



Control Number: 42964



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



*RN# 101396349

*CN #

RECEIVED

2014 DEC 17 PM 4: 40

PUBLIC UTILITY COMMISSION
FILING CLERK

Received

AUG 3 1 2005

Water Quality Application Team

*If known(See instructions)

PURPOSE OF THIS APPLICATION

OBTAIN ☐ New Water CCN ☐ New Sewer CCN
AMEND ☒ Water CCN # 10173 ☒ Sewer CCN # 20460

1. APPLICANT INFORMATION

Utility Name: City of Bonham
Utility Address (city/state/zip) 301 East 5th Street
Bonham, Texas 75418

Utility Phone and Fax Number (903) 583-5761 Phone (903) 583-5761 Fax

Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title related to the applicant.

Name: Arturo D. Rodriguez, Jr. Title: Attorney
Address: 102 West Morrow, Suite 103 Telephone (512) 930-1317
City Georgetown St Texas Zip 78626 Fax (512) 930-7742
County(ies) in which service is proposed Fannin County

A. Provide the following information about the utility's certified operators

Name	Classes	License Number
<i>See Attachment A</i>		

- Attach additional sheet(s) if necessary -

B. Check the appropriate box and provide information regarding the legal status of the applicant:

	Investor owned utility	
		Individual
		Home or Property Owners Association
		For-profit corporation
	Non-profit, member-owned, member-controlled cooperative corporation (Water Code Chapter 67, Water Supply or Sewer Service Corporation)	
X	Municipality	
	District	
	Other	Please explain:

- C. If the applicant is a For-Profit Corporation: **N/A**
- i. Please provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. (See Note below).
 - ii. Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State. _____.
- D. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation or other non-profit corporation: **N/A**
- i. Please provide a copy of the Articles of Incorporation and By-Laws.
 - ii. Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State

2. **LOCATION INFORMATION**

- A. Are there people already living in the proposed area?
YES ☒ NO
If YES, are any currently receiving utility service?
YES ☒ NO _____, if YES, from Whom City of Bonham.
- B. Have you received any requests for service in the requested service area?
YES ☒ NO
If yes, please indicate the number of verbal and number of written requests and provide a clear explanation of the need for service in the requested area.
WRITTEN _____ VERBAL ☒
On a separate page, list the name, address, and phone number of persons requesting service. Include any letters of intent, service inquiries, and/or any other documentation demonstrating a need for service in the proposed area. Requests for service must be identified on the large scale map. See 2.E.i.a below.
If no, please justify the need for service in the proposed area.
- C. Is any portion of the proposed service area inside an incorporated city?
YES ☒ NO
If YES, within the city limits of: The City of Bonham.
Provide a copy of any franchise, permit, or consent granted by the city. If not available, please explain: **N/A**
- D. Is any portion of the proposed service area inside another utility's CCN area?
YES ☒ NO _____
If YES, has the current CCN holder agreed to decertify the proposed area.
YES _____ NO ☒
If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest. Bonham seeks dual certification with Southwest Fannin County SUD and Whiteshed WSC. Bonham is working on memorializing the dual CCN agreements.
- E. Attach the following maps with each copy of the application: *(All maps should include applicant's name, address, telephone number, and date of drawing or revision. All maps should be folded to 8½ x 11 inches). See Attachment B*
- i. Subdivision plat or engineering plans or other large scale map showing the following:
 - A. The exact proposed service area boundary showing locations of requests for service and locations of existing connections (if applicable).
NOTE: Applicant may send their facility line map showing current connections (if available), OR estimate the number of connections along each side of the street

- on the large scale map.
- B. The existing service area (if applicable).
- C. Metes and bounds (if available).
- D. Proposed and existing service area boundaries should be plotted on the map in relation to verifiable natural and man-made landmarks such as roads, creeks, rivers, railroads, etc.
- E. Service area boundaries should be shown with such exactness that they can be located on the ground.

NOTE: Applicant may use a USGS 7.5"-minute series map if no other large scale map is available.

- ii. Small scale location map delineating the proposed service area. The proposed service area boundary should be delineated on a copy of the TCEQ official CCN map. This map will assist TCEQ staff in locating the proposed service area in relation to neighboring utility service areas. *A copy of the TCEQ official CCN map may be obtained by contacting the Utilities & Districts Section at 512/239-4691 or by mailing a written request to the following address:*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Water Supply Division
Utilities & Districts Section
MC-153
P.O. Box 13087
Austin, TX 78711-3087

NOTE: If the proposed service areas shown on the large scale map and small scale map do not delineate the same area, the more detailed large scale map will be used to delineate the official CCN service area.

- iii. **Hard copy maps should include the following items:**
 - A. Map scale should be prominently displayed.
 - B. Color coding should be used to differentiate the applicants existing service areas from the proposed service area.
 - C. Attach a written description of the proposed service area.
 - D. Proposed service area should be the same on all maps.
 - E. Include map information in digital format (if available), *see Section 3, GIS Information.*
- iv. Each utility shall make available to the public at each of its business offices and designated sales offices within Texas the map of the proposed service area currently on file with the Commission. The applicant employees shall lend assistance to persons requesting to see a map of the proposed area upon request.

3. GIS INFORMATION

We are currently developing a state wide Geographic Information Systems (GIS) coverage of all CCN service areas. The mylar maps are being retired. In order to assist us in this move, we are requesting that a digital file of the proposed CCN service area boundary be submitted with the 3 hard copy maps. **This is not a requirement.** It is understood that not all utilities employ the services of an engineering company or use mapping software to produce a map of the proposed CCN service area boundary. However, by submitting the information digitally, the evaluation of your CCN will be faster and more accurate. Also, by receiving the information in digital form it is easier for us to update and maintain the CCN GIS coverage.

- A. **Digital Map Requirements** In order that your digital data can be properly used, the following information is necessary:

- i. Submit digital data of the proposed CCN service area on a 3.25" diskette or CD. Only one diskette or CD is necessary. Most files of CCNs (minus the base map) should be small enough to zip up and put on a diskette or CD.
- ii. The digital data should include all items represented in the hard copy maps (see Section 2, items E.i and E.ii).
- iii. Please identify data file format, projection information, map units and base map used.

Acceptable Data File Formats:

ArcView shape file (preferred)

1. AutoCAD dwg file
2. Arc/Info E00 file
3. DXF file
4. Microstation dgn files

v NOTE: If you use a format that is not listed, contact the Cartographer at the number listed below to see if we can use the data.

- a. **Projection, Datum, and Units Information** The data should be submitted in the Texas State Mapping System (TSMS) Projection. However, if it cannot be submitted in TSMS, list the Projection (e.g. State Plane Central Zone, NAD27) or coordinate system being used and Units (e.g. meters, feet, etc.)

- b. **Base Map Information**

List the base map used (e.g. TxDOT county digital road maps, USGS maps, etc.) Base map information should be included only if it has been produced in-house and is not easily available at most data repositories.

v NOTE: TCEQ uses TxDOT county (urban) digital road maps as the official CCN base map. Copies of these files can be obtained from Texas Natural Resources Information Systems (TNRIS) at (512) 463-8337 or downloaded from the TNRIS website at

<http://www.tnris.state.tx.us/DigitalData/TxDOT/txdot.htm>.

- c. **Read-me text file**

Data file format, base map used, projection and units information, and other necessary information can be specified in a read-me text file.

B. Important Information For those applicants that submit digital data:

- i. Please make sure the proposed service area boundary shown on the hard copy map is identical to the digital data. If the proposed service area shown on the digital data does not delineate the same area shown on the hard copy map, the hard copy map will be used to delineate the official CCN service area.
- ii. Modifications may be made to submitted digital data in order to match the proposed service area boundary to features represented on the TxDOT base map, as opposed to the same features used in the applicant's base map.
- iii. If an applicant proposes to amend a portion of their existing CCN service area, the existing service area shown on the digital data must match the official CCN service area that was previously certificated to the utility. If it does not, then only the proposed portion of the digital data will be used.

If you have any questions about sending the data or our GIS CCN coverage, please contact the Cartographer of the Utilities & Districts Section, Water Supply Division at (512) 239-4691.

4. NEW SYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME

A. Please provide the following information:

- i. A list of all public drinking water supply systems or sewer systems within a 2 mile radius of the proposed system.
- ii. Copies of written requests seeking to obtain service from each of the public drinking water supply systems or sewer systems listed in #4.a.i above or documentation that it is not economically feasible to obtain service from them. N/A

- iii. Copies of written responses from each system or evidence that they did not reply. N/A.
- B. Were your requests for service denied? N/A.
 - i. If yes, continue.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each system that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any: N/A
- D. Date of plat approval, if required: N/A
Approved by:
- E. Date Plans & Specifications submitted for approval N/A Log No. N/A
Attach copy of approval letter if available.
- F. Date construction is scheduled to commence N/A
- G. Date service is scheduled to commence N/A

5. **EXISTING SYSTEM INFORMATION**

A. Please provide the following information for **each** water and/or sewer system:

i. Water system's TCEQ Public Water System identification number:

0	7	4	0	0	0	1	;									;								
---	---	---	---	---	---	---	---	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--

							;									;								
--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--

ii. Sewer system's TCEQ Discharge Permit number: (for each system)

W	Q	1	0	0	7	0	-	0	0	1	;	W	Q					-					
---	---	---	---	---	---	---	---	---	---	---	---	---	---	--	--	--	--	---	--	--	--	--	--

iii. Date of last inspection September 15, 2004 (sewer) and May 26, 2005 (water).

iv. Attach a copy of the most recent inspection report letter. **See Attachment C.**

v. For each system deficiency listed in the inspection report letter, attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. **The corrective action response from the May 26, 2005, PWS inspection is not due until March 26, 2006. It will be supplemented once it is completed.**

B. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

Yes _____ No ✓

Attach an explanation listing the actions to be taken to make system improvements including proposed completion dates (See 291.93(3)(A) of TCEQ Rules).

- C. List in the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan and reflect the number of service requests identified in Question 2.b above.

Water System			Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	3200	10	Residential	2567	10
1" meter or larger	180	5	Commercial	478	5
Non-Metered	0	0	Industrial	6	0
Other:	2	0	Other:	0	0
Total Water	3382	15	Total Sewer	3051	15

- D. If this application is for a water CCN only, please explain how sewer service is provided: N/A.
- E. If this application is for a sewer CCN only, please explain how water service is provided: N/A
- F. What is the effect of the granting or amending a certificate on a recipient of the certificate and on any retail public utility of the same kind already serving the proximate area: There are no other utilities providing service within the requested area. There should be no impact on neighboring utilities.
- G. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?
- i. No ☒ (skip the rest of this question and go to #6) Yes
- ii. Water

Purchased on a ()regular - ()seasonal - ()emergency basis?

Source	% of total supply

- iii. Sewer treatment capacity
- No ☒ Yes
- Purchased on a ()regular - ()seasonal - ()emergency basis

Source	% of total treatment

- iv. Provide a **certified** copy of the most current water or sewer treatment capacity purchase agreement or contract.

6. FINANCIAL INFORMATION

- A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:
- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period. **N/A**
 - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates should correlate to the growth projections in #6.A above. **N/A**
 - iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets. **N/A**
- B. For existing systems:
- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed). **See Attachment D**
 - ii. Attach a proposed rate schedule or tariff. **See Attachment E**
- v NOTE: An existing system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application.
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers. **See Attachment D**
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant. **See Attachment D**

7. NOTICE REQUIREMENTS

- A. All proposed notice forms must be completed and submitted with the application. However, do not mail or publish them until you receive written approval from the Commission to do so.
- B. The Commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of these notice requirements.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, and customers are included with this application to use in preparing your proposed notices. (These notice forms are also available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the Commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully and note any additional neighboring utilities which may be included in the acceptance letter.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper having general circulation in the county or

counties where a certificate of convenience and necessity is being requested, once each week for two consecutive weeks beginning with the week after the notice is received from the Commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the Commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.

G. Notice To Neighboring Utilities:

- i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area; and
- ii any city whose extra-territorial jurisdiction (ETJ) overlaps the proposed service area.
- iii. For applications for the issuance of a **NEW** certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area, and any city with an ETJ which overlaps the proposed service area.
- iv. For applications for the **AMENDMENT** of certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area, and any city with an extra-territorial jurisdiction which overlaps the proposed service area. See Attachment F

H. Notice to Customers

Investor Owned Utilities (IOUs) that are currently providing service without a certificate must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted, and any other information required in the application.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the Commission. Wait until you receive written authorization to do so. This will occur after the Commission has reviewed the notices for completeness, and your application has been accepted for filing.

- I. The Commission may require the applicant to deliver notice to other affected persons or agencies.

OATH

State of Texas

I, Blaine R. Hinds, being duly sworn, file this application as City Manager; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Texas Commission on Environmental Quality.

I further represent that the application form has not been changed, altered or amended from its original form available only from the Commission.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.


AFFIANT

(Applicant's Authorized

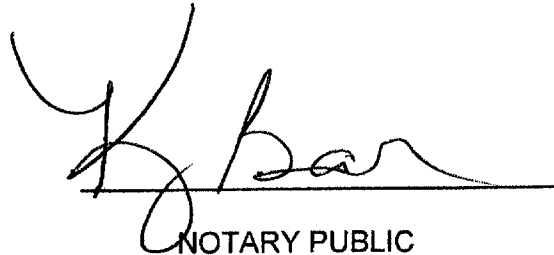
Representative)

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, this 29th day of August, 2005

SEAL




NOTARY PUBLIC

Notice for Publication

NOTICE OF APPLICATION TO AMEND A CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) TO PROVIDE WATER AND SEWER
UTILITY SERVICE IN FANNIN COUNTY

The City of Bonham has filed an application to amend its water CCN, number 11186, and its sewer CCN, number 20460, with the Texas Commission on Environmental Quality to provide water and sewer utility service in Fannin County.

The proposed utility service area is located approximately 4.6 miles north, 1.9 miles south, 1.3 miles east, and 4.2 miles west of downtown Bonham, Texas, and is generally bounded on the north by Lake Bonham; on the east by Bois D'Arc River; on the south by Road numbers 1629 and 4210; and on the west by Road numbers 87, 1544, 1545, and 1445.

The total area being requested for water service includes approximately 16,618 acres and 3382 current customers. The total area being requested for sewer service includes approximately 16,618 acres and 3051 current customers.

A copy of the proposed service area map is available at 301 East 5th Street, Bonham, Texas 75418.

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

Persons who wish to intervene or comment 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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

Notice to Neighboring Systems and Cities
NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER/SEWER UTILITY SERVICE IN FANNIN COUNTY

To: _____ Date Notice Mailed: _____, 2005
(Neighboring System or City)

(Address)

(City State Zip)

The City of Bonham has filed an application to amend its water CCN, number 11186, and its sewer CCN, number 20460, with the Texas Commission on Environmental Quality to provide water and sewer utility service in Fannin County.

The proposed utility service area is located approximately 4.6 miles north, 1.9 miles south, 1.3 miles east, and 4.2 miles west of downtown Bonham, Texas, and is generally bounded on the north by Lake Bonham; on the east by Bois D'Arc River; on the south by Road numbers 1629 and 4210; and on the west by Road numbers 87, 1544, 1545, and 1445.

The total area being requested for water service includes approximately 16,618 acres and 3382 current customers. The total area being requested for sewer service includes approximately 16,618 acres and 3051 current customers.

A copy of the proposed service area map is available at 301 East 5th Street, Bonham, Texas 75418.

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

Persons who wish to intervene or comment 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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

Notice to Landowners
NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER/SEWER UTILITY SERVICE IN FANNIN COUNTY

To: _____ Date Notice Mailed: _____, 2005
(Neighboring System or City)

(Address)

(City State Zip)

The City of Bonham has filed an application to amend its water CCN, number 11186, and its sewer CCN, number 20460, with the Texas Commission on Environmental Quality to provide water and sewer utility service in Fannin County.

The proposed utility service area is located approximately 4.6 miles north, 1.9 miles south, 1.3 miles east, and 4.2 miles west of downtown Bonham, Texas, and is generally bounded on the north by Lake Bonham; on the east by Bois D’Arc River; on the south by Road numbers 1629 and 4210; and on the west by Road numbers 87, 1544, 1545, and 1445.

The total area being requested for water service includes approximately 16,618 acres and 3382 current customers. The total area being requested for sewer service includes approximately 16,618 acres and 3051 current customers.

A copy of the proposed service area map is available at 301 East 5th Street, Bonham, Texas 75418.

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

Persons who wish to intervene or comment 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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.
If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

City of Bonham

Water and Sewer CCN Amendment Application

ATTACHMENT A

City of Bonham
Water and Sewer CCN Amendment Application

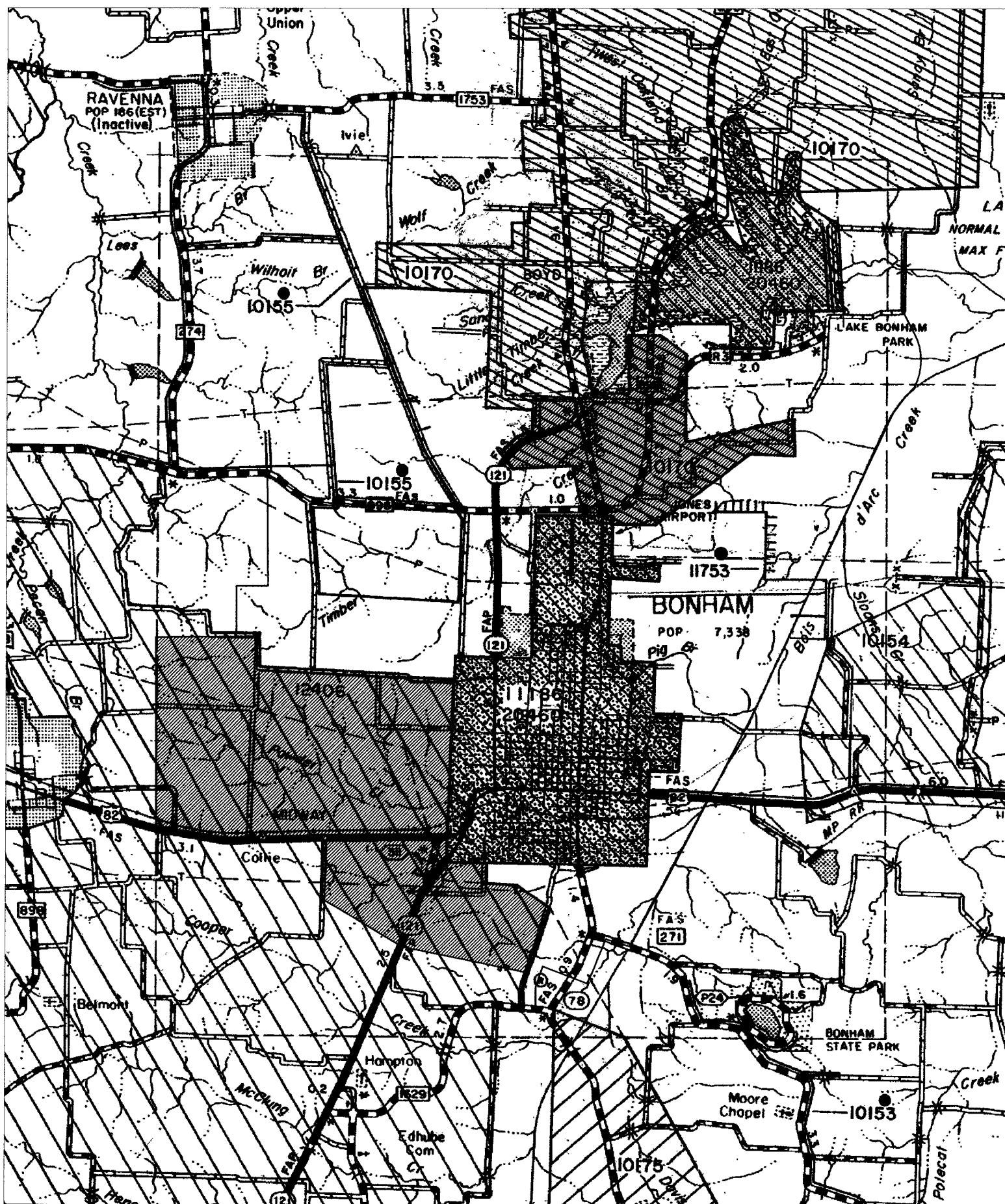
Attachment A

Operator Name	Type of License	License Number
Billy D. Hall	Grade B Surface Water	458080792
	Class C Wastewater Treatment Operator	WW0008814
Michael T. Glass	Class A Water Operator	WO0008970
	Customer Service Inspector	CI0002572
	Class C Wastewater Treatment Operator	WW0008484
Ronald L. Ford	Grade B Surface Water	450-82-6505
	Class C Wastewater Treatment Operator	WW0003714
Wayne L. Healy	Class B Wastewater Treatment Operator	WW0014454
	Class B Surface Water Treatment Operator	WS0000259
Quentin R. Turner	Class B Surface Water Treatment Operator	WS0002402
	Grade B Groundwater	450-19-2982
	Class A Wastewater Treatment Operator	450192982
David R. Holland	Class C Wastewater Treatment Operator	WW0027440
Pamela S. Ragan	Class C Wastewater Treatment Operator	WW0027445
James H. Davis	Class B Wastewater Treatment Operator	WW0011144

City of Bonham

Water and Sewer CCN Amendment Application

ATTACHMENT B



BONHAM PROPOSED WATER CCN

- BONHAM PROPOSED CCN AREA (NOT NOW CERTIFICATED)
- BONHAM PROPOSED CCN AREA (REQUESTED DUAL CCN)
- FACILITIES NOT INCLUDED

CITY OF BONHAM

0 500 1000 2000
AUGUST 2005



PREPARED THROUGH A JOINT VENTURE OF
SOUTHWEST CONSULTANTS
P.O. BOX 820634
RICHARDSON, TEXAS
AND
MAURICE SCHWABKE & COMPANY
1809 SOUTHWALL BLVD.
ARLINGTON, TEXAS

City of Bonham

Water and Sewer CCN Amendment Application

ATTACHMENT C

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 15, 2004

Mr. Michael T. Glass, Superintendent of Water/Wastewater
City of Bonham
301 East Fifth Street
Bonham, Texas 75418

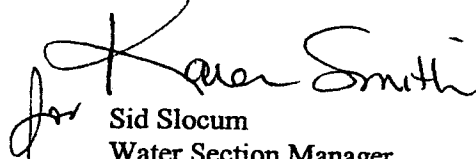
Re: Comprehensive Compliance Investigation at:
City of Bonham WWTP, Seven Oaks Road, Bonham (Fannin County), Texas
TCEQ ID No.: WQ0010070-001, EPA ID No.: TX0021814

Dear Mr. Glass:

On September 15, 2004, Mr. Robert E. Ferry of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. During the investigation the investigator verbally notified you of some apparent instances of noncompliance. You have provided us with information which appears to indicate that these problems have been corrected. No further response from you is necessary concerning this investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions concerning this matter, please feel free to contact Mr. Ferry at (817) 588-5814 or the DFW Regional Office at (817) 588-5800.

Sincerely,


Sid Slocum
Water Section Manager
DFW Regional Office

SS/ref

enc: Investigation No. 334772
COC and Sample Results

cc: U.S. EPA/Reg VI/Dallas, TX

REPLY TO: REGION 4-DALLAS/FORT WORTH • 2309 GRAVEL DR. • FORT WORTH, TEXAS 76118-6951 • 817/588-5800 • FAX 817/588-5700

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

print this page send to my e-mail

Texas Commission on Environmental Quality
Investigation Report
CITY OF BONHAM

CITY OF BONHAM WW

RN101919850

Investigation # 334772

Incident #

Investigator: ROBERT FERRY

Site Classification

DOMESTIC MAJOR

Conducted: 09/15/2004 -- 09/15/2004

SIC Code: 4952

NAIC Code: 22132

Program(s): WASTEWATER

Investigation Type : Compliance Investigation

Location :

Additional ID(s) : TPDES0021814
WQ0010070001

Address: 2501 SEVEN OAKS RD;
BONHAM, TX 75418

Activity Type : WWCCIMDMAJ

Principal(s) :

Role

Name

RESPONDENT

CITY OF BONHAM

Contact(s) :

Role

Title

Name

Phone

Participated in Investigation

PLANT
SUPERVISOR/CHIEF
OPERATOR

MR CHARLES
WALTON

Regulated Entity Contact

SUPERINTENDENT OF
WATER/WASTEWATER

MR MICHAEL
GLASS

(903) 583-7555

Other Staff Member(s) :

Role

Name

QA REVIEWER
SUPERVISOR

SUZANNA PEREA
KAREN SMITH

Associated Check List

Checklist Name

Unit Name

WQ DOMESTIC CCI

Bonham

WQ GENERAL CCI CHECKLIST

Bonham

Investigation Comments :

INTRODUCTION

The City of Bonham Wastewater Treatment Plant was investigated on 09/15/2004 to determine compliance with applicable wastewater treatment regulations. The facility was notified of the investigation on 08/23/2004 and the investigation was scheduled for 09/02/2004. The date was later postponed due to scheduling conflicts. This investigation is considered a mandatory major comprehensive compliance investigation. An exit interview, explaining the results of the investigation, was conducted following the investigation with Mr. Michael Glass, City of Bonham Water and Wastewater Superintendent, and with Mr. Charles Walton, plant operator. A NOV letter will be issued to facilitate compliance.

GENERAL FACILITY AND PROCESS INFORMATION

The Bonham WWTP is permitted for 2.5 MGD at Outfall #001. The primary source of wastewater for

Outfall # 001 is domestic. A plant flow schematic is attached to this report. Treatment units include:

- a bar screen,
- muffin monster,
- grit chamber,
- primary clarifier,
- 2 trickling filters,
- 4 sequential batch reactors,
- 2 aerated digesters,
- anaerobic digester, and
- ultraviolet disinfection unit.

The facility has had no significant plant modifications and/or collection system upgrades since the last comprehensive investigation. The facility discharges to Pig Branch, thence to Bois d'Arc Creek; thence to the Red River Below Lake Texoma in Segment No. 0202 of the Red River Basin. The water quality permit for this facility is in the final phase of the permit.

Effluent samples were collected from just prior to discharge and immediately after ultraviolet disinfection. Effluent sample results and field measurements are attached to this report. At the time of the investigation, the receiving stream appeared to be in good condition and free of foaming and sludge deposits.

The primary and secondary flow measuring devices for Outfall #001 include a 12-inch Parshall Flume and Badger 2100 ultrasonic totalizer. The totalizer was last calibrated in July, 2004.

The effluent samples collected by City of Bonham are typically analyzed by City of Bonham laboratory for all parameters except ammonia. ERMI Laboratory is contracted to analyze ammonia for the city. Field measurements are typically analyzed by various operators working at the plant. Sludge analysis is typically performed by ERMI. Biomonitoring tests are typically performed by Hutter and Associates.

The City of Bonham does not have an industrial ordinance. There are no significant industrial waste types discharged to the wastewater treatment plant.

BACKGROUND

A file review was conducted prior to the date of the investigation to evaluate historical compliance issues concerning the facility. This review was conducted to determine what concerns, if any, should be further studied during the upcoming investigation. Regional files were reviewed as well as applicable self-reporting data. This review process indicated the facility did not have any ongoing enforcement actions.

<u>NOV Date</u>	<u>Method</u>
11/17/2004	WRITTEN

ALLEGED NONCOMPLIANCES NOTED AND RESOLVED

Track No: 183581 Resolution Date: 11/15/04

30 TAC Chapter 305.125(4)

30 TAC Chapter 305.125(5)

TWC Chapter 26.121

TWC Chapter 26.121(a)

TWC Chapter 26.121(a)(1)

TWC Chapter 26.121(a)(2)

TWC Chapter 26.121(a)(3)

TWC Chapter 26.121(b)

TWC Chapter 26.121(c)

TWC Chapter 26.121(d)

TWC Chapter 26.121(e)

Alleged Violation:

Investigation: 334772

Comment Date: 11/15/2004

Failure to prevent unauthorized discharges. One unauthorized discharge was reported to this office in October 2003. In addition, in August 2004, this office was contacted by a resident of Bonham reporting repeated unauthorized discharges in their yard.

Recommended Corrective Action: Continue addressing I & I problems in the collection system.

Resolution: The unauthorized discharge was cleaned up. Repairs will be made to prevent further discharges at the complainants residence.

Track No: 183582 Resolution Date: 11/15/04
30 TAC Chapter 305.125(9)

Alleged Violation:

Investigation: 334772

Comment Date: 11/15/2004

Failure to report unauthorized discharges. The unauthorized discharges at the complainants house were not reported to the TCEQ Region Office despite the City responding to the complaints and conducting cleanups as required.

Recommended Corrective Action: Report all unauthorized discharges.

Resolution: All future unauthorized discharges will be reported as required.

Areas of Concern**Description**

Are the appropriate records for Quality Assurance/Quality Control procedures maintained?

Building and grounds maintenance?

Additional Comments

Better records of QA/QC results should be kept along with procedures to use when QA/QC results indicate problems.

Significant water leaks were observed from one pump and from two underground water lines. These need to be repaired before any major problems occur.

Signed


Environmental Investigator

Date 11-15-04

Signed


Supervisor

Date 11/15/04

Attachments: (in order of final report submittal)☐ Enforcement Action Request (EAR)☒ Letter to Facility (specify type) : FINAL

Investigation Report

☐ Maps, Plans, Sketches☐ Photographs☐ Correspondence from the facility

☒ Sample Analysis Results
☐ Manifests
☐ NOR

☒ Other (specify):
Flow accuracy check
PCS data 04/30/03-07/31/04
Exit Interview form

ATTACHMENT

ACCURACY CHECK

FLOW INDICATING/RECORDING EQUIPMENT

Items Checked	Information Collected
Outfall	001
Type of primary flow measuring device	12 inch Parschall Flume
Type of secondary flow measuring device	Badger 2100 ultrasonic totalizer
Time	12:55
Head	1.5 (6) inches (X) feet KS
Recorded flow at time listed	4.9 MGD
Calculated flow	4.7 MGD
Reference for calculated flow	Isco handbook
Percent error $\frac{(\text{recorded value} - \text{calculated value}) (100)}{\text{calculated value}}$	4.3 %
Date of last calibration	July 2004
Calibration performed by	

Comments:

INVESTIGATION SAMPLE RESULTS

Regulated Entity Name: The City of Bonham Wastewater Treatment Plant

Authorization ID(s): WQ-0010070-001

Date of Investigation: 09/15/2004

Sampling Location & Parameter	Measured Value	Authorized Limit	Type Sample	COC ID No.	Primary Source of Wastewater or Waste
001					
Flow (MGD)	4.9 MGD	NA	Instantaneous	015909	Domestic
CBOD ₅ (mg/l)	< 3.0	35	Grab	015909	Domestic
TSS (mg/l)	2	60	Grab	015909	Domestic
VSS (mg/l)	< 1	NA	Grab	015909	Domestic
NH ₃ N (mg/l)	0.18	15	Grab	015909	Domestic
pH (S.U.)	6.6	6.0 - 9.0	Grab	015909	Domestic
DO (mg/l)	6.2	≥ 4.0	In-situ	015909	Domestic
Fecal Coliform Bacteria (#col/100 ml)	Not analyzed due to holding time	800			

TNRCC-0181 (9/1/2000)



5144 East Sam Houston Pkwy. North
Houston, Texas 77015
Phone: (281) 457-5229
Fax: (281) 457-9107
Contact Laboratory Supervisor

Page 1 of 2

TCEQ Laboratory
Report of Analysis
Oct 15, 2004 7:56AM

TCEQ Sample #: 0404702	Group #: 20041458	Chain of Custody #: 015909-01	Region: 4
Program: Water Quality Monitoring		Organization #: 04204	Work #:
Sample Collected: 9/15/04 15:50		Permit #: WQ-0010070-001	
Sample Received: 09/17/04	Matrix: LIQUID	Collected by: RFERRY	

Sample Depth:	CL2R:	Field pH: 6.6	Conductivity:
----------------------	--------------	----------------------	----------------------

Collection Site: City of Bonham WWTP--Grab

Constituent Name	Result	Unit	Prepared	Analyzed	Method
Ammonia Nitrogen	0.18	mg/L		09/30/04 10:53	350.1
CBOD (5-day)	<3	mg/L		09/17/04 8:45	5210 B
Chlorine Residual, Total	<0.1	mg/L		09/17/04 8:45	330.4
Total Suspended Solids	2	mg/L		09/21/04 8:05	160.2
Volatile Suspended Solids	<1	mg/L		09/21/04 8:05	160.4

End of Data for TCEQ Sample #: 0404702

Laboratory Approval:

Oct 15, 2004

TNRFYNL.rpt Modified Date: 24-Jun-2004



Chain of Custody Record

015909

Location:

City of Bellingham W/WTP

(Do not fill in this shaded area if the facility information must be confidential)

Permit #:

WQ-0010070-001

Region:

R4-DFW

Organization #:

04204

PCA Code:

Program:

WQ

Sampler telephone number:

817-588-5814

E-Mail ID:

RFEALRY

Sampler: (signature)

[Signature]

Sampler: (please print clearly)

Bob Perry

Lab ID Number	Sample ID	Date	Time	# of Bottles	Grab/Comp.	Matrix L.S.M.O.T	CL2	pH	Cond.	Analyses Requested	REMARKS
---------------	-----------	------	------	--------------	------------	------------------	-----	----	-------	--------------------	---------

0404702

-01

9/15/04

3:50

2

Gr

L

6.6

6.2

CBOD, TSS, NH3

-02

-03

-04

-05

-06

-07

-08

-09

-10

Relinquished by:

[Signature]

Date

9-16

Time

6:00

Received by:

[Signature]

Relinquished by:

[Signature]

Date

Time

Received by:

Relinquished by:

[Signature]

Date

Time

Received by:

Relinquished by:

[Signature]

Date

9/16/04

Time

8:12

Received by:

Jessica Matthews

Shipper name:

Greyhound

Shipper Number:

GLT 1679912702

Seals Intact:

☒ Y ☐ N

☒ Y ☐ N

COC Seal:

☒ Y ☐ N

REGIONAL DFW

TCEQ

TCEQ-1006547102

Write (Original) - Lab

Yellow-Lab

Pink-Contract Lab Manager

Goldenrod-Collector Copy

City Commission Members
City of Bonham, Texas
7-14-2005

Mayor Roy Floyd
Commissioner Ward No. 5
Term expires May 2007

Mayor Pro Tem Wayne Moore
Commissioner-at-Large
Term expires May 2007

John W. Burnett
Commissioner Ward No. 1
Term expires May 2007

Amy Peeler
Commissioner Ward No. 2
Term expires May 2006

Stephen Murden
Commissioner Ward No. 3
Term expires May 2006

Glenn Taylor
Commissioner Ward No. 4
Term expires May 2006

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 05, 2005

CERTIFIED MAIL # 7004 2510 0004 2494 1744
RETURN RECEIPT REQUESTED

Honorable Roy Floyd
Mayor, City of Bonham
301 East 5th Street
Bonham, Texas, 75418

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
City of Bonham, 2057 N. FM 273, Bonham, Fannin County, Texas
PWS ID No: 0740001

Dear Mayor Floyd:

On May 26, 2005, Mr. Imran Khawaja of the Texas Commission on Environmental Quality (TCEQ), D/FW Region Office, conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. Enclosed is a summary which lists the investigation findings. Certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by March 25, 2006 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations.

The Texas Commission on Environmental Quality appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the D/FW Region Office within 10 days from the date of this letter. At that time, Mr. Charles Marshall, PWS Work Leader, will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Imran Khawaja in the D/FW Region Office at (817)588-5806.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Marshall".

Charles Marshall
PWS Work Leader
D/FW Region Office

IAK/CLM

Enclosure: Summary of Investigation Findings

REPLY TO: REGION 4-DALLAS/FORT WORTH • 2309 GRAVEL DR. • FORT WORTH, TEXAS 76118-6951 • 817/588-5800 • FAX 817/588-5700

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy-based ink

Summary of Investigation Findings

CITY OF BONHAM PWS
2057 N FM 273
BONHAM, FANNIN COUNTY, TX 75418
Additional ID(s): 0740001

Investigation # 381314
Investigation Date: 05/26/2005

OUTSTANDING ALLEGED VIOLATIONS

Track No: 10268 Compliance Due Date: 03/25/2006
30 TAC Chapter 290.42(d)(10)(A)

Alleged Violation:

Investigation: 11954

Comment Date: 10/22/2002

Failure to provide at least two sedimentation basins or clarification units, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 151662

Comment Date: 9/5/2003

Failure to provide at least one hydraulic mixing unit, or at least two sets of mechanical flash mixing equipment, designed to operate in parallel, for plants with a design capacity of greater than 3.0 million gallons per day.

Investigation: 381314

Comment Date: 6/15/2005

Failure to provide at least two sedimentation basins or clarification units, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Recommended Corrective Action: Submit photograph of parallel sedimentation basins.

Track No: 10303 Compliance Due Date: 03/25/2006
30 TAC Chapter 290.42(d)(8)(A)

Alleged Violation:

Investigation: 11954

Comment Date: 10/22/2002

§290.42(d)(8)(A) Surface Water Treatment Plant-Flash Mixing

Failure to provide at least one hydraulic mixing unit, or at least two sets of mechanical flash mixing equipment, designed to operate in parallel, for plants with a design capacity of greater than 3.0 million gallons per day.

Investigation: 151662

Comment Date: 8/29/2003

Failure to provide at least two sedimentation basins or clarification units, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 381314

Comment Date: 6/15/2005

Failure to provide at least one hydraulic mixing unit, or at least two sets of mechanical flash mixing equipment, designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Recommended Corrective Action: Photograph of Parallel flash mix units

Track No: 10305 Compliance Due Date: 03/25/2006
30 TAC Chapter 290.42(d)(9)(A)

Alleged Violation:

Investigation: 11954

Comment Date: 10/22/2002

§290.42(d)(9)(A) Surface Water Treatment Plant- Flocculation

Failure to provide at least two sets of flocculation equipment, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 151662

Comment Date: 8/29/2003

Failure to provide at least two sets of flocculation equipment, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 381314

Comment Date: 6/15/2005

Failure to provide at least two sets of flocculation equipment, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Recommended Corrective Action: Photograph of parallel flocculation units.

Track No: 208144 **Compliance Due Date:** 10/10/2005

30 TAC Chapter 290.46(I)

Alleged Violation:

Investigation: 381314

Comment Date: 6/16/2005

Failure to flush all dead-end and main monthly, or more often if required, to maintain water quality. At the time of the investigation, the system did not have records of dead end mains flushed.

Recommended Corrective Action: Submit copies of dead-end and main flushing records (June, July, August 05) verifying that lines have been flushed on monthly basis.

Track No: 208147 **Compliance Due Date:** 12/19/2005

30 TAC Chapter 290.42(d)(6)(E)(ii)[G]

Alleged Violation:

Investigation: 381314

Comment Date: 6/16/2005

Failure to provide adequate containment facilities for all liquid chemical storage tanks. On the day of the investigation it was noted that polymer, hydrofluorisisilic acid, and caustic storage tanks were not provided with containment facilities.

Recommended Corrective Action: Submit photographs of containment facilities for polymer, hydrofluorisisilic acid, and caustic. Containment facilities for single container or for multiple, interconnected containers must be large enough to hold the maximum amount of chemicals that can be stored with minimum freeboard of six vertical inches or to hold 110% of the total volume of the container(s), which ever is less per (290.42(f)(6)(E)(ii)(I).

Track No: 208154 **Compliance Due Date:** 03/25/2006

30 TAC Chapter 290.42(d)(5)

Alleged Violation:

Investigation: 381314

Comment Date: 6/16/2005

Failure to provide a flow measuring devices for the recycled decant/backwash and backwash water meter flow.

Recommended Corrective Action: Submit verification of the installation of a flow measuring device for recycled decant/ backwash from the lagoon and back wash water.

Track No: 208177 **Compliance Due Date:** 10/10/2005

30 TAC Chapter 290.42(e)(3)(D)

Alleged Violation:

Investigation: 381314

Comment Date: 6/16/2005

Failure to provide working method to determining the amount of disinfectant used daily, as well as the amount of disinfectant remaining for use. On the day of the investigation, the system did not have working scale for chlorine gas cylinders.

Recommended Corrective Action: Submit photographs or receipt verifying that the working scale for chlorine gas cylinders has been purchased.

Track No: 208195

Compliance Due Date: 01/10/2006

30 TAC Chapter 290.44(h)(1)(B)(ii)

30 TAC Chapter 290.44(h)(1)(B)(iii)

30 TAC Chapter 290.44(h)(4)(C)

30 TAC Chapter 290.44(h)[G]

Alleged Violation:

Investigation: 381314

Comment Date: 6/16/2005

Failure, by the regulated entity, to prohibit water connection to a residence or establishment where an actual or potential contamination or system hazard exists without an air gap separation or an approved backflow prevention assembly between the public water facilities and the actual or potential contamination or system hazard. The City of Whitewright has failed to compile complete list for all high health hazard industries and assessment of hazard and selection of assemblies. On the day of investigation, the system did not have a copies of inspection and test reports.

Recommended Corrective Action: Submit verification that the city is adequately maintaining backflow prevention assembly test and maintenance reports prior to providing permanent water service and that all new construction must pass the inspection prior to obtaining permanent water service. Copies of all such inspection and test reports must be obtained and kept on file by the water purveyor. Please submit copies of recent backflow prevention assembly test and maintenance reports.

WITHDRAWN VIOLATIONS

Track No: 150403

Compliance Due Date: 05/20/2005

30 TAC Chapter 290.42(d)(10)(A)

Alleged Violation:

Investigation: 254131

Comment Date: 12/29/2003

Failure to provide at least two sedimentation basins or clarification units, which are designed to operate in parallel for plants with a design capacity greater tan 3.0 million galions per day.

Investigation: 377154

Comment Date: 4/8/2005

Failure to provide at least two sedimentation basins or clarification units, which are designed to operate in parallel for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 381314

Comment Date: 6/2/2005

Duplicate violation was created. See original violation (Tracking # 10268) for detail. Failure to provide at least two sedimentation basins or clarifications units, which are designed to operate in parallel for plants with a design capacity greater than 3.0 million gallons per day.

Recommended Corrective Action: Submit plans for upgrading system to meet rules and regulations for plants with a design capacity greater than 3.0 million gallons per day.

Track No: 150404

Compliance Due Date: 05/20/2005

30 TAC Chapter 290.42(d)(8)(A)

Alleged Violation:

Investigation: 254131

Comment Date: 12/29/2003

Failure to provide at least one hydraulic mixing unit, or at least two sets of mechanical flash mixing equipment, designed to operate in parallel, for plants with a design capacity of greater than 3.0 million gallons per day.

Investigation: 377154

Comment Date: 4/8/2005

Failure to provide at least one hydraulic mixing unit, or at least two sets of mechanical flash mixing equipment, designed to operate in parallel, for plants with a design capacity of greater than 3.0 million gallons per day.

Investigation: 381314

Comment Date: 6/2/2005

Duplicate violation was created. See original violation (Tracking # 10303) for detail. Failure to provide at least one hydraulic mixing unit, or at least two sets of mechanical flashing mix equipment, which are designed to operate in parallel for plants with a design capacity greater than 3.0 million gallons per day.

Recommended Corrective Action: Submit plans for upgrading system to meet rules and regulations for plants with a design capacity of greater than 3.0 million gallons per day.

Track No: 150405

Compliance Due Date: 05/20/2005

30 TAC Chapter 290.42(d)(9)(A)

Alleged Violation:

Investigation: 254131

Comment Date: 12/29/2003

Failure to provide at least two sets of flocculation equipment, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 377154

Comment Date: 4/8/2005

Failure to provide at least two sets of flocculation equipment, which are designed to operate in parallel, for plants with a design capacity greater than 3.0 million gallons per day.

Investigation: 381314

Comment Date: 6/2/2005

Duplicate violation was created. See original violation (Tracking # 10305) for detail. Failure to provide at least two sets of flocculation equipment, , which are designed to operate in parallel for plants with a design capacity greater than 3.0 million gallons per day.

Recommended Corrective Action: Submit plans for upgrading system to meet rules and regulations for plants with a design capacity of 3.0 million gallons per day.

City of Bonham

Water and Sewer CCN Amendment Application

ATTACHMENT D

CITY OF BONHAM, TEXAS

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT THEREON

SEPTEMBER 30, 2004

CITY OF BONHAM, TEXAS
Table of Contents
September 30, 2004

	<u>Statement</u>	<u>Page</u>
FINANCIAL SECTION		
Unqualified Opinion on Basic Financial Statements Accompanied by Required Supplementary Information and Supplementary Information		1
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	1	3
Statement of Activities	2	4
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	3	5
Statement of Revenues, Expenditures, and Changes in Fund Balances	4	6
Proprietary Funds:		
Statement of Net Assets	5	8
Statement of Revenues, Expenses, and Change in Net Assets	6	9
Statement of Cash Flows	7	10
Fiduciary Funds:		
Statement of Fiduciary Net Assets	8	12
Statement of Changes in Fiduciary Net Assets	9	13
Notes to Basic Financial Statements		14
Required Supplementary Information:		
Budgetary Comparison Schedule – General Fund		32
Notes to Required Supplementary Information		33
INTERNAL CONTROL SECTION		
Independent Auditors' Report on Internal Control		34

FINANCIAL SECTION

McCLANAHAN AND HOLMES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

R. FRANK RAY, CPA
R. E. BOSTWICK, CPA
STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA

228 SIXTH STREET S.E.
PARIS, TEXAS 75460
903-784-4316
FAX 903-784-4310

304 WEST CHESTNUT
DENISON, TEXAS 75020
903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

Unqualified Opinion on Basic Financial Statements
Accompanied by Required Supplementary
Information and Supplementary Information

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the City Commission
City of Bonham, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit and each major fund, and the aggregate remaining fund information of the City of Bonham, Texas, as of and for the year ended September 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standard, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as of September 30, 2004.

The City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bonham, Texas, as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Mayor and Members
of the City Commission
City of Bonham, Texas
Page 2

The budgetary comparison information on page 32 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

McClanahan and Wilson, LLP
Certified Public Accountants

Bonham, Texas
January 28, 2005

CITY OF BONHAM, TEXAS
Statement of Net Assets
September 30, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bonham Economic Development Corporation
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 982,512	\$ 1,968,176	\$ 2,950,688	\$ 497,698
Investments	10,456	690,096	700,552	1,798
Receivables (Net of Allowance for Uncollectibles)				
Accounts	737,964	285,533	1,023,497	31,440
Inventory	-	77,798	77,798	-
Due From Other Funds	-	40,404	40,404	-
Due from Other Governments	7,295	-	7,295	-
Bond Discounts and Issuance Costs	6,000	641,086	647,086	-
Capital Assets, Net of Accumulated Depreciation	3,277,313	9,632,601	12,909,914	514,680
 Total Assets	 5,021,540	 13,335,694	 18,357,234	 1,045,616
<u>LIABILITIES</u>				
Accounts Payable	304,807	147,845	452,652	9,720
Customers' Meter Deposits	-	156,996	156,996	-
Due to Other Funds	56,270	-	56,270	-
Accrued Interest Payable	27,087	-	27,087	15,367
Leases Payable - Current Portion	3,962	14,300	18,262	-
Notes Payable - Current Portion	3,268	-	3,268	-
Certificates of Obligation - Current Portion	105,000	-	105,000	-
Bonds and Tax Notes Payable - Current Portion	40,800	299,200	340,000	85,000
Leases Payable - Long-Term Portion	2,234	15,075	17,309	-
Notes Payable - Long-Term Portion	32,030	-	32,030	-
Certificates of Obligation - Long-Term Portion	2,649,000	-	2,649,000	-
Bonds and Tax Notes Payable - Long-Term Portion	846,000	8,029,000	8,875,000	2,460,000
Compensated Absences Payable	137,199	17,382	154,581	-
 Total Liabilities	 4,207,657	 8,679,798	 12,887,455	 2,570,087
<u>NET ASSETS</u>				
Invested in Capital Assets, net of Related Debt	(404,981)	1,275,026	870,045	(1,721,039)
Restricted for:				
Debt Service	10,456	343,642	354,098	1,798
Construction	344,753	1,253,773	1,598,526	-
Unrestricted	863,655	1,783,455	2,647,110	194,770
 Total Net Assets	 \$ 813,883	 \$ 4,655,896	 \$ 5,469,779	 \$ (1,524,471)

The accompanying notes to the financial statements are
an integral part of this statement.

CITY OF BONHAM, TEXAS
Statement of Activities
Year Ended September 30, 2004

Program Revenues					Net (Expense) Revenue and Changes in Net Assets			
					Primary Government		Component Unit Bonham Economic Development Corporation	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
Administration	\$ 897,049	\$ 436,774	\$ -	\$ -	\$ (460,275)	\$ -	\$ (460,275)	\$ -
Police	1,706,541	170,569	77,128	-	(1,458,844)	-	(1,458,844)	-
Fire	564,528	-	13,920	-	(550,608)	-	(550,608)	-
Emergency Medical Services	1,418,205	1,286,298	-	-	(131,907)	-	(131,907)	-
Equipment Services	45,040	-	-	-	(45,040)	-	(45,040)	-
Street	669,650	-	-	-	(669,650)	-	(669,650)	-
Sanitation	459,234	666,292	-	-	207,058	-	207,058	-
Library	195,638	-	-	-	(195,638)	-	(195,638)	-
Airport	44,744	-	-	-	(44,744)	-	(44,744)	-
Park and Recreation	252,995	38,333	-	-	(214,662)	-	(214,662)	-
Tourism	64,311	-	-	-	(64,311)	-	(64,311)	-
Lake Bonham	72,003	64,200	-	-	(7,803)	-	(7,803)	-
Capital Outlay	8,187	-	-	-	(8,187)	-	(8,187)	-
Interest on Long-term Debt	173,203	-	-	-	(173,203)	-	(173,203)	-
Total Governmental Activities	6,571,328	2,662,466	91,048	-	(3,817,814)	-	(3,817,814)	-
Business-type Activities:								
Water/Sewer	2,900,161	3,157,221	-	-	-	257,060	257,060	-
Total Business Activities	2,900,161	3,157,221	-	-	-	257,060	257,060	-
Total Primary Government	\$ 9,471,489	\$ 5,819,687	\$ 91,048	\$ -	(3,817,814)	257,060	(3,560,754)	-
Component Unit:								
Bonham Economic Development Corporation	\$ 662,417	\$ -	\$ -	\$ 39,711				(622,706)
General Revenues:								
Donated Assets					116,832	-	116,832	-
Taxes					2,887,809	-	2,887,809	415,110
Miscellaneous Revenue					273,146	13,923	287,069	7,649
Interest on Investments					14,039	27,401	41,440	9,016
Transfers					590,000	(590,000)	-	-
Total General Revenues					3,881,826	(548,676)	3,333,150	431,775
Change in Net Assets					64,012	(291,616)	(227,604)	(190,931)
Net Assets - Beginning					749,871	4,947,512	5,697,383	(1,333,540)
Net Assets - Ending					\$ 813,883	\$ 4,655,896	\$ 5,469,779	\$ (1,524,471)

The accompanying notes to the financial statements are
an integral part of this statement

CITY OF BONHAM, TEXAS
Balance Sheet
Governmental Funds
September 30, 2004

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 141,782	\$ 642,792	\$ 784,574
Investments	-	10,456	10,456
Receivables (Net of Allowance for Uncollectibles)	705,513	32,451	737,964
Due From Other Governments	7,295	-	7,295
Total Assets	<u>\$ 854,590</u>	<u>\$ 685,699</u>	<u>\$ 1,540,289</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable and Accrued Liabilities	\$ 255,628	\$ 9,159	\$ 264,787
Due to Other Funds	56,270	-	56,270
Deferred Revenues	88,419	21,281	109,700
Total Liabilities	<u>400,317</u>	<u>30,440</u>	<u>430,757</u>
Fund Balances:			
Reserved:			
Debt Service	-	10,456	10,456
Unreserved	454,273	644,803	1,099,076
Total Fund Balances	<u>454,273</u>	<u>655,259</u>	<u>1,109,532</u>
Total Liabilities and Fund Balances	<u>\$ 854,590</u>	<u>\$ 685,699</u>	<u>\$ 1,540,289</u>
Fund Balances - Total Governmental Funds (above)			\$ 1,109,532
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,339,557 and the accumulated depreciation is \$3,062,244.			3,277,313
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.			109,700
Internal service funds are used to charge the cost of self insurance to particular functions. The assets and liabilities of the internal fund are included in the governmental activity statement of net assets.			157,918
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:			
Compensated Absences			(137,199)
Accrued Interest Payable			(27,087)
Capital Lease			(6,196)
Notes Payable			(35,298)
Tax Notes and Bonds Payable			(886,800)
Certificates of Obligation			(2,754,000)
Deferred Changes on Long-Term Debt			6,000
Net Assets of Governmental Activities			<u>\$ 813,883</u>

The accompanying notes to the financial statements are an integral part of this statement.

CITY OF BONHAM, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2004

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 2,570,721	\$ 307,880	\$ 2,878,601
Licenses and Permits	2,831	-	2,831
Intergovernmental Revenues	91,048	-	91,048
Charges for Services	2,022,431	38,333	2,060,764
Land Lease Rental	-	64,200	64,200
Fines	170,569	-	170,569
Interest	6,677	6,308	12,985
Miscellaneous Revenue	265,734	4,581	270,315
Total Revenues	<u>5,130,011</u>	<u>421,302</u>	<u>5,551,313</u>
Expenditures:			
Current			
Administration	643,077	-	643,077
Police Department	1,652,122	5,383	1,657,505
Fire Department	535,390	-	535,390
Emergency Medical Services	1,364,354	-	1,364,354
Equipment Services	42,817	-	42,817
Street Department	784,802	-	784,802
Sanitation	458,013	-	458,013
Library	187,304	-	187,304
Airport	-	240,164	240,164
Parks and Recreation	242,735	-	242,735
Tourism	-	64,311	64,311
Lake Bonham	54,616	28,568	83,184
Capital Outlay	-	265,176	265,176
Debt Service			
Principal Retirement	-	109,000	109,000
Interest and Fiscal Charges	-	166,478	166,478
Total Expenditures	<u>5,965,230</u>	<u>879,080</u>	<u>6,844,310</u>
Excess of Revenues Over (Under) Expenditures	<u>(835,219)</u>	<u>(457,778)</u>	<u>(1,292,997)</u>
Other Financing Sources (Uses)			
Donated Assets	116,832	-	116,832
Operating Transfers In	590,000	209,000	799,000
Operating Transfers Out	(16,000)	(193,000)	(209,000)
Proceeds from Issuance of Long-Term Debt	-	250,000	250,000
Bond Issuance Costs	-	(7,000)	(7,000)
Total Other Financing Sources (Uses)	<u>690,832</u>	<u>259,000</u>	<u>949,832</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(144,387)</u>	<u>(198,778)</u>	<u>(343,165)</u>
Fund Balances - October 1	<u>598,660</u>	<u>854,037</u>	<u>1,452,697</u>
Fund Balances - September 30	<u>\$ 454,273</u>	<u>\$ 655,259</u>	<u>\$ 1,109,532</u>

The accompanying notes to the financial statements are
an integral part of this statement.

CITY OF BONHAM, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds (Continued)
Year Ended September 30, 2004

Net Change in Fund Balances - Total Governmental Funds	\$	(343,165)
--	----	-----------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		735,899
---	--	---------

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds.		(338,372)
---	--	-----------

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds	(250,000)		
Issuance costs	7,000		
Retirement	109,000		
Amortization of deferred charges	(1,000)		
Notes payable retirement	3,127		
		(131,873)	

Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(5,682)
---	--	---------

Some property tax will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues in the governmental funds.		9,208
--	--	-------

The net revenue from internal service funds is reported with governmental activities		118,529
--	--	---------

Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds.		(5,725)
--	--	---------

Payments made to reduce principal on capital leases is reported as an expenditure in governmental funds, but reduces a liability in the government-wide statements and is not considered an expense.		25,193
--	--	--------

Change in Net Assets - Governmental Activities	\$	64,012
--	----	--------

The accompanying notes to the financial statements are
an integral part of this statement.

CITY OF BONHAM, TEXAS
Statement of Net Assets
Proprietary Funds
September 30, 2004

<u>ASSETS</u>	<u>Water and Sewer Fund</u>	<u>Internal Service Fund</u>
Current Assets		
Cash and Cash Equivalents	\$ 714,403	\$ 197,938
Accounts Receivable	285,533	-
Inventory	77,798	-
Due From Other Funds	40,404	-
Restricted Assets		
Cash and Cash Equivalents	1,253,773	-
Investments	690,096	-
Total Current Assets	<u>3,062,007</u>	<u>197,938</u>
Noncurrent Assets		
Bond Discounts and Issuance Costs	641,086	-
Capital Assets, Net of Accumulated Depreciation	9,632,601	-
Total Noncurrent Assets	<u>10,273,687</u>	<u>-</u>
Total Assets	<u>13,335,694</u>	<u>197,938</u>
Current Liabilities		
Accounts Payable and Accrued Liabilities	100,591	40,020
Current Portion of Leases Payable	14,300	-
Customers' Meter Deposits	156,996	-
Payables from Restricted Assets		
Current Portion of Bonds Payable and Certificates of Obligation	299,200	-
Accrued Interest Payable	47,254	-
Total Current Liabilities	<u>618,341</u>	<u>40,020</u>
Noncurrent Liabilities		
Leases Payable - Long Term Portion	15,075	-
Compensated Absences	17,382	-
Bonds Payable - Long Term Portion	8,029,000	-
Total Long Term Liabilities	<u>8,061,457</u>	<u>-</u>
Total Liabilities	<u>8,679,798</u>	<u>40,020</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	1,275,026	-
Restricted for:		
Debt Service	343,642	-
Construction	1,253,773	-
Unrestricted	<u>1,783,455</u>	<u>157,918</u>
Total Net Assets	<u>\$ 4,655,896</u>	<u>\$ 157,918</u>

The accompanying notes to the financial statements are
an integral part of this statement

CITY OF BONHAM, TEXAS
Statement of Revenues, Expenses, and Changes
in Net Assets - Proprietary Funds
Year Ended September 30, 2004

	Water and Sewer Fund	Internal Service Fund
Operating Revenues		
Charges for Services	\$ 3,157,221	\$ -
Other	13,923	-
Employee Contributions	-	198,934
Employer Contributions	-	811,999
Total Revenues	<u>3,171,144</u>	<u>1,010,933</u>
Operating Expenses		
Water and Wastewater Administration	434,598	-
Water Distribution	587,696	-
Water Treatment	439,654	-
Wastewater Collection	131,432	-
Wastewater Treatment	396,977	-
Depreciation	449,160	-
Employee Insurance Claims	-	893,458
Total Operating Expenses	<u>2,439,517</u>	<u>893,458</u>
Operating Income (Loss)	<u>731,627</u>	<u>117,475</u>
Nonoperating Revenues (Expenses)		
Interest Income	27,401	1,054
Interest Expense	(460,644)	-
Transfer In (Out)	(590,000)	-
Total Nonoperating Revenues (Expenses)	<u>(1,023,243)</u>	<u>1,054</u>
Change in Net Assets	(291,616)	118,529
Net Assets - Beginning of Year	<u>4,947,512</u>	<u>39,389</u>
Net Assets - End of Year	<u>\$ 4,655,896</u>	<u>\$ 157,918</u>

The accompanying notes to the financial statements are
an integral part of this statement.