

College Mound Water Supply Corporation
12731 FM 429 South
Terrell, TX 75160
Attn.: General Manager

BY: Candy Moscum
TITLE: President
DATE: 5-08-07

ATTEST:

Shirley Bakely

APPROVED AS TO FORM AND LEGALITY:

BY: Edward Dwyer 5-7-07
ATTORNEY FOR College Mound

Exhibit 1 Terrell-NTMWD Contract



CITY OF TERRELL

September 24, 2010

Shirley Blakely
College Mound WSC
12731 FM 429
Terrell, TX 75161

RE: Wholesale Water Contracts, Cost per Thousand for Water

Hal Richards
Mayor

Jack Jones
Mayor Pro Tem

Ricky Jordan
Dep. Mayor Pro Tem

Don Thurman
Council Member

Sandra Wilson
Council Member

Terry L. Edwards
City Manager

Mike Sims
Asst. City Manager

Dear Ms. Blakely:

The new Terrell Wholesale Water Rate is \$3.98 per thousand gallons of water starting October 1, 2010.

The new rate will be reflected on the bill you receive in November 2010.

The updated Water Rate Calculation is attached, that was handed out at the July meeting.

If you have any questions, please contact me at (972) 551-6600 extension 240 or srogers@cityofterrell.org.

Sincerely,

Steve Rogers, P.E.
City Engineer

attachment

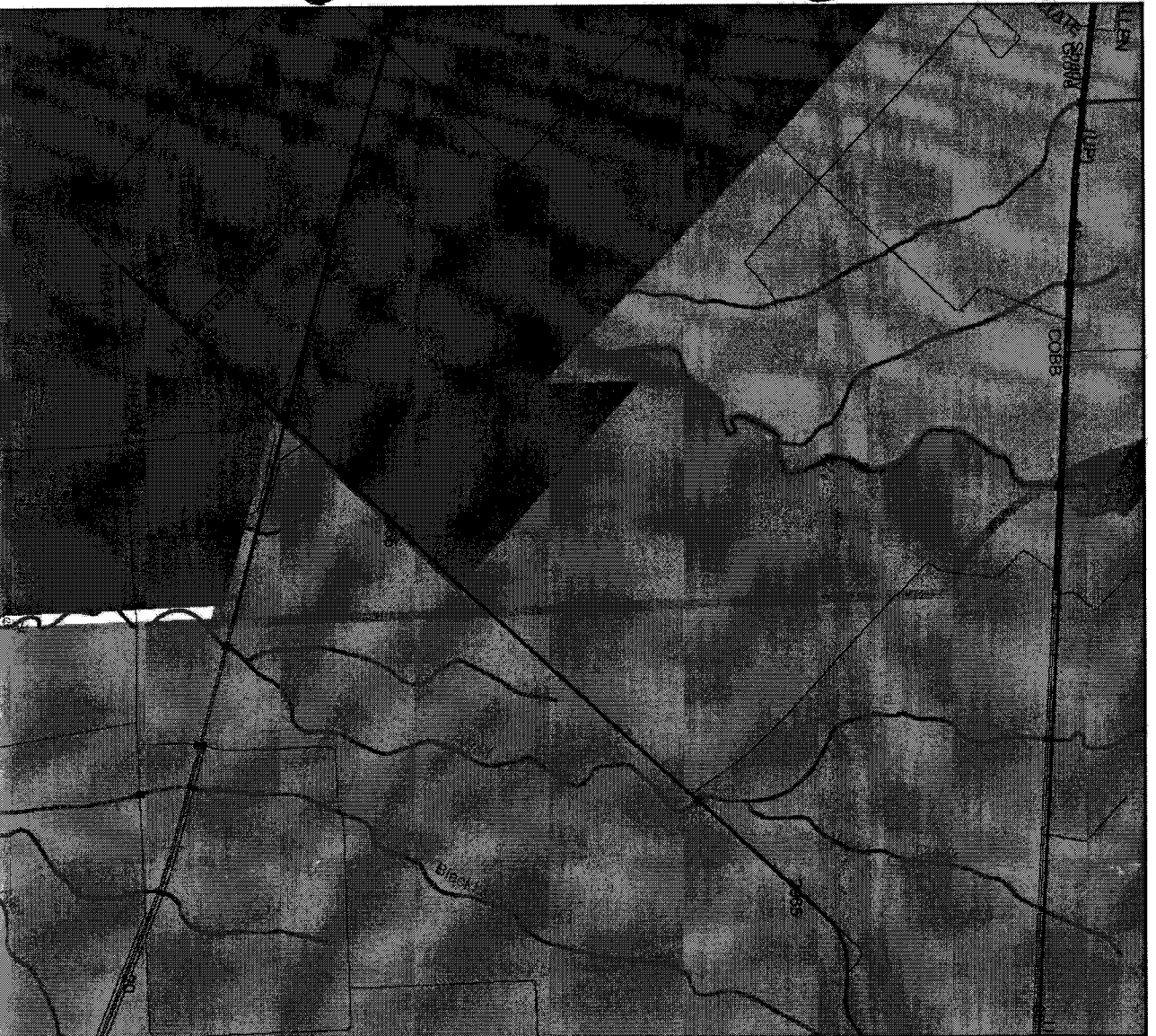
cc: file

John Rounsavall, City Secretary
Sonny Groessel, Director of Utilities

P.O. BOX 310 • 201 E. Nash Street • Terrell, Texas 75160 • (972) 551-6600

The mission of the City Council of the City of Terrell, Texas, is to create pride by serving the community in a proactive manner and to enhance the quality of life through providing the highest level of services in the most efficient manner.

College Mound CCN Amendment 2011



COLLEGE MOUND WATER

Abridged Balance Sheet

For Month Ending: Thursday, June 30, 2011

	Current Balance	
ASSETS		
CURRENT ASSETS		
CASH		
ANB System Fund checking	1,636.63	
TBT System Fund checking	246,808.48	
Primevest MM System Fund	117,016.54	
Shadow Lakes MM account	9,203.31	
Memberships-TX Bnk&Trust - MM acct	251,161.65	
Primevest MM Retirement Fund	22,212.62	
ANB Trust Account - Reserve Fund	265,794.69	
Note Receivable - Hunt Realty	127,939.11	
ANB-Bond Principal	201,567.58	
ANB-Bond Interest	23,024.25	
Petty Cash Drawer Fund	600.00	
TOTAL ASSETS	1,266,964.86	
Accounts Receivable	134,511.92	
Unbilled water	147,384.12	
Prepaid Insurance Expense	14,876.23	
A/R Developers	866.25	
Inventory	1,041,770.65	
TOTAL ACCOUNTS RECEIVABLE	1,339,687.84	
TOTAL CURRENT ASSETS		2,606,652.70
FIXED ASSETS		
Const in Progress-4-1 JV Project	34,317.67	
CIP-Abner Pressure Tank Triangle	194,305.28	
Const in Progress - Fencing	4,038.25	
CIP - 429/136 Improve	101,498.22	
Land (real estate only)	147,044.00	
Buildings and Improvements	148,722.42	
Furniture and fixtures	121,270.10	
Vehicles and Equipment	438,178.78	
Accumulated Depreciation	(7,073,402.16)	
TOTAL FIXED ASSETS	6,482,259.35	
OTHER ASSETS		
Loan Issuance Cost	5,975.10	
TOTAL OTHER ASSETS	5,975.10	
TOTAL ASSETS		9,094,887.15
Accum Amort - Loan Issue Costs	(4,780.08)	
BIC - 2001 Series	44,560.40	
Accum Amort - Bond Issue Costs	(40,024.57)	

UnAudited Report

COLLEGE MOUND WATER
Abridged Balance Sheet
For Month Ending: Thursday, June 30, 2011

	Current Balance	
Bond Discount	145,972.36	
Accum Amort - Bond Discount	(132,381.99)	
LIABILITIES & EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	479,902.82	
Membership Payable	(2,950.00)	
TX Water Commission Fee Payable	(6,045.09)	
State Unemployment Taxes	27.77	
Child Support Payable	311.55	
Accrued Interest Payable	22,863.23	
Federal Withholding	(10.00)	
FICA	9,473.90	
Health Insurance-Employee's Contrib.	11,062.09	
employees insurance liability	268.12	
Employee's Retirement	4,490.14	
Shadow Lakes - Liability acct.	(55.40)	
Accrued Vacation Payable	19,100.36	
TOTAL CURRENT LIABILITIES	<u>538,439.49</u>	
Shadow Lakes - Liability account	9,258.71	
LONG TERM LIABILITIES		
Bonds Payable - 2001	890,000.00	
Note Pay-TBT 429 elevated	321,410.19	
Note Pay-TBT- meters	173,220.03	
TOTAL LIABILITIES		<u>1,932,328.42</u>
Note Payable - Re-fy of Bonds	(134,536.69)	
EQUITY		
Equity Fees	10,412.33	
Retained Earnings	6,578,475.36	
Membership Fees	329,987.18	
System Clearing Account	133.01	
Current Year Earnings	391,433.66	
TOTAL EQUITY		<u>7,310,441.54</u>
TOTAL LIABILITIES & EQUITY		<u><u>9,108,233.27</u></u>

A WATER SUPPLY CONTRACT BETWEEN THE CITY
OF CRANDALL, GASTONIA-SCURRY WSC, COLLEGE
MOUND WSC, AND ROSE HILL WSC, CONTRACTING
WITH THE NORTH TEXAS MUNICIPAL WATER DISTRICT

COPY

THIS CONTRACT, entered into this 2nd day of October, 1989 by and between the City of Crandall, Texas, a municipal corporation of the County of Kaufman, Texas (duly created and existing under the Laws of the State of Texas); Gastonia-Scurry Water Supply Corporation, a nonprofit water supply corporation created and operating under Chapter 76, Acts of the 43rd Legislature, first called session, 1933 (Article 1434-A, Vernon's Texas Civil Statutes); College Mound Water Supply Corporation, a nonprofit water supply corporation created and operating under Chapter 76, Acts of the 43rd Legislature, first called session, 1933 (Article 1434-A, Vernon's Texas Civil Statutes); Rose Hill Water Supply Corporation, a nonprofit water supply corporation created and operating under Chapter 76, Acts of the 43rd Legislature, first called session, 1933 (Article 1434-A, Vernon's Texas Civil Statutes); all of the above hereinafter referred to as "Users" and the North Texas Municipal Water District, a water conservation district created by Chapter 62, Acts of the Regular Session of the 52nd Legislature pursuant to Article 16, Section 59 of the Texas Constitution with its principal office in the City of Wylie, Collin County, Texas, hereinafter referred to as "NTMWD".

W I T N E S S E T H:

WHEREAS, Users desire to construct joint facilities to receive water from the NTMWD for delivery to each User participant;

WHEREAS, financing for the joint facilities is being furnished by the Texas Water Development Board;

WHEREAS, Users plan to take water from the NTMWD system west of Forney from the Mesquite-Forney Pipeline;

WHEREAS, Users request the NTMWD, a Regional Water System Operator, to provide the water, administer and maintain the joint facilities; and

WHEREAS, Users by the execution of this Contract are not surrendering any of their rights to the ownership and operation of their present or future water supply or water distribution systems.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein the parties agree to determine the conditions hereinafter set forth;

SECTION I. DEFINITIONS - The following are definitions of terms utilized in this contract for purposes of clarification.

- A. Administrative Cost - Administrative Cost shall include the cost of executive management, clerical, accounting, and system manager supervision. Administrative Cost shall

be a line item in the budget and these costs shall be allocated in accordance with the policy of the NTMWD on administrative cost (currently an allocation of five percent (5%) of O & M Cost not including cost of water) but, this cost shall never exceed ten percent (10%) of Operation and Maintenance Cost and must be applied uniformly on all NTMWD contracts requiring such payments.

- B. Annual Minimum - The volume of water to be placed in the contract as an annual minimum take or pay for the joint system established in the contract. This annual minimum shall escalate based upon the previous high year's use and shall never reduce in volume without a contract amendment approved by the NTMWD Board of Directors. The procedure for establishing the annual minimum is the same for all Member Cities of the NTMWD; should this procedure change for all of the Member Cities, the same procedure would be applied to this agreement.
- C. Annual Payment - An Annual Payment shall be calculated each fiscal year, consisting of (I) the annual minimum multiplied by the water rate; (II) the Budget allocation for operation and maintenance of the joint system; and (III) the amount to be deposited in the escrow account, if any.
- D. Allowable Rate of Delivery - The Allowable Rate of Delivery to the joint system is based on 2.5 times the daily average as established by the annual minimum. Any rate of delivery provided the joint system above the allowable rate will result in a calculation for the next year's minimum so to achieve the 2.5 times daily average ratio. (The allowable rate of delivery shall never exceed the maximum rate of delivery as established by this agreement).
- E. Delivery Point - The NTMWD Delivery Point to the Users Joint System has been designated as a point on the Forney-Mesquite Pipeline. This will be the master delivery point for the joint system. Each user shall have an individual delivery point as designated in the plans and specifications constructing the system. No additional delivery points can be allowed from the joint system without the express approval of all the users.
- F. Escrow Maintenance Account - Preventative and routine maintenance will be budgeted on an annual basis. In order to protect Users from an extraordinary maintenance expense an escrow maintenance account shall be established by the NTMWD. The escrow account shall be an interest bearing account with all interest applied to the credit of the account and shall be used only for expenditures for unexpected maintenance of equipment or replacement of the Users Joint System. For the first five years it is planned to place fifteen thousand dollars (\$15,000) per year in the Escrow Maintenance Account and to continue at this level

until the account reaches seventy five thousand dollars (\$75,000). The deposit of funds into the account shall be based each fiscal year on the same proration as the Operation and Maintenance cost in the annual payment. As funds are expended, they will be budgeted in the following years to replenish the account. In this manner extraordinary maintenance expenses will not burden the Users.

- G. Fiscal Year - The Fiscal Year in this agreement shall be the same as the fiscal year for the NTMWD. The fiscal year of the NTMWD is established by the Board of Directors as October 1 through September 30 of each year.
- H. Joint Facilities - The User Joint Facilities shall be owned by the Users and are those Joint Facilities to be constructed by the Users with funds from the Texas Water Development Board or other sources to receive the water from the NTMWD at the NTMWD delivery point and transport the water to the Users' individual delivery points. The facilities shall include pipelines, pumps, storage reservoirs, meters, and ancillary and necessary appurtenances.
- I. Maximum Rate of Delivery - The Maximum Rate of Delivery shall be that governed by the size of the tap and master meter located at the NTMWD master delivery point in accordance with Section III-A of this Agreement. However, the maximum rate of delivery for any specific time shall be based upon the allowable rate of delivery under this agreement but shall never exceed the maximum rate of delivery for the joint system.
- J. Operations and Maintenance Cost - Operations and Maintenance Cost shall include the materials, supplies, and labor for performing routine operations, maintenance and emergency maintenance on the joint facilities. Should the Users request that insurance on the joint facilities be paid through this agreement the cost would be incorporated in this account. Extraordinary and large maintenance costs would be expended from the Escrow Maintenance Account so long as funds were available. If adequate funds were not available in the escrow account or in the annual payment, the Users would be requested to provide the necessary funds. Nothing in this agreement shall require the NTMWD to use funds other than those paid by the Users for operations, maintenance, repairs, replacement or expense on the joint facilities.
- K. NTMWD Master Meter - The meter located at the NTMWD Delivery Point to the Joint System on the Mesquite-Forney Pipeline shall be considered the Master Meter. This meter shall govern the payments of the Joint Users to the NTMWD based upon the provisions of this agreement. The four individual User Meters shall be used to determine the proportional part of the annual payment of each such user. Should the Users desire additional maximum rate of delivery or volume

any increase in the size of the tap or master meter would be negotiated and require an amendment to this contractual agreement.

- L. NTMWD Member Cities - The NTMWD Member Cities shall refer to the eleven Member Cities composing the NTMWD that appoint the Directors to govern the NTMWD as they exist or change in the future by law. Currently, the Member Cities are Mesquite, Garland, Richardson, Plano, McKinney, Princeton, Farmersville, Wylie, Rockwall, Royse City and Forney.
- M. Water Year - The Water Year begins on August 1 of each year through July 31 of the following year and is utilized to determine the annual minimum take or pay for all Member and Customer Cities of the NTMWD including the Users in this agreement.
- N. Water Rate - The Member Cities uniform water rate is established annually by the NTMWD Board of Directors. The Users water rate shall be five cents (\$.05) greater than the rate established for the Member Cities of the NTMWD for minimum water and excess water.
- O. Users - Users are the four entities contracting with the North Texas Municipal Water District for service in this contractual agreement. They include the City of Crandall, Gastonia-Scurry Water Supply Corporation, College Mound Water Supply Corporation, and Rose Hill Water Supply ~~Corporation~~. When Users joint system terminology is utilized it shall mean the joint facilities as constructed by the Users. Sud

SECTION II. JOINT FACILITIES - The User Joint Facilities shall be constructed by the Users in accordance with plans and specifications approved by the NTMWD and the Texas Water Development Board from the NTMWD master delivery point to the individual delivery point for each User.

- A. Construction - User joint system shall be constructed by others, through other contracts in accordance with other agreements and financed by the Texas Water Development Board. The NTMWD reserves the right of final approval of the plans and specifications from the tap in the NTMWD pipeline through the air gap connection at the User storage constructed at the master delivery point. The NTMWD will further be provided the right of review and comment on the entire plans and specifications for the User joint system. The NTMWD shall have the right of periodic inspection during the construction with the authority to call to the attention of the User, and the User's consultant, any deviation from the plans and specifications observed or problems anticipated caused by the construction.
- B. Annual Minimums - The Joint Users shall have a combined annual minimum for the first full year beginning the first

month of the water year after the date on which the system is ready to receive water on a take or pay basis of two hundred five million eight hundred sixty thousand (205,860,000) gallons annually. Should water service begin more than six months prior to the first month of the water year, the minimum for the first full year would be 205,860,000 or the amount projected on a pro rata basis from the actual usage whichever is greater. Under no circumstance shall the joint users receive the benefit of excess water rate until after the annual minimum has reached 310,000,000 gallons annually.

The NTMWD shall develop an administrative procedure to divide cost between Users based on individual user meters applying credits and additions in accordance with the same application of the master NTMWD meter and in no case shall total charges to Users exceed or be less than charges of master NTMWD meter.

For the first full annual minimum of 205,860,000 gallons the pro ration to each user shall be as follows:

USER	MG/YR
CRANDALL	91.25
GASTONIA-SCURRY	36.50
COLLEGE MOUND	52.56
ROSE HILL	<u>25.55</u>
TOTAL	205.86

- C. Maintenance - Maintenance of the User Joint Facilities shall be performed by the NTMWD. Any maintenance that will effect the delivery capabilities of the joint system to any one of the individual Users will require notification of the affected party by the NTMWD as soon as possible and every effort will be made to maintain continuous uninterrupted service to the Users. Maintenance cost shall be included in the annual payment in accordance with Section IV of this agreement. It is the intent for Operation and Maintenance cost to be paid by Users to be actual cost, therefore at the end of each budget year the total Operation and Maintenance cost shall be adjusted to actual cost and any difference will (I) operate as a credit, if a balance, against the next budget year, or (II) be billed in first month of next budget year if there is a deficiency. It is understood by all parties that the Users reserve the right after five years of maintenance service provided by the NTMWD to terminate the maintenance of the Users joint system by the NTMWD without affecting the contract in any way other than deleting these charges for the User joint system. The termination of the maintenance service provisions in this contract may occur after the first five years by either the Users or the NTMWD giving Notice of

Intent to Terminate the maintenance service responsibilities on or before July 1 of any fiscal year to become effective on October 1 of that year. For Users to terminate would require a formal written termination notice approved by at least three of the four Users. At termination any funds in the Escrow Maintenance Account will be refunded to individual Users on the basis of ratio of current year annual minimum.

- D. Construction Cost - The User joint system construction cost shall be paid by the individual Users in another manner under another contract and will not affect this contract in any manner. The NTMWD will have no responsibility for any payments for the construction of the User joint system to the Texas Water Development Board, the holder of any bonds, or to any individual person, corporation or partnership in any manner whatsoever.

SECTION III. DELIVERY OF WATER - The delivery of water through the delivery points shall be the responsibility of the NTMWD in accordance with the provisions of this section.

- A. NTMWD Master Delivery Point - The NTMWD shall deliver through its regional system treated water meeting all State and Federal Standards to a point of delivery on the NTMWD Mesquite - Forney Pipeline Station No. 305 + 00 of the twenty-four inch (24") pipeline for use by the Users joint system through an eight inch (8") tap and a six inch (6") meter with first year maximum rate of delivery of 1.41 MGD. However, the actual rate of delivery shall not exceed 2.5 times the daily average of the joint system.
- B. Individual User Delivery Point - Each individual User shall have a delivery point with an approved water meter as shown in plans for the joint facilities. Individual annual minimums shall be used for each such delivery point and utilized in billing to the individual Users.
- C. Monthly Billing - The Annual Payment shall be established in accordance with the provisions of Section V of this agreement. The Annual Payment shall be divided by twelve to develop a monthly payment for the User Joint System. Based on the minimums established for each individual User the monthly bill will be apportioned to each individual User. If any individual User exceeds its proportional annual minimum prior to the eleventh month of the Water Year, the NTMWD shall have the right (if this usage will cause the total joint system to exceed the annual minimum) to bill the excess water in the following month. The sum of the charges to the four individual Users shall never exceed the calculated charges of the master meter. The monthly bills will be mailed to each individual User on the twenty-fifth (25th) day of each month and will become due on the first day of the following month and delinquent on the tenth (10th) day of that month. If the bill has

not been paid by the twentieth (20th) day of that same month, the NTMWD may charge a penalty equivalent to one percent per month on the unpaid balance until it is paid. If the bill has not been paid by the twentieth (20th) day of the following month, the individual User meter may be removed and service discontinued through that portion of the joint system until the delinquent bills have been paid. If any one of the individual Users becomes delinquent and refuses to pay the bill, then ninety (90) days from the time the first bill is due the NTMWD and/or the other Users in the joint system have the right to proceed to the courts for enforcement of the provisions of this contract. To assure continuation of service when one or more of individual Users have become ninety (90) days delinquent, the NTMWD will redetermine cost and reallocate annual payment to remaining Users for the balance of the fiscal year and shall proceed promptly to pursue all legal remedies against any delinquent User.

SECTION IV. ANNUAL BUDGET - The NTMWD shall annually prepare an Annual Budget containing all of the cost for water and maintenance and operation of the Joint System. The cost for water shall include the total cost for the minimum take or pay water but without a provision for estimating the cost of excess water that may be taken by the individual Users. Operation cost shall

include the cost of electric power, telemetering, allocated operation manpower, and supplies. Maintenance cost shall include the cost of routine preventive maintenance but not the cost of equipment replacement or major repairs which would be funded from the Escrow Maintenance Account. Administrative cost shall also be allocated in the O & M portion of this budget. A preliminary proposed budget shall be submitted to each User prior to August 10 of each year. After the NTMWD Board of Directors has approved the final budget for the new fiscal year, the final amounts shall be submitted to each individual User. If a disagreement occurs over the budget as submitted a hearing will be established with the NTMWD Board of Directors. On expenditure items that are in accordance with this agreement the final decision of the NTMWD Board of Directors shall be final. If this hearing procedure occurs after October 1 of the fiscal year, the Users shall make monthly payments in accordance with previous year budget until the NTMWD Board decision is made.

SECTION V. SPECIAL CONDITIONS - The following items will be considered special conditions within this agreement.

- A. State and Federal - All federal and state laws and regulations must be complied with by all parties in the joint project. Regulations of the Texas Water Commission and the Environmental Protection Agency may require additional expenditures to maintain the operation of the facilities in the future and all such capital expenditures shall be shared on the basis of the proportional percentages of capacity of each party in the system and each indi-

vidual User will be responsible for their proportional share of any increased operational cost on the basis of their usage. It shall be the responsibility of each User to properly report to the state and federal agencies their usage and any other information required in accordance with the then current regulations.

- B. Insurance - It shall be the responsibility of the Users to provide adequate insurance. This cost may be included in the joint users O & M cost if the NTMWD is so directed in writing.
- C. Indemnity - Each party to this agreement shall indemnify and hold harmless the other party, its agents and employees from suits, actions or claims of any character, type or description brought by or made for or on account of any injury or damages received or sustained by any person, persons, or property arising out of the contract and in case or solely by, the act or acts of said party its agents or employees in the execution or performance of this contract.
- D. Force Majeure - In the event that any individual party to this agreement shall be prevented from completing performance of its obligation in this agreement by an Act of God or any other occurrence whatsoever which is beyond the control of the parties hereto, then that party shall be excused from its performance for such period of time as is reasonably necessary after such period of occurrence to remedy the effect thereof. However, nothing in this Force Majeure clause shall relieve the Users from the responsibility for payment of the cost of water.
- E. Wholesale - Resale - NTMWD Regional Water is provided to each individual User for the use of their customers within their system. The resale of this water on a wholesale basis to other organizations for retail sale of the water is prohibited except with the express written permission of the NTMWD.
- F. Users agree and authorize NTMWD to use, modify, change, repair, and rebuild any and all equipment, material, or supplies to maintain and operate the Users Joint System within the Users right-of-way and sites to meet the requirements of this contract. Any such changes or modifications that require funding beyond that available under this contract shall require express approval of the Users.

SECTION VI. TERMS AND EFFECTIVE DATE - This contract shall, upon execution by the NTMWD and all of the Users, be effective as of the contract date and this contract shall continue in effect for a period of forty (40) years. If service does not commence prior to January 1, 1993, this agreement in its entirety is null and void. The Users do maintain the right to terminate the operation and maintenance provisions on the Users Joint

System in accordance with the terms of this contract.

SECTION VII. GENERAL OBLIGATIONS - Each of the parties to this agreement obligates and accepts the responsibility to continuously operate and maintain its system and to fix and collect such rates and charges for water services to be supplied by its system to produce the necessary revenues equal to the cost contained in this contract, the cost of operation and maintenance of their system, and all debt service on their system. The NTMWD obligates itself to develop the necessary water resources and facilities to deliver the water in accordance with this agreement. Users have access to water from other sources than the delivery points of the joint system. Utilization of these other sources shall not have any effect on this contract. It is further understood and agreed the NTMWD's only source of funds to pay any expense or cost in connection with Users Joint System is from payments from Users and NTMWD shall not use any other funds than those derived from this contract to meet the requirements contained herein.

SECTION VIII. MODIFICATION - No change or modification of this contract shall be made which will affect adversely the prompt payment when due of all monies required to be paid by any of the four parties under the terms of this contract. No change or modification of this contract shall be made without the written consent of all parties hereto.

SECTION IX. NOTICES - All formal notices or formal communications provided for herein shall be in writing and shall be either delivered to the parties, or if mailed shall be sent by registered or certified mail. For the purposes of notice the addresses of the parties shall be, until formally changed, as follows:

North Texas Municipal Water District, Post Office Drawer C,
Wylie, Texas 75098.

City of Crandall, Post Office Box 277, Crandall, Texas 75114

College Mound Water Supply Corporation, Route 3, Kaufman, Texas
75142

Rose Hill Water Supply Corporation, Post Office Box 190, Kaufman,
Texas 75142

Gastonia-Scurry Water Supply Corporation, Post Office Box 65,
Scurry, Texas 75142

SECTION X. SEVERABILITY - The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this contract or the application of such section, subsections, provisions, clauses, or words, situation or circumstance should be or should be held to be, for any reason invalid or unconstitutional, it is intended that this contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section had

not been included herein and the rights and obligations of the party hereto shall be construed and remain in force accordingly.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the date of this contract.

NORTH TEXAS MUNICIPAL WATER
DISTRICT

Alex R. Schell
President

ATTEST

Brett Hall
Secretary

CITY OF CRANDALL

Louis B. Briggs
Mayor

ATTEST

Jean Baker
Secretary

GASTONIA-SCURRY WSC

Bobby D. Duggan
President

ATTEST

James H. West
Secretary

COLLEGE MOUND WSC

Tom R. Sneed
President

ATTEST

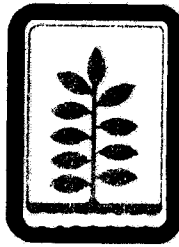
Gayle Boy
Secretary

ROSE HILL WSC

Mr. Bryan H. Smith
President

ATTEST

Marline Ballard
Secretary



**NORTH TEXAS MUNICIPAL
WATER DISTRICT**

Regional Service Through Unity

September 24, 2010

~~Ms. Tona Parker~~ Shirley Blakely
General Manager
College Mound Water Supply Corporation
12731 FM 429
Terrell, Texas 75161

RE: Kaufman Four-One
2010-11 Annual Budget

Dear Ms. Parker:

The 2010-11 Annual Budget for the Kaufman Four-One water service and operation & maintenance service was approved by the NTMWD Board of Directors at the September 2010 Board Meeting.

The 2010-11 budgeted charges are \$735,850.78 which includes \$674,370.78 for water service and \$61,480.00 for operation and maintenance services. The 2010-11 water rate will be adjusted from \$1.30 per 1,000 gallons to \$1.42 per 1,000 gallons and the excess water rate is being adjusted from 49¢ per 1,000 gallons to 43¢ per 1,000 gallons. The minimum annual demand for 2010-11 is 474,909,000 gallons.

Enclosed are the Budget Summary, Allocation of Budget Schedule and Billing Schedule. Should you have any questions or need additional information please do not hesitate to contact Judd Sanderson, Director of Finance or my office.

Sincerely,


JAMES M. PARKS
Executive Director

JMP/JRS:dtf
Enclosures

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested						
Regulated Entity/Site Name	CAUSE MOUND WSC			TCEQ Add. ID No. RN No. (optional)	1290012	
Investigation Type	cc1	Contact Made In-House (Y/N)	Y	Purpose of Investigation	EACRNG	
Regulated Entity Contact				Telephone No.		
Title				Fax No.	Date Contacted	Date Faxed

[illegible]

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
Bethany Felt	12/3/19	Shelley Blakeley	12/3/19

(Note: Use additional pages as necessary) Page 1 of 1

SECTION G.
RATES AND SERVICE FEES

Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be non-refundable.

1. ***Service Investigation Fee.*** The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
 - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
 - b. All Non-Standard Service requests shall be subject to a fee, appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
 - (1) provide cost estimates of the project,
 - (2) to present detailed plans and specifications as per final plat,
 - (3) to advertise and accept bids for the project,
 - (4) to present a Non-Standard Service Contract to the Applicant, and
 - (5) to provide other services as required by the Corporation for such investigation. A Non-Standard Service Contract shall be presented to the Applicant within a suitable amount of time as determined by the complexity of the project. (See Section F.)
2. ***Membership Fee.*** At the time the application for service is approved, a refundable Membership Fee must be paid for each service requested before service shall be provided or reserved for the Applicant by the Corporation.
 - a. The Membership Fee for water service is **\$250.00** for each service unit.
 - b. Membership fee for oversized or Master Metered Accounts shall be based on multiples of meter size equivalence or actual connections served.
 - c. The Membership Fee is only refundable upon termination of the membership less any charges owed the Corporation.
3. ***Easement Fee.*** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant. (See Section E. 3., Section F. 7. a.)
4. ***Installation Fee.*** The Corporation shall charge an installation fee for service as follows:
 - a. **Standard Service** shall include all current labor, materials, engineering, legal, customer service inspection, and administrative costs necessary to provide individual metered water or wastewater service and shall currently be **\$625.00**.
 - b. **Non-Standard Service** shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
 - c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations as per Section E. 3(e) of this Tariff.

5. **Equity Buy-In Fee.** In addition to the Membership Fee, each Applicant shall be required to achieve parity with the contributions to the construction of the Corporations facilities capacity that have been made previously by existing Members. This fee shall be assessed on a per standard service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. The formula applied to such fee calculated annually after receipt of the system audit is as follows:

Sample Calculation:

Total Contributions and Assets of the Corporation minus (-)
 Outstanding Corporation Debt Principle divided by (/)
 Total Number of Members equals =
 Average Net Equity Buy-In Fee

Equity Buy-In Fee is currently **\$2,092.00** per demand unit.

6. **Monthly Charges.**

a. **Service Availability Charge**

- (1) Water Service - The monthly charge for metered water service, which does not include allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$30.00
3/4" commercial	1.5	\$45.00
1"	2.5	\$75.00
1 1/2"	5.0 (not available)	\$150.00
2"	8.0	\$240.00
3"	16.0	\$480.00
4"	25.0	\$750.00
6"	50.0	\$1500.00
8"	80.0	\$2400.00

- b. **Gallonge Charge** - In addition to the Service Availability Charge, a gallonge charge shall be added at the following rates for water usage during any one (1) billing period.

1 - 3,000 Gallonge	\$4.45 Per 1000 gallonge
3,001 - 5,000 Gallonge	\$6.95 Per 1000 gallonge
5,001 - 7,000 Gallonge	\$7.95 Per 1000 gallonge
7,001 - 10,000 Gallonge	\$8.95 Per 1000 gallonge
10,001 + Gallonge	\$9.95 Per 1000 gallonge

- (1) The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6. Monthly Charges of this tariff. (30 TAC 291.76 d.(3) (i))
- (2) The Corporation, as a part of its billing process, collects voluntary contributions on behalf of the College Mound Voluntary Fire Department and Elmo Voluntary Fire Department.
7. **Assessments** - If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations. (Article XVIII of Bylaws, Section 1.)
8. **Late Payment Fee.** Once per billing period, a penalty of **\$10.00** shall be applied to delinquent bills. This late payment penalty shall be applied to any balance equal to or exceeding the minimum service availability charge.
- NOTE:** For Political Subdivisions and state agencies the above late payment fee does not apply. Instead a late penalty of 1% shall be assessed for any amount unpaid on the 46th day after the bill is received by the state agency or political subdivision and an additional 1% shall be assessed for each month thereafter that the bill remains unpaid. (see Government Code Chapter 2251)
9. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be **\$5.00** per notification.
10. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of **\$15.00** for each notification to a Membership lien-holder under agreement prior to Membership cancellation.
11. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or non-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of **\$30.00**.
12. **Service Termination Fee.** The Corporation shall charge a fee of **\$75.00** for disconnecting the service for any reason provided for in this Tariff except for activation of service under Section E.3.b. Re-Service.

13. **Seasonal Reconnect Fee** – Service Availability Charge multiplied by the number of months during which service is suspended, not to exceed 9 months during any 12 consecutive months.
14. **Service Trip Fee.** The Corporation shall charge a trip fee of **\$75.00** for any service call or trip to the Member's tap as a result of a request by the Member or resident for response to damage of the Corporation's or another Member's facilities, for customer service inspections due to suspicion of meter tampering, bypass or diversion of service, or for the purpose of disconnecting or collecting payment for services.
15. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversions, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.
16. **Customer History Report Fee.** A fee of **\$5.00** shall be charged to provide a copy of the Members record of past water purchases in response to a Member's request for such a record.
17. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, a charge of **\$150.00** shall be imposed on the affected account.
18. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of **\$30.00**.
19. **Non-Disclosure Fee.** The Corporation does not assess a fee to any customer requesting in writing that personal information under the terms of this Tariff not be disclosed to the public.
20. **Information Copy Fee.** A fee for the copying of any public information will be charged to the person requesting that information in compliance with the cost rules of the Texas Buildings and Procurement Commission set forth at 1 TAC Section 111.70.
21. **Customer Service Inspection Fee.** A fee of **\$75.00** will be assessed each Applicant before permanent continuous service is provided to new construction.
22. **Regulatory Assessment.** A fee of 0.5% of the amount billed for water/sewer service will be assessed each customer; this assessment is required under Texas law and TCEQ regulations. **NOTE:** The regulatory assessment is not to be collected from state agencies, wholesale customers, or buyers of non-potable (not drinkable) water. (Ref. TCEQ RG-199 revised Oct. 2002. TCEQ Section 291.76 (c))

23. ***Additional Assessments.*** In the event any federal, state or local government imposes on the Corporation a "per meter" fee or an assessment based on a percent of water/sewer charges, this fee or assessment will be billed and collected as a "pass through" charge to the customer.
24. ***Other Fees.*** All services outside the normal scope of utility operations that the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.
25. ***Install Meter at Riser Fee.*** A fee of **\$350.00** will be assessed to any customer requesting installation of a meter at a riser already in place. This fee will be in addition to any other applicable fees for membership, and would be assessed in lea of the Standard Meter Installation Fee.
26. ***Transfer of Billing Fee.*** A fee of **\$25.00** will be assessed for changing the billing name on any account. The membership will remain in the member's name and the member will remain responsible for the account status. The member will be notified by copy of any and all disconnect notices as well as notification of repossession of the membership, (if either occurs and additional fees will be assessed for notification as per this section of the Tariff).
27. ***Relocation of Meter.*** A fee of **\$600.00** will be charged for relocating a meter from one location to another. The relocation is limited to the existing property designated to receive service. An easement will be granted for the proposed new location. Member will also pay an Administrative Fee as per this section of the Tariff.
28. ***Administrative Fee.*** An Administrative Fee of **\$30.00** will be assessed to any member who reinstates a membership or requests relocation of a meter.
29. ***Meter Tampering and Diversion Penalty.*** In addition to the Equipment Damage Fee, the Corporation may charge a penalty for "Tampering" as defined in Section E.23. The penalty may only be assessed against the person who committed the Tampering. An owner cannot be assessed for the Tampering committed by their tenant. The penalty shall not exceed sex (6) times the Service Availability Charge.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

STATE OF TEXAS

§

Bridget C. Bohac APR 05 2012

COUNTY OF TRAVIS

§

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the attached mailing list provides the persons to whom the notice of the public hearing for College Mound Water Supply Corporation, SOAH Docket No. 582-12-5098, TCEQ Docket No. 2012-0217-UCR, was mailed on March 23, 2012. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 23rd day of March, 2012.

Bridget C. Bohac

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

SEAL

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF HEARING **COLLEGE MOUND WATER SUPPLY CORPORATION** **SOAH Docket No. 582-12-5098** **TCEQ Docket No. 2012-0217-UCR**

APPLICATION.

College Mound Water Supply Corporation, 12731 Farm-to-Market Road 429, Terrell, Texas 75161, has applied with the Texas Commission on Environmental Quality (TCEQ) to amend Certificate of Convenience and Necessity (CCN) No. 10825 in Kaufman County, Texas (Application No. 37094-C).

CONTESTED CASE HEARING.

The State Office of Administrative Hearings (SOAH) will conduct a preliminary hearing on this application at:

10:00 a.m. – April 23, 2012
William P. Clements Building
300 West 15th Street, 4th Floor
Austin, Texas 78701

The purpose of a preliminary hearing is to establish jurisdiction, name the parties, establish a procedural schedule for the remainder of the proceeding, allow an opportunity for settlement discussions, and to address other matters as determined by the judge. The evidentiary hearing phase of the proceeding will be similar to a civil trial in state district court. The hearing will be conducted in accordance with Chapter 2001, Texas Government Code; Chapter 13, Texas Water Code; TCEQ rules, including 30 Texas Administrative Code (TAC) Chapter 291; and the procedural rules of the TCEQ and SOAH, including 30 TAC Chapter 80 and 1 TAC Chapter 155. To participate in the evidentiary hearing as a party, you must attend the preliminary hearing and show you would be affected by the petition in a way not common to members of the general public.

INFORMATION.

Information concerning your participation in this hearing may be obtained by contacting Blas Coy, TCEQ Office of Public Interest Counsel (MC 103), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-6363. For additional information, please contact the TCEQ Water Supply Division, Utilities & Districts Section (MC 153), P.O.

Box 13087, Austin, TX 78711-3087, telephone 512-239-4691. General information regarding the TCEQ can be found at our web site at <http://www.tceq.texas.gov/>.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the SOAH Docketing Department at 512-475-3445, at least one week prior to the hearing.

Issued: March 23, 2012

Bridget C. Bohac

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

MAILING LIST
COLLEGE MOUND WATER SUPPLY CORPORATION
SOAH Docket No. 582-12-5098
TCEQ Docket No. 2012-0217-UCR

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