

under GLTDAG as follows:

	Amount Outstanding	Int Rate	Next Year's Requirements	Reported Under
Compensated Absences	\$37,194	N/A	N/A	GLTDAG
Compensated Absences	21,073	N/A	N/A	GLTDAG
Notes	41,892	5.85%	17,444	GLTDAG

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Net Debt			Amount
	Amount	As of	% Ovlpg	Ovlpg
Lindale ISD	\$ 18,434,783*	05-31-02	30.20	\$ 5,567,305
Smith Co	22,400,000*	05-31-02	2.01	450,240
Tyler JCD	-None-	05-31-02	1.13	0
Total Net Overlapping Debt:				\$6,017,545
Lindale, City of		09-30-01		6,794,786
Total direct and overlapping Debt				\$12,812,331
Total direct and overlapping Debt % of A.V.:				8.27%
Total direct and overlapping Debt Per Capita:				\$4,337

*Gross Debt

ECONOMIC BACKGROUND

The City of Lindale is a residential community located 12 miles north of Tyler on U.S. Highway 69. The City had a 2000 census population of 2,954, increasing 21.7% since 1990. Many residents commute to Tyler jobs.

County Characteristics: Smith County is located in northeast Texas and was created in 1846. The economy is diversified by manufacturing, agribusiness, oil production, and education. Principal sources of agricultural income include roses, horticultural crops, cattle, and fruit.

The County's 2000 population was 174,706, an increase of 15.5% since 1990. The Texas Employment Commission reported countywide employment at 82,549 persons, earning \$608.5 million in the third quarter of 2001. The total 2001 Effective Buying Income was \$3.2 billion with a median income of \$36,538 per household compared to the state median of \$37,636.* A total of 73.1% of the households had Effective Buying Incomes in excess of \$20,000, while 26.9% had incomes below \$20,000. Total Retail Sales in 2001 were \$3.4 billion.*

Minerals produced in Smith County include oil, gas, clay, sand, gravel, and stone. There were 1.14 million barrels crude oil and 8.7 billion cubic feet of natural gas recovered in 2001. Harvest Trends, a publication of the Texas Forest Service, indicates 12.8 million cubic feet of timber produced in 2000 with a delivered value of \$13.6 million. The University of Texas at Tyler and Tyler Junior College had a 2001 combined fall enrollment of 12,230 students. Tyler State Park had 355,784 visitors in the 2001 season.

Any data on population, value added by manufacturing or production of agricultural products or minerals are from U.S. Census or other

official sources.

* Sales & Marketing Management: 2001 Survey of Buying Power; further reproduction not licensed.

Principal Taxpayers	2001 AV	% of AV
1. Dayton-Hudson Corp. Commercial	\$ 34,648,213	22.35%
2. Southwestern Bell Tele. Telephone Utility	3,352,895	2.16%
3. Meadowlark Place Commercial	2,967,315	1.91%
4. Cracker Barrell Commercial	2,178,160	1.40%
5. United Lodging Inc Land/Improvements	2,149,996	1.38%
6. Greenlaw, Lindale Prop. Real Estate	2,100,400	1.35%
7. Lindale Lodging Lodging	2,096,900	1.35%
8. Texas Utilities Electric Electric Utility	1,877,190	1.21%
9. Senior Living Prop. Nursing Home	1,296,892	0.83%
10. Financial Earnings Group Investments	1,154,683	0.74%
Total:	\$ 53,822,644	34.73%*

* Rounding differences

FINANCE CONNECTED OFFICIALS

Mayor

Bobby McClenny
P.O. Box 130
Lindale, TX 75771-0130
Phone: 903-882-3422
Fax: 903-882-1054

City Manager

Owen Scott
P.O. Box 130
Lindale, TX 75771-0130
Phone: 903-882-3422
Fax: 903-882-1054
lincity@gower.net

Tax Collector

Kay M. Smith
Smith County Tax Office
P.O. Box 2011
Tyler, TX 75710
Phone: 903-535-0835
Fax: 903-593-0396

Chief Appraiser

Michael D. Barnett
Smith County Appraisal District

245 South S.E. Loop 323
Tyler, TX 75702-6456
Phone: 903-510-8600
Fax: 903-510-8621
smithcoappraisal@scad.org

NLB

LINDALE RURAL WATER SUPPLY CORPORATION

P.O. BOX 756
LINDALE, TEXAS 75771
(903) 882-3335

RECEIVED

JUN 02 1977

TEXAS RURAL WATER SUPPLY CORPORATION
CONSERVATION DISTRICT
UTILITY

Lindale Rural Water Supply Corporation
Sam Beeler
P. O. Box 756
Lindale, Tx 75771

Re: Notice of Application of Amendment of CCN 12795

Dear Sir,

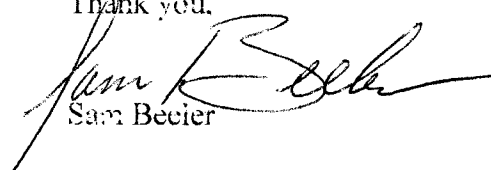
I am Sam Beeler, General Manager of Lindale Rural Water Supply Corporation. Our office phone number is 903-882-3335 and my cell phone number is 903-870-0246.

We received notice of application for CCN amendment from the City of Lindale on CCN no. 12795. Lindale Rural Water Supply Corporation is requesting a public hearing on his CCN amendment by the City of Lindale. The description in the notice will not just affect the City of Tyler whose CCN is 12795, but will also affect Lindale Rural Water whose CCN is 10733. The map and description in the notice does not match the proposed CCN boundary of the City of Lindale.

We have several hundred customers in the proposed area. I believe that this amendment would adversely affect our ability to meet our financial obligations which include a USDA loan and also hamper our ability to improve our system. The City of Lindale has already annexed several hundred acres of our CCN without settling with us.

I propose that the City of Lindale pay Lindale Rural Water for our existing customers and our CCN that they are trying to incorporate into their CCN.

Thank you.


Sam Beeler

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 30, 2003

TRANSMITTED BY
FACSIMILE TO: (903)581-6853

CERTIFIED MAIL

Mr. Philip Huseman, EIT
Wisenbaker, Fix & Associates
821 ESE Loop 323, Suite 460
Tyler, Texas 75701

Re: Application from the City of Lindale, Certificate of Convenience and Necessity (CCN) No. 12795, to dual certify a portion of CCN No. 10772 from the City of Tyler and to Amend CCN No. 12795 in Smith County; Application No. 34160-C

Dear Mr. Huseman:

Thank you for the notice information received in our office on May 27, 2003. As we discussed on June 24, 2003, we received a protest and request for hearing on the above referenced application on June 2, 2003, from Lindale Rural Water Supply Corporation (WSC). Their protest was received prior to June 23, 2003, which marks the end of the 30-day comment period for receiving protests to your application.

Enclosed is a copy of Lindale Rural WSC's request for hearing, so that the City of Lindale may contact them and attempt to resolve the issues brought forward in their request. Please respond to Lindale Rural WSC in writing and forward a copy of the response to our office. If Lindale Rural WSC does not file a written withdrawal of their request for a hearing, the application may be sent to the State Office of Hearings Administrators for scheduling.

We need to receive the following documentation to complete the processing of this application:

- 1) A copy of the Application for Sale, Transfer or Merger (STM) of a Retail Public Utility and accompanied map used in the transaction between Lindale Rural WSC and the City of Lindale as referenced in your letter dated February 28, 2003.

Mr. Philip Huseman, EIT

Page 2

June 25, 2003

- 2) A hard copy, scaled map referenced as Exhibit "A" in your fax received on February 26, 2003. The faxed copy of the map (Exhibit "A") does not clearly display the water service area that is agreed upon for the STM between the City of Lindale and Lindale Rural WSC.
- 3) Written documentation resolving the protest submitted by Lindale Rural Water Supply Corporation.
- 4) Any additional letters of intent from developers, landowner requests, applications for service or a combination of the above, that have been received since you submitted this application, to justify the need for additional water service in the requested area.

Thank you for your attention to this matter. If you have any questions, or will not be able to forward the requested information to this office by **July 11, 2003**, please call me at 512/239-6952, or E-mail address: tharbour@tceq.state.tx.us, or if by correspondence, include Mail Code 153 (MC 153) in the letterhead address.

Sincerely,



Tracy Harbour
Utilities & Districts Section
Water Supply Division

TH/MA/ac

Enclosure: Protest letter from Lindale Rural Water Supply Corporation

cc: TCEQ, Region 5 Office

LINDALE RURAL WATER SUPPLY CORPORATION

P.O. BOX 756
LINDALE, TEXAS 75771
(903) 882-3335

RECEIVED

JUN 02 1979

TEXAS RURAL WATER SUPPLY CORPORATION
CONSERVATION DISTRICT
UTILITIES DIVISION

Lindale Rural Water Supply Corporation
Sam Beeler
P. O. Box 756
Lindale, Tx 75771

Re: Notice of Application of Amendment of CCN 12795

Dear Sir,

I am Sam Beeler, General Manager of Lindale Rural Water Supply Corporation. Our office phone number is 903-882-3335 and my cell phone number is 903-870-0246.

We received notice of application for CCN amendment from the City of Lindale on CCN no. 12795. Lindale Rural Water Supply Corporation is requesting a public hearing on his CCN amendment by the City of Lindale. The description in the notice will not just affect the City of Tyler whose CCN is 12795, but will also affect Lindale Rural Water whose CCN is 10758. The map and description in the notice does not match the proposed CCN boundary of the City of Lindale.

We have several hundred customers in the proposed area. I believe that this amendment would adversely affect our ability to meet our financial obligations which include a USDA loan and also hamper our ability to improve our system. The City of Lindale has already annexed several hundred acres of our CCN without settling with us.

I propose that the City of Lindale pay Lindale Rural Water for our existing customers and our CCN that they are trying to incorporate into their CCN.

Thank you,


Sam Beeler

Notice to Neighboring Systems and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) TO PROVIDE WATER UTILITY SERVICE IN SMITH COUNTY

To: Lindale Rural Water Supply Corporation
(Neighboring System or City)
PO Box 756
(Address)
Lindale TX 75771
(City State Zip)

Date Notice Mailed: May 15, 2003

The City of Lindale has filed an application to amend CCN No. 12795 and to dual certify portions of the City of Tyler with the Texas Commission on Environmental Quality to provide water utility service in Smith County.

The proposed utility service area is located approximately 16 miles northwest of downtown Tyler, Texas and is generally bounded on the north by the Stevenson Branch Creek; on the east by the intersection of CR 461 and CR 431; on the south by a line approximately 3,000 feet south of I-20; and on the west by Hubbard Branch Creek.

The total area being requested includes approximately 7,464 acres and 1822 current customers.

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 your 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.



May 23, 2003

Ms. Tracy Harbour
Texas Commission on Environmental Quality
Utility Certification and Rate Analysis Team
Districts and Utilities Section-Water Supply Division
MC-153
P.O. Box 13087
Austin, Texas 78711-3087

RECEIVED

JUN 30 2003

TEXAS NATURAL RESOURCES
CONSERVATION
UTILITIES

Re: City of Lindale CCN Amendment
Application No. 34160-C
CCN No. 12795

Dear Ms. Harbour,

Per your request I have enclosed a copy of the application for sale, transfer or merger of a retail public utility that the City of Lindale filed back in 1996 with the TNRCC for the area south of I-20 and west of US 69 to CR 433 and another copy of the agreement that was in the original application. In addition, I have printed information and reports off of your web page that shows the application was filed and completed with the TNRCC for your convenience.

Please contact me, Philip Huseman, Engineer in Training at (903) 581-8141 ext 115 if you have any questions.

Sincerely,

Philip Huseman
Engineer in Training

Encl.

Pc. Mr. Owen Scott- City Manager, Lindale, TX
Pc. Mr. Charles West
Pc. Mr. Charles Gilmore – Utility Superintendent

821 East Southeast, Loop 323
Suite 460
Tyler, Texas 75701
P.O. Box 6868
Tyler, Texas 75711

tel 903.581.8141
fax 903.581.6853

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



APPLICATION NO. 31088-C

IN THE MATTER OF THE APPLICATION §
OF CITY OF LINDALE FOR A WATER §
CERTIFICATE OF CONVENIENCE AND §
NECESSITY AND TO DECERTIFY A §
PORTION OF CERTIFICATE NO. 10758 IN §
SMITH COUNTY, TEXAS §

BEFORE THE
TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION

ORDER

On MAY 03 1996, the Executive Director of the Texas Natural Resource Conservation Commission pursuant to Chapters 5 and 13 of the Texas Water Code considered the application of City of Lindale for a water Certificate of Convenience and Necessity and to decertify a portion of Certificate No. 10758 issued to Lindale Rural Water Supply Corporation in Smith County.

No person has requested a public hearing on the application;

Notice of the application was given all affected and interested parties;

The criteria set forth in Sections 13.246(c) and 13.254 have been considered; and

Granting the application is necessary for the service, accommodation, convenience and safety of the public.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION that the application is granted and Certificate of Convenience and Necessity No. 12795 is issued to the City of Lindale in accordance with the terms and conditions set forth herein and in the certificate.

IT IS FURTHER ORDERED that Certificate of Convenience and Necessity No. 10758 issued to Lindale Rural Water Supply Corporation is amended in accordance with the terms and conditions set forth herein and in the certificate.

IT IS FURTHER ORDERED that the City of Lindale shall serve every customer and applicant for service within the area certified under Certificate of Convenience and Necessity No. 12795 and that such service shall be continuous and adequate.

WISENBAKER, FIX & ASSOCIATES

Consulting Engineers

821 ESE Loop 323, Suite 460
Tyler, Texas 75701
P. O. Box 6868
Tyler, Texas 75711
(903) 581-8141
FAX (903) 581-6853

February 28, 2003

Ms. Tracy Harbour
Texas Commission on Environmental Quality
Utility Certification and Rate Analysis Team
Districts and Utilities Section-Water Supply Division
MC-153
P.O. Box 13087
Austin, Texas 78711-3087

RECEIVED

MAR 04 2003

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
UTILITIES AND DISTRICTS

Re: City of Lindale CCN Amendment
Application No. 34160-C
CCN No. 12795

Dear Ms. Harbour,

Enclosed you will find a revised large and small scale map for the proposed CCN amendment for the City of Lindale, Texas. The small scale location map is color coded to help clarify CCN overlap issues. The green area was decertified to the City of Lindale as stated and shown in the agreement, attachment "H", in the original application. The combined green and red area depicts an overlap between Lindale Rural, the City of Tyler, and the proposed City of Lindale CCN boundary. As stated above, Lindale Rural decertified this area to the City of Lindale as shown in attachment "H". The proposed City of Lindale CCN boundary will abut Lindale Rural's CCN boundary at all other locations. Therefore, there will not be any requirements for Lindale Rural Water Supply Corporation to decertify any areas to the City of Lindale. I have also included attachment "H" with this letter for easy reference. I can mail you a copy of the Application for Sale, Transfer or Merger of a Retail Public Utility for this transaction between Lindale Rural and the City of Lindale if required.

The red area and the combined red and green area delineated on the small scale location map depict overlapping boundaries with the City of Tyler CCN no. 10772 and the proposed City of Lindale CCN limits. The City of Tyler and the City of Lindale have agreed to dual certification of this area only. This area is bounded by CR 431 (Jim Hogg Rd.) on the east, CR 461 on the south, and the Tyler ETJ/CCN arc boundary on the north and west. Enclosed with this letter is a copy of a letter from the City of Tyler to the City of Lindale agreeing to dual certification.

I have enclosed one (1) original and three (3) copies of the maps as required along with a digital copy on diskette for updating your GIS maps. In addition, you will find enclosed a mark up of your publishers affidavit and the notice to neighboring utilities.

Please contact me, Philip Huseman, Engineer in Training at (903) 581-8141 ext 115 if you need any other information on the above referenced permit.

Sincerely,

A handwritten signature in cursive script that reads "Philip Huseman". The signature is written in dark ink and includes a long, horizontal flourish extending to the right.

Philip Huseman
Engineer in Training

Encl.

Pc. Mr. Owen Scott- City Manager
Lindale, TX



February 28, 2003

Mr. Owen Scott
City Administrator
City of Lindale
P.O. Box 130
Lindale, Texas 75771

Re: City of Tyler
CCN # 10772

Dear Mr. Scott:

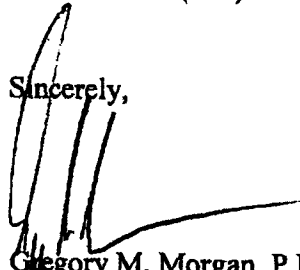
I wish to advise that the City of Tyler Water Utilities operates under Texas Commission on Environmental Quality Certificate of Convenience and Necessity Number 10722. The certificate provides that Tyler shall have sole certification to the area falling inside the corporate limits, in areas encompassed by its facilities outside the city limits and 200 feet of any point along the distribution lines outside the city limits. In the extra-territorial jurisdiction of Tyler, there shall be joint certification within that area between the City of Tyler and any other utilities falling within that area.

The area in the vicinity of U.S. Highway 69 and Interstate Highway 20, as described in your February 27, 2003 letter, for which you are requesting certification falls within Tyler's extra-territorial jurisdiction.

Accordingly, while not agreeing to de-certification, the City of Tyler Water Utilities have no objections to joint certification within that area with the City of Lindale.

Should you have any questions or require additional information, please do not hesitate to contact me at (903) 531-1234.

Sincerely,


Gregory M. Morgan, P.E.
Operations Manager
Tyler Water Utilities

RECEIVED

MAR 04 2003

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
UTILITIES AND DISTRICTS

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) TO PROVIDE WATER UTILITY SERVICE IN SMITH COUNTY

dual certify
The City of Lindale has filed an application to amend CCN No. 12795 and to ~~decide~~ portions of ~~Lindale Branch Water Supply Corporation~~ and the City of Tyler with the Texas Commission on Environmental Quality to provide water utility service in Smith County.

The proposed utility service area is located approximately 16 miles northwest of downtown Tyler, Texas, and is generally bounded on the north by the Stevenson Branch Creek; on the east by the intersection of CR 461 and CR 431; on the south by a line approximately 3,000 feet south of I 20; and on the west by the Hubbard Branch Creek.

The total area being requested includes approximately 5,678 acres and 272 current customers.

A copy of the proposed service area map is available at Lindale City Hall, 201 N. Main, Lindale, Texas 75771 phone number (903)882-3422

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.

RECEIVED

MAR 04 2003

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
UTILITIES AND DISTRICTS

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) TO PROVIDE WATER UTILITY SERVICE IN SMITH COUNTY

To: _____ Date Notice Mailed: _____, 2003
(Neighboring System or City)

(Address)

(City State Zip)

Handwritten: dual certify
The City of Lindale has filed an application to amend CCN No. 12795 and to ~~decertify~~ portions of ~~Lindale Rural Water Supply Corporation~~ and the City of Tyler with the Texas Commission on Environmental Quality to provide water utility service in Smith County.

The proposed utility service area is located approximately 16 miles northwest of downtown Tyler, Texas, and is generally bounded on the north by the Stevenson Branch Creek; on the east by the intersection of CR 461 and CR 431; on the south by a line approximately 3,000 feet south of I 20; and on the west by the Hubbard Branch Creek.

The total area being requested includes approximately 5,678 acres and 272 current customers. See enclosed map of the proposed service area.

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.

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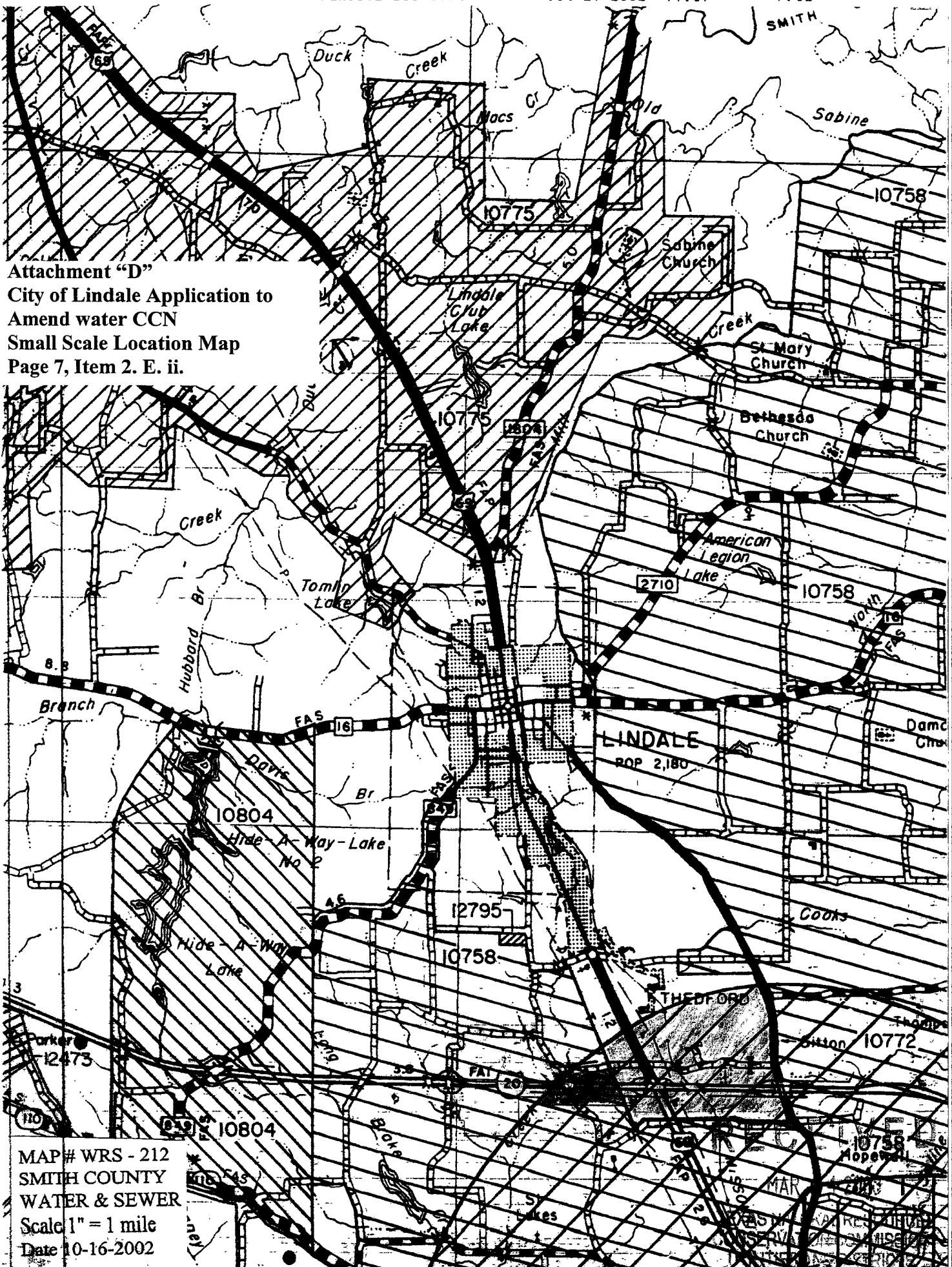
within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be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

RECEIVED

MAR 04 2003

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION
UTILITIES AND DISTRICTS



AGREEMENT BETWEEN CITY OF LINDALE AND LINDALE
RURAL WATER SUPPLY CORPORATION REGARDING
RETAIL WATER SERVICE

WHEREAS, the City of Lindale, Texas ("City") has either annexed the property more fully described in Exhibit "A" or the property is within the City's extraterritorial jurisdiction;

WHEREAS, Lindale Rural Water Supply Corporation ("Rural Water") is a nonprofit water supply corporation;

WHEREAS, the property more fully described in Exhibit "A" is within the area that Rural Water has the right to render retail water service pursuant to its certificate of convenience and necessity;

WHEREAS, Rural Water owns personal property within the area more fully described as Exhibit "A";

WHEREAS, the City and Rural Water desire single certification of the area more fully described in Exhibit "A" for the City pursuant to Section 13.255 of the Texas Water Code;

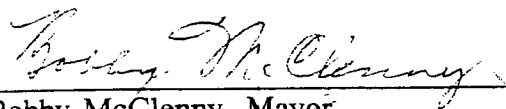
THEREFORE, in consideration of the mutual covenants and promises set forth herein, the City and Rural Water agree as follows:

1. Rural Water's certificate of convenience and necessity shall be modified to remove the property more fully described in Exhibit "A".
2. The property more fully described on Exhibit "A" shall be added to the City's certificate of convenience and necessity;
3. City shall provide retail water service to the property more fully described in Exhibit "A" pursuant to single certification of the area as authorized by Section 13.255 of the Texas Water Code.


4. Rural Water hereby grants, sells and conveys to City all of its interest in the personal property located within the area more fully described in Exhibit "A".
5. City shall pay the sum of \$29,500.00 to Rural Water as consideration for the personal property transferred to City and the other covenants contained herein. Rural Water acknowledges that the compensation paid by City is just and adequate for the personal property, including the Rural Water's business in the area acquired by City.
6. The recitals to this Agreement are incorporated herein and shall be deemed representations and warranties by the parties.
7. This Agreement shall bind and benefit each of the parties and their legal successors and assigns. This agreement is solely for the benefit of the parties and their successors and assigns and is not intended to and shall not be construed to create any rights in favor of third parties.
8. This Agreement shall be construed in accordance with the laws of the State of Texas.
9. No alteration or amendment of this Agreement shall be effective unless given in writing and executed by all parties after approval by their respective governing body.
10. The parties hereby acknowledge that this Agreement was approved by their respective governing bodies at a joint meeting on Thursday, April 24, 1997 and the execution of this Agreement has been authorized by the governing bodies of the City and Rural Water.

In witness whereof this Agreement is executed this ____ day of August, 1997.

The City of Lindale, Texas



Bobby McClenny, Mayor



Owen Scott, City Administrator

Attachment "H"
City of Lindale Application to
Amend water/sewer CCN
Existing Water Agreement

Lindale Rural Water Supply Corporation

Karl Salzman
President

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Margaret Hoffman, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 5, 2003

Mr. Philip Huseman, EIT
Wisembaker, Fix & Associates
821 ESE Loop 323, Suite 460
Tyler, Texas 75701

Re: Application from the City of Lindale, Certificate of Convenience and Necessity (CCN) No. 12795, to decertify a portion of CCN No. 10758 from Lindale Rural Water Supply Corporation, to decertify a portion of CCN No. 10772 from the City of Tyler and to Amend CCN No. 12795 in Smith County; Application No. 34160-C

Dear Mr. Huseman:

Your application has been accepted for filing, and Ms. Tracy Harbour has been assigned to perform the technical review. The application has been assigned Application No. 34160-C. Please refer to this number in future correspondence.

Your next step is to provide the **revised** public notices without delay. The notice to the public must be published once each week for two (2) consecutive weeks in a newspaper of general circulation in Smith County. It is the responsibility of the applicant to provide correct notice of the application to any utilities within two (2) miles of your proposed service area, any city with an extraterritorial jurisdiction which overlaps the proposed service area or other affected parties in your requested area. Check the notices carefully before mailing or publishing.

A review of our files and maps indicates that, in addition to the neighboring utilities noted on your application, you must provide notice to the following utilities:

Texas Water Systems (CCN No. 12473)
Southern Utilities (CCN No. 10762)

Information related to utilities and districts including addresses can be obtained from the TCEQ web site located at www2.tceq.state.tx.us/iwud.

As proof that notice was provided, you are required to send us the following:

- a) an original and three copies of a publisher's affidavit of the newspaper publication with tear sheets of the published notice attached;
- b) four copies of each individual notice and map sent to neighboring utilities and other affected parties; and
- c) an original and three copies of the signed affidavits that individual notice to neighboring utilities and affected individuals has been given. (Copies of the Affidavit forms are enclosed with this letter.)

Mr. Philip Huseman, EIT

Page 2

February 5, 2003

Include the enclosed location map delineating the proposed service area with your individual notices to neighboring utilities and other affected parties.

There also appears to be an overlap of your proposed service area with the certified service area of Lindale Rural Water Supply Corporation and the City of Tyler. Enclosed is a map showing the overlap of your proposed water CCN area with the CCN areas of Lindale Rural Water Supply Corporation and the City of Tyler.

Your application included an overlap agreement with the Rural Water Supply Corporation. It appears the Rural Water Supply Corporation's agreement does not cover all of the overlap areas. Please, provide written documentation on how the overlaps will be handled. There are several options to resolving this overlap. One is to amend your application by submitting revised maps and change the requested CCN area so as to not include the areas of overlap. The second option is for you to meet with Lindale Rural Water Supply Corporation and the City of Tyler and work out an agreement whereby Lindale Rural Water Supply Corporation and the City of Tyler agrees to decertification of the areas of overlap. Written documentation from Lindale Rural Water Supply Corporation and the City of Tyler agreeing to decertification is required. If an agreement is not reached, you would have to provide compelling evidence that Lindale Rural Water Supply Corporation and the City of Tyler could not provide acceptable service. The notices have been revised to propose decertification of the portions of Lindale Rural Water Supply Corporation and the City of Tyler in the event this is considered.

In addition, please, submit copies of any additional letters of intent from developers, landowner requests, applications for service or a combination of the above, that you received after you submitted this application, to justify the need for additional water service in the requested area.

These items must be completed and returned by **March 7, 2003**. Processing of this application cannot proceed until the close of the 30 day public comment period which begins after all the required notices have been given. If we do not receive the requested information by this date, your application may be returned for failure to prosecute.

If you have any questions, please contact Ms. Tracy Harbour at 512/239-6952, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,



Michelle Abrams, Team Leader
Utilities & Districts Section
Water Supply Division

MA/TH/ac

Enclosures

cc: TCEQ, Region 5 Office

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) TO PROVIDE WATER UTILITY SERVICE IN SMITH COUNTY

The City of Lindale has filed an application to amend CCN No. 12795 and to decertify portions of Lindale Rural Water Supply Corporation and the City of Tyler with the Texas Commission on Environmental Quality to provide water utility service in Smith County.

The proposed utility service area is located approximately 16 miles northwest of downtown Tyler, Texas, and is generally bounded on the north by the Stevenson Branch Creek; on the east by the intersection of CR 461 and CR 431; on the south by a line approximately 3,000 feet south of I 20; and on the west by the Hubbard Branch Creek.

The total area being requested includes approximately 5,678 acres and 272 current customers.

A copy of the proposed service area map is available at Lindale City Hall, 201 N. Main, Lindale, Texas 75771 phone number (903)882-3422

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 OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) TO PROVIDE WATER UTILITY SERVICE IN SMITH COUNTY

To: _____ Date Notice Mailed: _____, 2003
(Neighboring System or City)

(Address)

(City State Zip)

The City of Lindale has filed an application to amend CCN No. 12795 and to decertify portions of Lindale Rural Water Supply Corporation and the City of Tyler with the Texas Commission on Environmental Quality to provide water utility service in Smith County.

The proposed utility service area is located approximately 16 miles northwest of downtown Tyler, Texas, and is generally bounded on the north by the Stevenson Branch Creek; on the east by the intersection of CR 461 and CR 431; on the south by a line approximately 3,000 feet south of I 20; and on the west by the Hubbard Branch Creek.

The total area being requested includes approximately 5,678 acres and 272 current customers. See enclosed map of the proposed service area.

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.

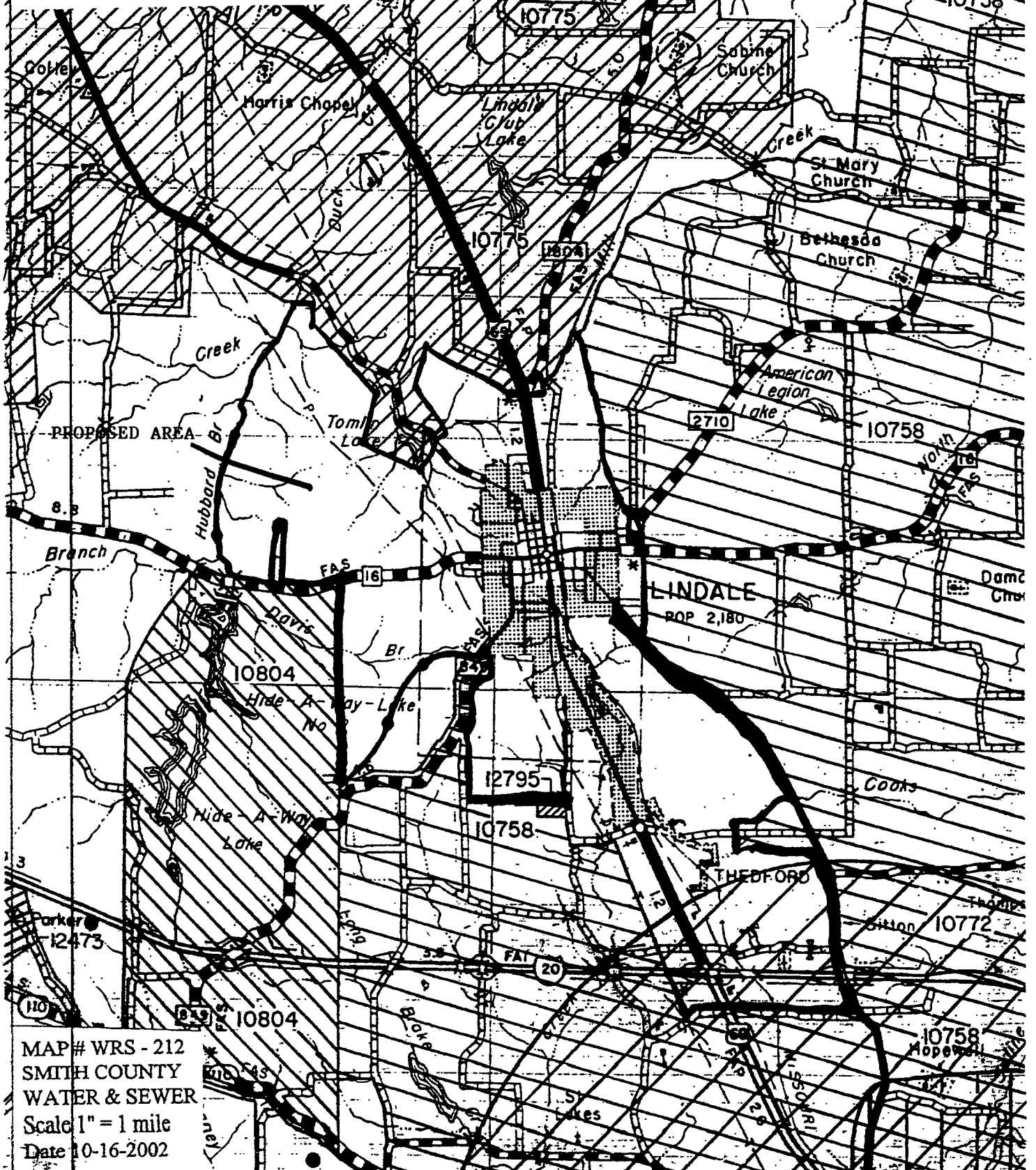
Persons who wish to intervene or comment should write the:

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.

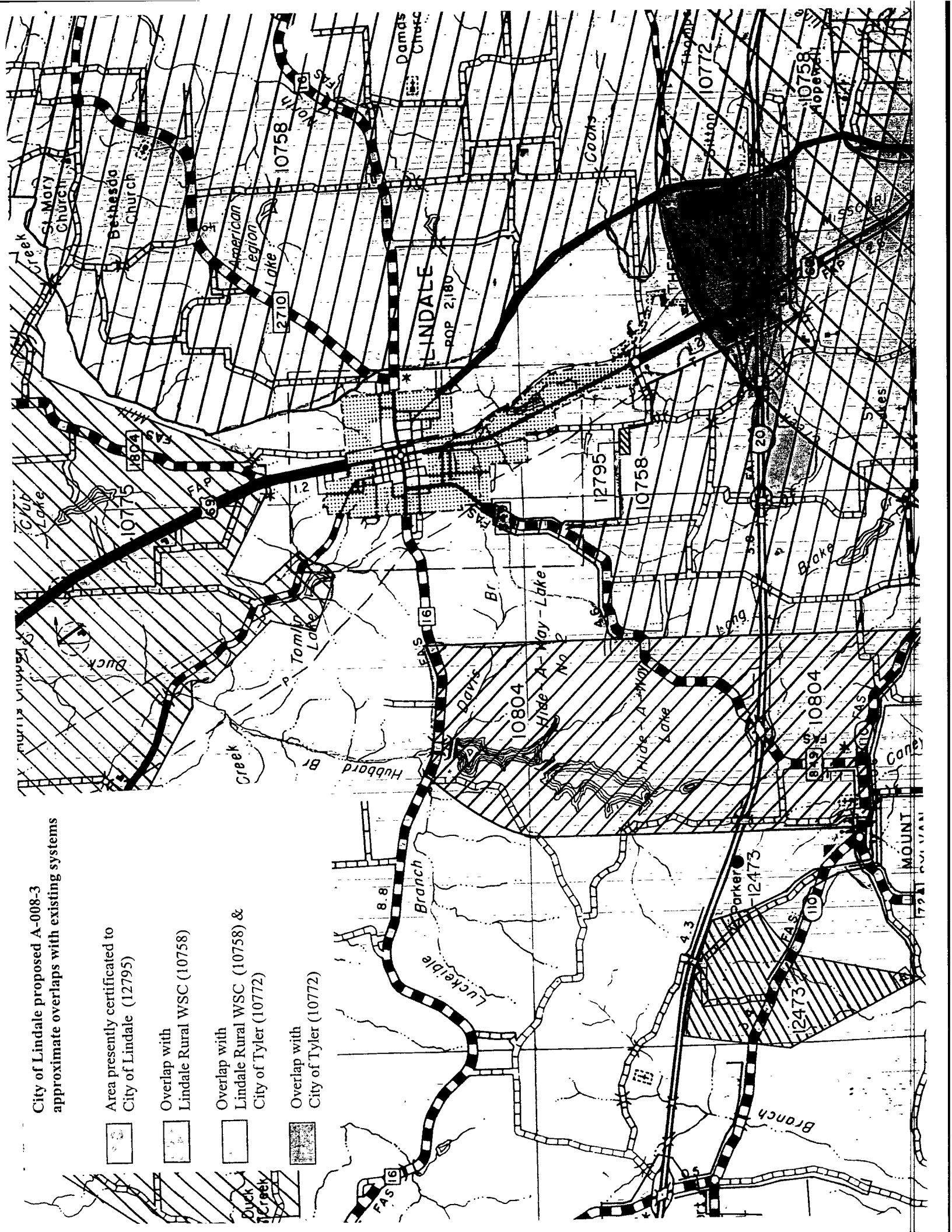
Attachment "D"
 City of Lindale Application to
 Amend water ~~CCN~~ CCN
 Small Scale Location Map
 Page 7, Item 2. E. ii.



MAP# WRS - 212
 SMITH COUNTY
 WATER & SEWER
 Scale 1" = 1 mile
 Date 10-16-2002

City of Lindale proposed A-008-3
approximate overlaps with existing systems

-  Area presently certificated to City of Lindale (12795)
-  Overlap with Lindale Rural WSC (10758)
-  Overlap with Lindale Rural WSC (10758) & City of Tyler (10772)
-  Overlap with City of Tyler (10772)





Texas Commission on Environmental Quality

APPLICATION NO. _____

PUBLISHER'S AFFIDAVIT

STATE OF TEXAS

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____,

who being by me duly sworn, deposes and says that (s)he is the _____ of the

TITLE

_____ ; that said

NAME OF NEWSPAPER

newspaper is regularly published in _____

County(ies) and generally circulated in _____

County (Counties), Texas; and that the attached notice was published in said newspaper on the following date(s), to wit: _____

Newspaper Representative's Signature

Subscribed and sworn to before me this _____ day of _____, 2003, to certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____



Texas Commission on Environmental Quality

APPLICATION NO. _____

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES

STATE OF TEXAS

COUNTY OF _____

_____ has provided individual notice to
the following entities:

DATE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is, owner,
member of partnership, title of officer of corporation, or other authorized representative of applicant); that
in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the
notices given with this application, and have complied with all notice requirements in the application and
application acceptance letter; and that all such statements made and matters set forth therein are true and
correct.

Applicant's Authorized Representative

If the applicant 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 this _____ day of _____, 20____, to certify
which witness my hand and seal of office.

Notary Public in and for the
State of Texas

Print or Type Name of Notary Public
Commission Expires _____

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Jeffrey A. Saitas, *Executive Director*



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

January 24, 2003

Mr. Philip Huseman, E.I.T.
Wisembaker, Fix & Associates
821 ESE Loop 323 - Suite 460
Tyler, Texas 75701

RE: Declaration of Administrative Completeness
Name: City of Lindale
CCN Number: 12795
Administrative Review Number: A-008-3
Type of Application: CCN

Dear Mr. Huseman:

The above referenced application was received by the Water Quality Applications Team on January 22, 2003. An administrative review of the application has been conducted and the application was declared administratively complete on January 24, 2003.

This application has been forwarded to Ms. Michelle Abrams, Utility Certification and Rate Analysis Team, Districts and Utilities Section (Mail Code 153), Water Supply Division for a technical review. If during the course of the technical review additional information is needed, you will be notified of the deficiency and be requested to supplement the application.

You may contact Ms. Abrams at (512) 239-6014 if you have questions regarding the technical evaluation of your application. If you have questions regarding the administrative review, please contact Peggy Hiscoe at (512) 239-6168.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Hiscoe".

Peggy Hiscoe
Water Quality Applications Team (Mail Code 156)
Permits Administrative Review Section
Registration, Review & Reporting Division

TNRCC Core Data Form

TNRCC Use Only

If you have questions on how to fill out this form or about our Central Registry, please contact us at 512-239-5175.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

SECTION I: General Information

1. Reason for Submission <i>Example: new wastewater permit; IHW registration; change in customer information; etc.</i> Revising and existing CCN	
2. Attachments <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Describe Any Attachments: (ex: Title V Application, Waste Transporter Application, etc.) CCN application package
3. Customer Reference Number-if issued CN (9 digits)	4. Regulated Entity Reference Number-if issued RN (9 digits)

SECTION II: Customer Information

5. Customer Role (Proposed or Actual) -- As It Relates to the Regulated Entity Listed on This Form Please check <u>one</u> of the following: <input type="checkbox"/> Owner <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Owner and Operator <input type="checkbox"/> Occupational Licensee <input type="checkbox"/> Volunteer Cleanup Applicant <input type="checkbox"/> Other: _____ TNRCC Use Only <input type="checkbox"/> Superfund <input type="checkbox"/> PST <input type="checkbox"/> Respondent			
6. General Customer Information <input checked="" type="checkbox"/> New Customer <input type="checkbox"/> Change to Customer Information <input type="checkbox"/> Change in Regulated Entity Ownership <input type="checkbox"/> No Change* *If "No Change" and Section I is complete, skip to Section III - Regulated Entity Information.			
7. Type of Customer: <input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship - D.B.A. <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Federal Government <input type="checkbox"/> State Government <input type="checkbox"/> County Government <input checked="" type="checkbox"/> City Government <input type="checkbox"/> Other Government _____ <input type="checkbox"/> Other _____			
8. Customer Name (If an individual, please print last name first) If new name, enter previous name: City of Lindale			
9. Mailing Address: P.O. BOX 130 City Lindale State TX ZIP 75771 ZIP + 4 0130			
10. Country Mailing Information if outside USA N.A.		11. E-Mail Address if applicable N.A.	
12. Telephone Number (903)882-3422		13. Extension or Code	
		14. Fax Number if applicable (903)882-1054	
15. Federal Tax ID (9 digits)		16. State Franchise Tax ID Number if applicable	
		17. DUNS Number if applicable (9 digits)	
18. Number of Employees <input type="checkbox"/> 0-20 <input checked="" type="checkbox"/> 21-100 <input type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher		19. Independently Owned and Operated? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

SECTION III: Regulated Entity Information

20. General Regulated Entity Information <input checked="" type="checkbox"/> New Regulated Entity <input type="checkbox"/> Change to Regulated Entity Information <input type="checkbox"/> No Change* *If "No Change" and Section I is complete, skip to Section IV - Preparation Information.	
21. Regulated Entity Name (If an individual, please print last name first) City of Lindale Water & Wastewater Distribution & Collection Systems	

RECEIVED

JAN 22 2003

Water Quality Applications Team

22. Street Address: <u>P.O. BOX 130</u>			
(No P.O. Boxes)			
City Lindale	State TX	ZIP 75771	ZIP + 4 0130
23. Mailing Address <u>201 N. Main</u>			
City Lindale	State TX	ZIP 75771	ZIP + 4 0130
24. E-Mail Address:			
25. Telephone Number (903)882-3422		26. Extension or Code	
		27. Fax Number if applicable (903)882-3422	
28. Primary SIC Code (4 digits) 4941	29. Secondary SIC Code (4 digits)	30. Primary NAICS Code (5 or 6 digits) 221310	
31. Secondary NAICS Code (5 or 6 digits)			
32. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description.) Potable Water Production and Distribution for public			
<i>Questions 33 - 37 address geographic location. Please refer to the instructions for applicability.</i>			
33. County: Smith			
34. Description of Physical Location			
35. Nearest City		State	Nearest ZIP
36. Latitude (N)		37. Longitude (W)	
Degrees	Minutes	Seconds	Degrees
32	30	59	95
			24
			33
38. TNRCC Programs In Which This Regulated Entity Participates <i>Not all programs have been listed. Please add to this list as needed. If you don't know or are unsure, please mark "unknown."</i>			
<input type="checkbox"/> Animal Feeding Operation	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> Water Rights	
<input type="checkbox"/> Title V - Air	<input type="checkbox"/> Wastewater Permit	<input type="checkbox"/> RECEIVED	
<input type="checkbox"/> Industrial & Hazardous Waste	<input type="checkbox"/> Water Districts	<input type="checkbox"/> JAN 22 2003	
<input type="checkbox"/> Municipal Solid Waste	<input checked="" type="checkbox"/> Water Utilities	<input type="checkbox"/> Unknown	
<input type="checkbox"/> New Source Review - Air	<input type="checkbox"/> Licensing - TYPE(s)	Water Quality Applications Team	

SECTION IV: Preparer Information

39. Name Philip Huseman		40. Title Engineer in Training
41. Telephone Number (903)581-8141	42. Extension or Code 115	43. Fax Number if applicable (903)581-6853
44. E-Mail Address: phuseman@ksaeng.com		

W ISENBAKER, F I X & A S S O C I A T E S

Consulting Engineers

821 ESE Loop 323, Suite 460
Tyler, Texas 75701
P. O. Box 6868
Tyler, Texas 75711
(903) 581-8141
FAX (903) 581-6853

January 17, 2003

Texas Commission on Environmental Quality
Registration, Review, & Reporting Division
Permits Administrative Review Section
Water Quality Applications Team
MC-156
P.O. Box 13087
Austin, Texas 78753-3087

100.00 Pd
RECEIVED

JAN 22 2003

Water Quality Applications Team

A-008-3

Re: City of Lindale CCN Amendment
CCN No. 12795

Dear Team Member,

Enclosed you will find the application to obtain or amend a water or sewer Certificate of Convenience and Necessity (CCN) for the City of Lindale, Texas. I have enclosed one (1) original and three (3) copies of the application as required. In addition, there is a check in the amount of \$100.00 for the application fee.

Please contact me, Philip Huseman, Engineer in Training at (903) 581-8141 if you need any other information on the above referenced permit.

Sincerely,



Philip Huseman
Engineer in Training

Pc. Mr. Owen Scott- City Manager
Lindale, TX

180.00122
RECEIVED

JAN 22 2003

APPLICATION TO OBTAIN OR AMEND A WATER/SEWER
CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) Water Quality Applications Team

A-008-3

*RN #

*CN #

*If known (See instructions)

PURPOSE OF THIS APPLICATION

OBTAIN • New Water CCN • New Sewer CCN

AMEND • Water CCN # 12795 • Sewer CCN # _____

1. APPLICANT INFORMATION

Utility Name: City of LindaleUtility Address (city/state/zip) P.O. Box 130Lindale, Texas 75771Utility Phone and Fax Number (903) 882-3422 Phone (903) 882-1054 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: Philip Huseman Title: Engineer in TrainingAddress: P. O. Box 6868 Telephone (903) 581-8141City Tyler St Texas Zip 75711 Fax (903) 581-6853County(ies) in which service is proposed Smith

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

Name	Classes	License Number
Charles Gillmore	B Groundwater B Sewer	450170663
Gary Zimmerman	C Groundwater C Sewer	456199423

- Attach additional sheet(s) if necessary -

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

<input type="checkbox"/>	Investor owned utility
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Home or Property Owners Association
<input type="checkbox"/>	For-profit corporation
<input type="checkbox"/>	Non-profit, member-owned, member-controlled cooperative corporation (Water Code Chapter 67, Water Supply or Sewer Service Corporation)
<input checked="" type="checkbox"/>	Municipality Incorporated
<input type="checkbox"/>	District
<input type="checkbox"/>	Other Please explain:

--	--

- C. If the applicant is a For-Profit Corporation:
- Please provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. (See Note below).
 - Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State. N/A.
- D. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation or other non-profit corporation:
- Please provide a copy of the Articles of Incorporation and By-Laws.
 - 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 X NO _____
If YES, are any currently receiving utility service?
YES X NO _____, if YES, from Whom City of Lindale
- B. Have you received any requests for service in the requested service area?
YES X 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 2 VERBAL 2 (2 requests for 100 and 97 connections)
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 X
If YES, within the city limits of: _____
Provide a copy of any franchise, permit, or consent granted by the city. If not available, please explain: N/A not in an incorporated city

- D. Is any portion of the proposed service area inside another utility's CCN area?
YES _____ NO X
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.
- 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).*
- 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

• 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.

• 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.tnr.is.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 applicants 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. **NEWSYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME**

- A. Please provide the following information:
- A list of all public drinking water supply systems or sewer systems within a 2 mile radius of the proposed system.
 - 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.
 - Copies of written responses from each system or evidence that they did not reply.
- B. Were your requests for service denied?
- If yes, continue.
 - 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. existing system
- D. Date of plat approval, if required: N.A. existing system
Approved by: _____
- E. Date Plans & Specifications submitted for approval _____ Log No. _____
Attach copy of approval letter if available. N.A. existing system
- F. Date construction is scheduled to commence N.A. existing system
- G. Date service is scheduled to commence N.A. existing system

5. **EXISTING SYSTEM INFORMATION**

- A. Please provide the following information for **each** water and/or sewer system:
- Water system's TCEQ Public Water System identification number:

2	1	2	0	0	0	2
---	---	---	---	---	---	---

 ;

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 ;

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--	--	--	--	--	--	--

 ;

--	--	--	--	--	--	--

 ;

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

W	Q	1	0	4	1	2	-	0	0	2
---	---	---	---	---	---	---	---	---	---	---

 ;

W	Q	1	0	4	1	2	-	0	0	1
---	---	---	---	---	---	---	---	---	---	---
 - Date of last inspection 07/17/2002
 - Attach a copy of the most recent inspection report letter.
 - 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. N.A. no deficiencies
- 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 X
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	1732	197	Residential		1328
1" meter or larger	100		Commercial		232
Non-Metered			Industrial		0
Other:			Other:		
Total Water	1832	197	Total Sewer		1560

- D. If this application is for a water CCN only, please explain how sewer service is provided:

The sewer systems to be septic

- E. If this application is for a sewer CCN only, please explain how water service is provided:

N.A. water CCN only

- 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:

N.A. none serving

- G. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i. No X (skip the rest of this question and go to #6)

ii. Water

Yes _____

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

Source	% of total supply
N/A	N/A

- iii. Sewer treatment capacity N/A
Yes _____
Purchased on a () regular - () seasonal - () emergency basis

Source	% of total treatment
N/A	N/A

- 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:
- 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.
 - 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.
 - 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.
- B. For existing systems:
- 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).
 - Attach a proposed rate schedule or tariff.
- 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.
- 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.

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

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

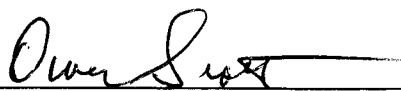
OATH

State of TEXAS

I, OWEN SCOTT, being duly sworn, file this application as CITY ADMN/ SEC. (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 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.

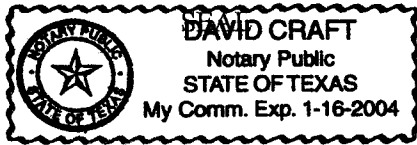


AFFIANT

(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 16th
_day of January, 2003.



David Craft
NOTARY PUBLIC

Notice for Publication

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

The City of Lindale has filed an application for a CCN/ to amend CCN No. 12795 / with the Texas Commission on Environmental Quality to provide water utility service in Smith County.

The proposed utility service area is located approximately 2.6 miles east of downtown Lindale, Texas and is generally bounded on the north by the existing Duck Creek CCN boundary; on the east by the existing City of Lindale CCN boundary; on the south by the existing Lindale Rural Water Supply Corporation service area and the existing Crystal Water System CCN boundary (FM 16), and on the west by Hubbard Branch Creek.

The proposed utility service area is located approximately 1.3 miles north of downtown Lindale, Texas and is generally bounded on the north by the existing Duck Creek CCN boundary; on the east by the existing Lindale Rural Water Supply Corporation CCN boundary; on the south by the existing City of Lindale CCN boundary, and on the west by the existing City of Lindale CCN boundary.

The proposed utility service area is located approximately 2.5 miles southeast of downtown Lindale, Texas and is generally bounded on the north by the existing City of Lindale CCN boundary; on the east by the existing Lindale Rural Water Supply Corporation CCN boundary (Jim Hogg Road); on the south by the existing Lindale Rural Water Supply Corporation CCN boundary (CR 474), and on the west by the existing City of Lindale CCN boundary.

The proposed utility service area is located approximately 1.9 miles southwest of downtown Lindale, Texas and is generally bounded on the north by the existing City of Lindale CCN boundary; on the east by the existing City of Lindale CCN boundary; on the south by the existing Lindale Rural Water Supply Corporation CCN boundary (CR 475), and on the west by the existing Lindale Rural Water Supply Corporation CCN boundary (CR 433).

The total area being requested includes approximately 5,678 acres and 272 current customers.

A copy of the proposed service area map is available at: Lindale City Hall, 201 N. Main, Lindale, TX 75771 ph. (903) 882-3422

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 SMITH
COUNTY

To: _____
(Neighboring System or City)

Date Notice Mailed: _____, 2003

(Address)

(City State Zip)

The City of Lindale has filed an application for a CCN/ to amend CCN
No. 12795 / with the Texas Commission on Environmental Quality to provide water
utility service in Smith County.

The proposed utility service area is located approximately 2.6 miles east of downtown
Lindale, Texas and is generally bounded on the north by the existing Duck Creek
CCN boundary; on the east by the existing City of Lindale CCN boundary; on the south
by the existing Lindale Rural Water Supply Corporation service area and the existing
Crystal Water System CCN boundary (FM 16), and on the west by Hubbard Branch
Creek.

The proposed utility service area is located approximately 1.3 miles north of
downtown Lindale, Texas and is generally bounded on the north by the existing Duck
Creek CCN boundary; on the east by the existing Lindale Rural Water Supply
Corporation CCN boundary; on the south by the existing City of Lindale CCN boundary,
and on the west by the existing City of Lindale CCN boundary.

The proposed utility service area is located approximately 2.5 miles southeast of
downtown Lindale, Texas and is generally bounded on the north by the existing City
of Lindale CCN boundary; on the east by the existing Lindale Rural Water Supply
Corporation CCN boundary (Jim Hogg Road); on the south by the existing Lindale Rural
Water Supply Corporation CCN boundary (CR 474), and on the west by the existing City
of Lindale CCN boundary.

The proposed utility service area is located approximately 1.9 miles southwest of
downtown Lindale, Texas and is generally bounded on the north by the existing City
of Lindale CCN boundary; on the east by the existing City of Lindale CCN boundary; on
the south by the existing Lindale Rural Water Supply Corporation CCN boundary (CR
475), and on the west by the existing Lindale Rural Water Supply Corporation CCN
boundary (CR 433).