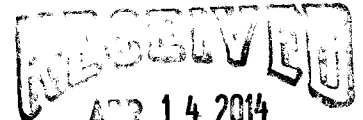
4851-9572-8410.v1

RECEIVED
2014 SEP 10 PM 4:21
PUBLIC UTILITY COMMISSION
FILING CLERK

RECEIVED
TCEQ
WATER SUPPLY DIV.
2014 APR 14 PM 3:57

2

**APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY**



*RN# 105347777

*CN# 603248279

*If known (See instructions)

**UTILITIES & DISTRICTS
SECTION**

1. Proposed action of application (check all the boxes that apply):

Sale of ☐ All ☐ Portion of the ☐ Water system(s) under CCN No.:
☒ Acquisition ☐ Sewer system(s) under CCN No.:
Lease/Rental

☒ Transfer of ☐ All ☒ Portion of the ☒ Certificated water service area – CCN No.: 12013
Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

See maps and legal description included.

and to:

☒ Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
☒ Amend the transferee's CCN No.: 12013
Merge or consolidate public utilities
Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: August 15, 2014

(Must be at least 120 days after proper notice is provided)

**QUESTIONS 3 THROUGH 5 APPLY TO THE TRANSFEROR
(CURRENT SERVICE PROVIDER OR SELLER)**

3. For the current CCN holder or service provider please indicate:

A. Name: City of Dorchester

(Individual, Corporation or Other Legal Entity)

who is a(n):of Individual Corporation WSC HOA or POA ☒ Other Municipality

B. Utility Name (if different than above):

Address: 373 Main Street, Dorchester, Texas 75459 Telephone: (AC) (903) 476-2443

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: Eddy W. Daniel, P.E.

Title: Engineer

Address: P.O. Box 606, Farmersville, Texas 75442

Telephone: (AC) (972) 784-7777

Fax: (972) 782-7721

Email: Eddy@DBIConsultants.com

- B. Was notice of this increase provided to the Texas Commission on Environmental Quality or its predecessors?

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

☛ Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TCEQ, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

6. For the person or entity acquiring the facilities and/or CCN:

CCN Numbers held prior to the filing of this application: None

- Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	N/A	Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Derek Long	Telephone (AC):	(972) 982-8450
Address:	5420 LBJ Freeway, Suite 600 Dallas, Texas 75240		
Position:	President	Ownership % (if applicable):	N/A

•Name:	Marvin F. Hunt, Jr.	Telephone (AC):	(972) 982-8450
Address:	5420 LBJ Freeway, Suite 600 Dallas, Texas 75240		
Position:	Vice President	Ownership % (if applicable):	N/A

•Name:	G.A. Moore, Jr.	Telephone (AC):	(972) 982-8450
Address:	5420 LBJ Freeway, Suite 600 Dallas, Texas 75240		
Position:	Secretary	Ownership % (if applicable):	N/A

•Name:	Jason McLeod	Telephone (AC):	(972) 982-8450
Address:	5420 LBJ Freeway, Suite 600 Dallas, Texas 75240		
Position:	Assistant Secretary	Ownership % (if applicable):	N/A

•Name:	Phillip E. Lakey	Telephone (AC):	(972) 982-8450
Address:	5420 LBJ Freeway, Suite 600 Dallas, Texas 75240		
Position:	Director	Ownership % (if applicable):	N/A

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Angela Stepherson	Title:	Attorney
Address:	5420 LBJ Freeway, Suite 600 Dallas, Texas 75240	Telephone (AC):	(972) 982-8455
Fax #	(972) 982-8451	Email	astepherson@coatsrose.com
Relationship to the applicant:	Attorney		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

The applicant is a water control and improvement district created by the Texas Legislature and operating under Chapter 51 of the Texas Water Code.

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and ensure continuous and adequate service.

The applicant is a water control and improvement district with the authority to issue tax-exempt bonds payable from taxes or revenues and it has also entered into a developer reimbursement agreement providing for the advancement of funds as necessary for district operations.

- D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

No changes; there are currently no customers in the transfer area.

- E. How will the transaction serve the public interest?

The transaction will provide centralized water service to the transfer area, allowing for residential and commercial development.

12. Please describe the nature of the proposed transaction:

A portion of water CCN No. 12013 is being transferred from the City of Dorchester to Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County. No facilities are being transferred. A copy of the agreement between the parties is attached.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the TCEQ, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.

• Total Purchase Price:

• Total Original Cost (as recorded on books of seller or merging entity):

• Accumulated Depreciation as of the proposed effective date of the transaction:

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ:

- Revenues from explicit customer agreements:

- Developer Contributions (please explain):

- Other Contributions (please explain):

Total Contributions in Aid of Construction

• Net Book Value:

☐ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number:

Date:

☐ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: Date:

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:
- All the customers will be charged the same rates as they were charged before the transaction.
- Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

✓ Other. Please explain:

There are currently no customers in the transfer area.

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

City of Dorchester, City of Sherman, Kimberlin Ranch Municipal Utility District No. 1 of Grayson County, Kimberlin Ranch Municipal Utility District No. 2 of Grayson County, Marilee Special Utility District, Two Way Special Utility District

16. Financial, Managerial and Technical information for the acquiring entity.

HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash	Transferee does	not currently	provide service.			
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash	Transferee is a	governmental	entity			
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If Funded)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

**PLEASE ANSWER QUESTIONS 17 THROUGH 22 ON A DIFFERENT SHEET
FOR EACH PHYSICALLY DISTINCT SYSTEM BEING
TRANSFERRED OR ACQUIRED**

17. A. For Water Systems. TCEQ Public Water System Identification Number:

N	/	A				
---	---	---	--	--	--	--

Date of last inspection:

B. For Wastewater Systems:

-TCEQ Discharge Permit Number:

W	Q	N	/	A			-			
---	---	---	---	---	--	--	---	--	--	--

-Name of Permittee:

-Date of application to transfer Discharge Permit submitted:

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ standards? ☐ Yes ☒ No. If yes, please explain:

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
N/A		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			0	Total Sewer Connections	0

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
N/A - no facilities are being transferred.		

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

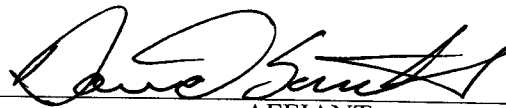
OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF TEXAS

COUNTY OF GRAYSON

I, David Smith, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Mayor (*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.



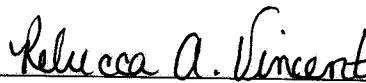
AFFIANT

(Utility's Authorized Representative)

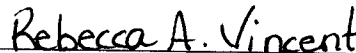
If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 4th of December 20 13.

SEAL



NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS



PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES February 25, 2015

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

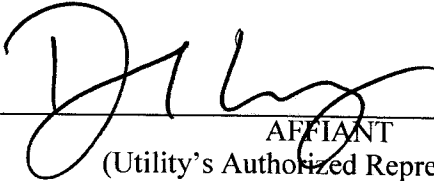
STATE OF TEXAS

COUNTY OF GRAYSON

I, Derek Long, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as President
(*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.



AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 18th of February 20 14.

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

One copy of this page must be submitted for each utility involved in this transaction.

FORM B

Application No. _____

Notice to Current Customers, Neighboring Systems, Landowner and Cities

City of Dorchester 'S NOTICE OF INTENT TO SELL FACILITIES TO
(Seller's or Transferor's Name)

Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County AND FOR Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County
(Purchaser's or Transferee's Name) Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN
Grayson COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System, Landowner or City)

(Address)

City State Zip

<u>City of Dorchester</u>	<u>373 Main Street</u>	<u>Dorchester, Texas 75459</u>
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell water or sewer (please select) Facilities in Grayson [County Name] County to:

<u>Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County</u>	<u>5420 LBJ Freeway, Suite 600</u>	<u>Dallas, Texas 75240</u>
Purchasers or Transferee's Name	Address	City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the proposed service area include the following subdivision(s) and zip codes:

76233

The area subject to this transaction is located approximately 5 miles northwest [direction] of downtown Gunter, [City or Town] Texas, and is **generally** bounded on the north by F.M. 902; on the east by McDonald Road; on the south by Kimberlin Road; and on the west by Hunter Road

The total area being requested includes approximately 753.9 acres and serves 0 current customers. This transaction will have the following effect on the current customer's rates and services:
None

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

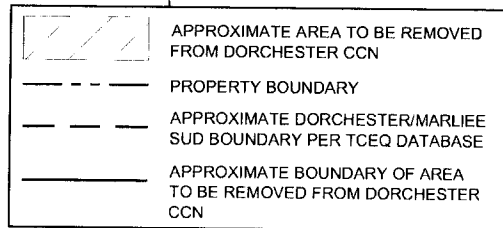
Se desea informacion on Espanol, puede llamar al 512-239-0200.

David Smith, Mayor

Utility Representative

City of Dorchester

Utility Name



NOTE

- 1 COMMERCIAL WAY ACREAGE IS BASED ON LEGAL DESCRIPTION INFORMATION
- 2 KIMBERLIN HEIGHTS ACREAGE IS BASED ON THE TCEQ CCN BOUNDARY OVERLAY
- 3 THERE ARE NO EXISTING OR PROPOSED FEATURES ON THE CCN TRANSFER AREA

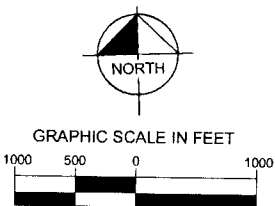
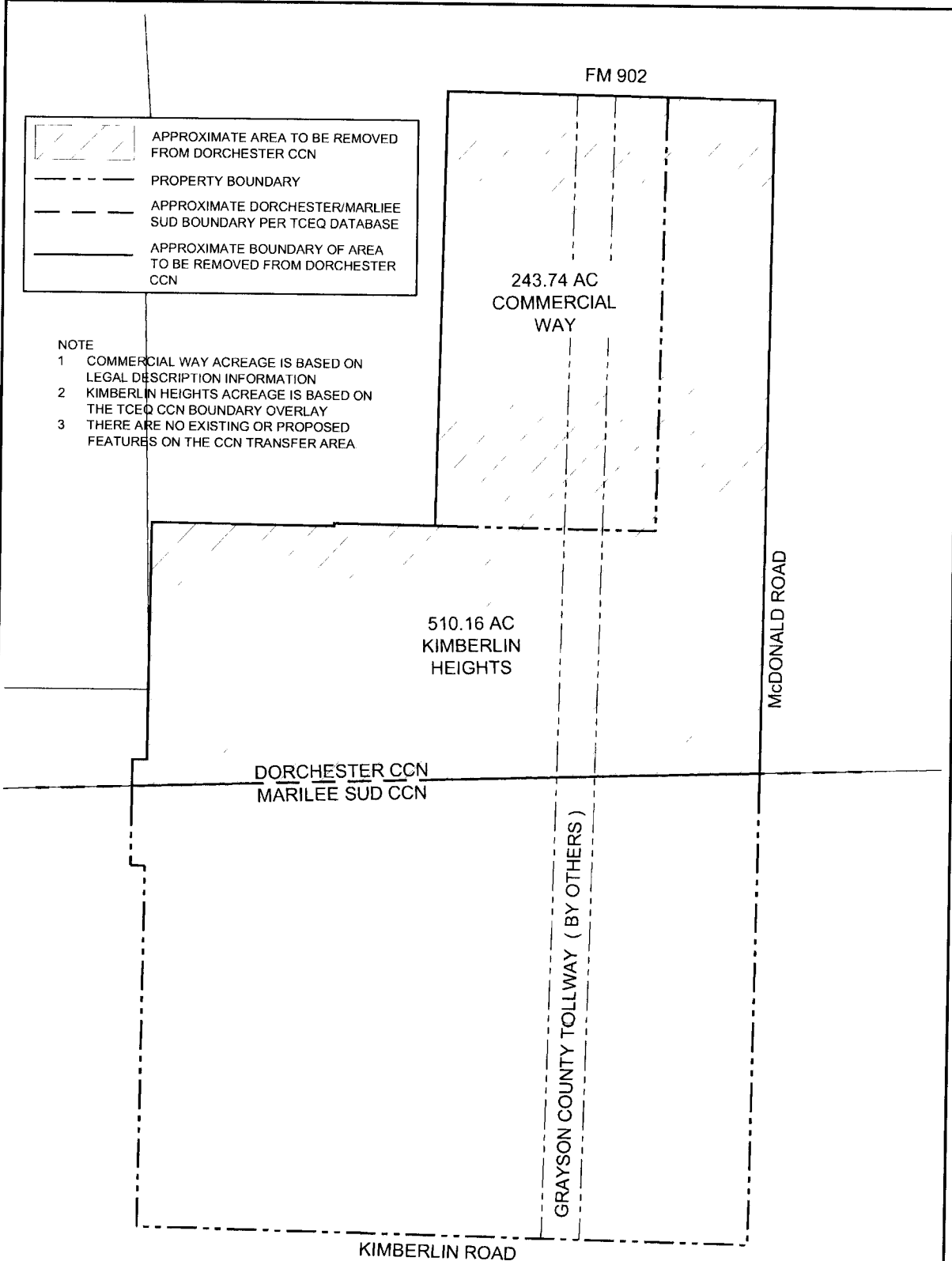


EXHIBIT B
CCN BOUNDARY ADJUSTMENT
 DORCHESTER/MARILEE SUD CCN'S
 GRAYSON COUNTY, TEXAS
 NOVEMBER 2012