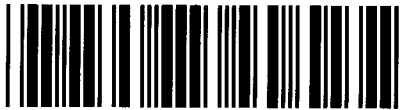


Control Number: 43902



Item Number: 4

Addendum StartPage: 0

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



43902

A-173-7

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

Appl 35880-S

\*RN # 101436566

\*CN # 600641526

\*If known (See instructions)

Handwritten notes: LF, HT-app, KS-map

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

Form with checkboxes for Sale, Acquisition, Lease/Rental, Transfer and options for All or Portion of Water/Sewer systems and Certified service areas.

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivisions involved: See Attachment "A"

RECEIVED 2014 DEC - 8 PM 2: 50 PUBLIC UTILITY COMMISSION FILING CLERK

and to:

Form with checkboxes for Obtain a CCN, Amend the transferee's CCN No. (10776), Merge or consolidate public utilities, Cancel CCN of the transferor (seller).

RECEIVED NOV 9 - 2007 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

2. Proposed effective date of this transaction: December 2007 (Must be at least 120 days after completion of notice)

QUESTIONS 3 THROUGH 5 APPLY TO AND SHOULD BE COMPLETED ONLY BY THE TRANSFEROR, CURRENT SERVICE PROVIDER OR SELLER

3. For the current CCN holder or service provider please indicate: A. Name: Angus Water Supply (Individual, Corporation or Other Legal Entity) who is a(n): [ ] Individual [ ] Corporation [X] WSC [ ] HOA or POA [ ] Other: B. Utility Name (if different than above): Address: 212 FM 739 Corsicana Texas 75110 Telephone: 903-874-6773

4.

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

Name: Jay Mertz Title: President  
Address: 212 FM 739, Corsicana Texas 75110 Telephone: 903-874-6773

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase? March 2007

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

No.  
 Yes. Application/Docket Number: \_\_\_\_\_ Date: \_\_\_\_\_

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

Name and Address of utility customer	Date of Deposit	Amount of Deposit	Amount of unpaid interest on Deposit
See Attachment "D"			

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

☞ **QUESTIONS 6 THROUGH 13 REFER TO AND SHOULD BE COMPLETED BY THE TRANSFEREE OR PURCHASER**

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

Applicant: City of Corsicana  
(Individual, Corporation, or Other Legal Entity)

Utility Name: \_\_\_\_\_  
(If different than above)

Utility Address: 200 North 12th Street Telephone: 903-654-4889

CCN Numbers held prior to the filing of this application: 10776

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

Individual  
 Home or Property Owners Association  
 Partnership; attach copy of partnership agreement  
 Corporation; provide charter number as recorded with the Office of the Secretary of State  
for Texas: \_\_\_\_\_  
 Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number: \_\_\_\_\_  
 Municipally-owned utility  
 District (MUD, SUD, WCID, etc.)  
 County  
 Other (please explain): \_\_\_\_\_

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

Name: N/A Publicly Owned Telephone: \_\_\_\_\_  
Address: \_\_\_\_\_

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

•Name: Connie Standridge Telephone: 903-654-4803  
Address: 200 North 12th Street, Corsicana, Texas 75110  
Position: City Manager Ownership % (if applicable): \_\_\_\_\_  
•Name: C. L. Brown Telephone: 903-654-4803  
Address: 200 North 12th Street, Corsicana, Texas 75110  
Position: Mayor Ownership % (if applicable): \_\_\_\_\_  
•Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Address: \_\_\_\_\_  
Position: \_\_\_\_\_ Ownership % (if applicable): \_\_\_\_\_  
•Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Address: \_\_\_\_\_  
Position: \_\_\_\_\_ Ownership % (if applicable): \_\_\_\_\_

- Attach additional sheet(s) if necessary -

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

Comptroller of Public Accounts, Office Management  
P. O. Box 13528, Capitol Station  
Austin, Texas 78711  
1-800-252-5555

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

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

Name: Larry Murray Title: Environmental Services  
Address: 200 North 12th Street, Corsicana, TX 75110 Telephone: 903-654-4889  
<sup>Director</sup>

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

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

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

The City of Corsicana has been providing water services to the City for  
nearly 100 years and to Navarro County for nearly 50 years.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the Texas Department of Health, the Commission, the Attorney General or EPA in the past for noncompliance with rules, orders or State Statutes?

<input type="checkbox"/>	Yes.
<input checked="" type="checkbox"/>	No.

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

N/A

C. Describe the source and availability of funds required to make the planned or required improvements to meet minimum requirements of the Texas Natural Resource Conservation Commission and ensure continuous and adequate service.

Water and Wastewater Budget

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

Services will remain the same

12: Please describe the nature of proposed transaction:

The City of Corsicana is attempting to provide water service to all of it's citizens within the City Limits and who are paying City taxes.

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

- A. • Total Purchase Price: N/A \_\_\_\_\_
- Total Original Cost (as recorded on books of seller or merging entity): \_\_\_\_\_
- Accumulated Depreciation as of the proposed effective date of the transaction: \_\_\_\_\_
- Contributions in Aid of Construction:
  - Specific surcharges approved by TCEQ: \_\_\_\_\_
  - Revenues from explicit customer agreements: \_\_\_\_\_
  - Developer Contributions (please explain): \_\_\_\_\_
  - Other Contributions (please explain): \_\_\_\_\_
- Total Contributions in Aid of Construction: \_\_\_\_\_
- Net Book Value: \_\_\_\_\_

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

Application/Docket Number: \_\_\_\_\_ Date: \_\_\_\_\_

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

B. Please provide any other information concerning the nature of the transaction and consideration given if not explained elsewhere in the application (attach additional sheet(s) if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Complete the following proposed entries in books of purchasing (or surviving) company to record purchase or merger). Additional entries may be made, the following are suggested only, and not intended to pose descriptive limitations.

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

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

Purchaser's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

- All the customers will be charged the same rates as they were charged before the transaction.  
 Some  All customers will be charged different rates than they were charged before the transaction.

If so, please explain: The customers will be charged the City's rate for  
customers within the City Limits.

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

Other. Please explain: \_\_\_\_\_

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

<u>Community Water Supply - Retreat</u>	<u>M.E.N. Water Supply</u>
<u>Community Water Supply - Beaton Lake</u>	<u>Community Water Supply - CCN#10534</u>
<u>Corbet Water Supply</u>	_____





22. List the name, class, and license number of the operator that will be responsible for the system:

See Attachment "B"

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23. Attach the following maps with each copy of the application: (All maps should include Applicant's name, address, and telephone number, and date of drawing or revision. All maps should be folded to 8½ X 11")

- a. One small scale map clearly showing affected service area. This map will assist TCEQ staff in locating the service area in relation to neighboring utility service areas. If the application is for the transfer of all or a portion of a CCN, the service area boundary should be delineated on a copy of the TCEQ official CCN map. If there is no current CCN, the service area should be delineated on a county map (Texas Highway Department 1" = 2 miles). The service area boundaries should conform to verifiable landmarks such as roads, creeks, railroads, etc. County maps may be obtained locally or from the Texas Department of Transportation, Map Scales, P. O. Box 5020, Austin, Texas 78763-5020, (512) 486-5014 and 486-5015. *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

- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. Applicant should use U.S.G.S. 7½-minute series, subdivision plat, engineer planning map, or other large scale map.

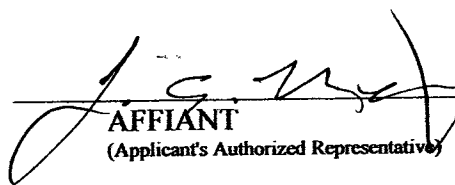
**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF Texas

COUNTY OF Navarro

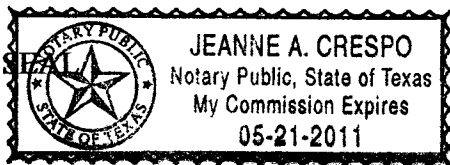
I, J.A. Mertz, being duly sworn, file this application for sale, lease, rental or merger or consolidation as President (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity,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

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

  
\_\_\_\_\_  
AFFIANT  
(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 and County above-named, this 31<sup>st</sup> day of October, 2007.



  
\_\_\_\_\_  
Notary Public

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

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Navarro

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

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



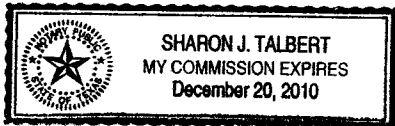
AFFIANT  
(Applicant's Authorized Representative)

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.

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 30<sup>th</sup> day of October, 2009.

SEAL



Sharon J. Talbert  
Notary Public

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

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER THE CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) OF \_\_\_\_\_ TO \_\_\_\_\_ IN \_\_\_\_\_ COUNTY, TEXAS

Gentlemen: Date Notice Mailed: \_\_\_\_\_, 20\_\_

Seller's or Transferor's Name Address City State Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer a CCN to provide \_\_\_\_\_ [water/sewer] utility service in \_\_\_\_\_ [County Name] County to:

Purchaser's or Transferee's Name Address City State Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN includes the following subdivisions:

The area subject to this transaction is located approximately \_\_\_\_\_ miles \_\_\_\_\_ [direction] of downtown \_\_\_\_\_ [City or Town], Texas and is generally bounded on the north by \_\_\_\_\_; on the east by \_\_\_\_\_; on the south by \_\_\_\_\_; and on the west by \_\_\_\_\_.

The total area being requested includes approximately \_\_\_\_\_ acres and \_\_\_\_\_ current customers. This transaction will have the following effect on the current customer's rates and services:

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

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

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

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

Si desea informacion en Espanol, puede llamar al 512-239-0200.

Utility Representative

Utility Name

NOTICE OF INTENT TO SELL FACILITIES OF Angus Water Supply Corp.  
TO City of Corsicana AND TO OBTAIN OR AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY (CCN) IN Navarro COUNTY, TEXAS

Gentlemen: Date Notice Mailed: \_\_\_\_\_, 20\_\_

Angus Water Supply Corp., 212 FM 739, Corsicana, Texas 75110  
Seller's or Transferor's Name Address City State Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities to provide  
Water [water/sewer] utility service in Navarro [County Name] County to:

City of Corsicana 200 North 12th Street, Corsicana Texas 75110  
Purchaser's or Transferee's Name Address City State Zip Code

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

The area subject to this transaction is located approximately 5 miles South [direction] of downtown Corsicana [City or Town], Texas and is generally bounded on the north by South 15th Street; on the east by Vitters Tractor; on the south by the Corsicana City Limits; and on the west by McKissack Salvage.

The total area being requested includes approximately \_\_\_\_\_ acres and \_\_\_\_\_ current customers.

This transaction will have the following effect on the current customer's rates and services:

Rate's will be lower than current rates being charged now. Services will remain the same.

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

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

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

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

Si desea informacion en Espanol, puede llamar al 512-239-0200.

Larry Murray  
Utility Representative

City of Corsicana  
Utility Name

**ADDENDUM TO WATER OR SEWER CERTIFICATE OF CONVENIENCE AND  
NECESSITY RELATED APPLICATIONS (CCN/STM/STOCK TRANSFER)**

**FINANCIAL, MANAGERIAL, AND TECHNICAL INFORMATION  
FOR NEW SYSTEMS and EXISTING SYSTEMS**

The Commission is required to determine if the applicant has the necessary financial, managerial, and technical capability to provide continuous and adequate service. The Commission is also committed to promoting the regionalization or consolidation of systems where practical and feasible. The following questions are designed to aid in making these decisions. If the applicant has this information available in the form of a Business Plan, Facility Plan, Engineering Study, or other document, it may be submitted instead - however, the Commission reserves the right to request additional information if necessary.

**I. Technical Capacity - The Facilities Plan**

**A. The Reason for Service: exactly what is this application for ?**

1. Describe the service area and circumstances driving the need for service in this area. Is this a distinct, platted subdivision(s) or a rural area? List all areas to be served by the system. Who owns this property? Are there people already living there? If developers are involved, describe relationship to utility.

These customers are within the City of Corsicana's City Limits, but are provided water from a water supply corporation.

Yes, there is one home in this area and three businesses.

**2. Population Projections:**

USAGE DEMAND:	POPULATION	CONNECTIONS
UPON COMPLETION OF PROJECT (DATE: )		
ONE YEAR AFTER (DATE: )		
FIVE YEARS AFTER (DATE: )		

3. What other utility systems are within 2 miles? For each one, describe all attempts or feasibility to obtain service. Indicate location, system capabilities, contact person, and telephone number. Attach copies of written correspondence.

Community Water Supply - Retreat, Beaton Lake & CCN#10534  
Corbet Water Supply  
M.E.N. Water Supply

B. The Plan for Service ● How service will be provided. ●

1. For New Systems or Additions to Existing Systems - Summarize what will be constructed. If project will be built in phases, describe each separately, including when the phases will be started and the connections to be served. Indicate who will be responsible for construction and inspection. N/A

A. Distribution system (collection system)

N/A

- B. Source of supply and production (wells, surface water treatment facilities, tanks, etc.). Summarize facilities to be constructed or existing facilities to be used. Include overall design capacity.

N/A

C. Attach construction cost breakdown.

N/A

2. For Purchase of Existing System - Describe existing facilities and additions or upgrades that will address deficiencies or will meet growth projections.

A. Distribution system (collection system)

The four inch water line will remain on the east side of I-45. The two inch water line will be removed. Anyone on the west side of I-45 will be put on the City's new twelve inch line.

- B. Source of supply and production (wells, surface water treatment facilities, tanks, etc.). Summarize facilities to be constructed or existing facilities to be used. Include overall design capacity.

N/A

C. Attach construction cost breakdown.

N/A

II. Managerial Capacity - Ownership and Management Structure

- A. Clear Ownership Identity: Indicate whether owner of the system is municipal, member-owned water supply corporation, investor-owned, mobile home park, or other. List all partners, major stockholders, and affiliated companies.

Municipal

- B. **Directorship and Accountability:** Attach an organizational chart or describe governing or management structure.

Mayor and four (4) Council Members

- C. Describe complete staffing pattern with number of employees. Summarize qualifications and job duties of key personnel such as office manager, chief operator, other licensed operators, president, etc. See Attachment "C"

- D. Describe business office and customer service set-up. Indicate office location, business hours, and after hours emergency practices.

City of Corsicana  
200 North 12th Street  
Corsicana, Texas 75110

Business Hours: 8:00 a.m. - 5:00 p.m. (Mon-Fri)  
After Hours Emergency Number (903)654-4902

- E. Summarize employee benefit and training programs.  
Through the City of Corsicana

III. **Financial Capacity - Ability to meet current and future capital and operating needs.**

See attached audit.

- A. Attach a pro-forma income, expense, and cash flow worksheet for each of the first five years of operation. Income from rates should correlate to the growth projections in Part I.
- B. Attach a pro forma balance sheet for each the first five years of operation. Include a line item for emergency or equipment replacement reserve.
- C. Describe sources of capital. Indicate interest rate and payment schedules for loans, bonds, or notes.
- D. Describe the procedure for determining the rates and fees and indicate date of last change. Attach copies of any cost of service studies or rate analysis worksheets.
- E. Identify any appropriate capital assurances, including those offered to capital providers.
- F. Describe the accounting standards and practices. Indicate frequency and distribution of periodic financial reports.



### Historical Profit & Loss Statement

	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
Number of connections					
<b>Income:</b>					
Gross Revenue					
Fees					
Other					
Gross Income					
<b>Expenses: General &amp; Administrative:</b>					
Salary Expense					
Office Expense					
Computer Expense					
Auto Expense					
Insurance Expense					
Telephone Expense					
Utilities Expense					
Property Tax Expense					
Professional Fees					
Other					
Total General & Administrative					
<b>Expenses: Operational</b>					
Salary Expense					
Auto Expense					
Utilities Expense					
Supply Expense					
Maintenance & Repair Expense					
Other Expense					
Total Operational					
Total Expenses					
Net Income					

**Historical Balance Sheets - ASSETS**

	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
<b>CURRENT ASSETS</b>					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
<b>TOTAL CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Land					
Collection/Distribution System					
Buildings					
Equipment					
Other					
<b>TOTAL FIXED ASSETS</b>					
Less:					
Accum Depreciation/Reserve					
<b>NET FIXED ASSETS</b>					
<b>TOTAL ASSETS</b>					

**Historical Balance Sheets - LIABILITIES**

	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
<b>CURRENT LIABILITIES</b>					
Accounts Payable					
Notes Payable, Due < 1 Year					
Accrued Expenses					
Customer Deposits					
Other					
<b>TOTAL CURRENT LIABILITIES</b>					
<b>LONG TERM LIABILITIES</b>					
Notes Payable, Due > 1 Year					
Other					
<b>TOTAL LONG TERM LIABILITIES</b>					
<b>OWNER'S EQUITY</b>					
Paid-in Capital					
Retained Equity					
Other					
Current Period Profit or Loss					
<b>TOTAL OWNER'S EQUITY</b>					
<b>TOTAL LIABILITIES &amp; EQUITY</b>					

**Projected Profit & Loss Statement**

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of connections					
<b>Income:</b>					
Gross Revenue					
Fees					
Other					
Gross Income					
<b>Expenses: General &amp; Administrative:</b>					
Salary Expense					
Office Expense					
Computer Expense					
Auto Expense					
Insurance Expense					
Telephone Expense					
Utilities Expense					
Property Tax Expense					
Professional Fees					
Other					
Total General & Administrative					
<b>Expenses: Operational</b>					
Salary Expense					
Auto Expense					
Utilities Expense					
Supply Expense					
Maintenance & Repair Expense					
Other Expense					
Total Operational					
Total Expenses					
Net Income					

**Projected Balance Sheets - ASSETS**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>CURRENT ASSETS</b>					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
<b>TOTAL CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Land					
Collection/Distribution System					
Buildings					
Equipment					
Other					
<b>TOTAL FIXED ASSETS</b>					
Less:					
Accum Depreciation/Reserve					
<b>NET FIXED ASSETS</b>					
<b>TOTAL ASSETS</b>					

**Projected Balance Sheets - LIABILITIES**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>CURRENT LIABILITIES</b>					
Accounts Payable					
Notes Payable, Due < 1 Year					
Accrued Expenses					
Customer Deposits					
Other					
<b>TOTAL CURRENT LIABILITIES</b>					
<b>LONG TERM LIABILITIES</b>					
Notes Payable, Due > 1 Year					
Other					
<b>TOTAL LONG TERM LIABILITIES</b>					
<b>OWNER'S EQUITY</b>					
Paid-in Capital					
Retained Equity					
Other					
Current Period Profit or Loss					
<b>TOTAL OWNER'S EQUITY</b>					
<b>TOTAL LIABILITIES &amp; EQUITY</b>					

**Projected Statements of Sources & Uses of Cash**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>SOURCES OF CASH</b>					
Net Profit					
Depreciation (if funded)					
Loan Proceeds					
Other					
<b>TOTAL SOURCES</b>					
<b>USES OF CASH</b>					
Net Loss					
Principal portion of payments					
Fixed Asset Purchases					
Reserve					
Other					
<b>TOTAL USES</b>					
<b>NET CASH FLOW</b>					
<b>AVAILABLE DEBT SERVICE COVERAGE (ADSC)</b>					
Cash Available for Debt Service					
Net Profit/Loss					
Depreciation or Reserve					
Interest					
<b>TOTAL ADSC</b>					
<b>REQUIRED DEBT SERVICE COVERAGE (RDSC)</b>					
Principal + Interest					
<b>DEBT SERVICE COVERAGE RATIO (ADSC/RDSC)</b>					

Attachment "A "

Location of Service Area to be Transferred

BEGINNING at the southernmost City Limits line located along the eastern right of way of IH 45 and being south of the Town Center:

THENCE in a northerly direction parallel to and approximately 5 feet from the east right of way line of IH 45, 1.8 miles and including the 4" water line at this location;

**In Addition:**

BEGINNING at the southernmost City Limits line located on IH 45 south of the Town Center:

THENCE in a northerly direction, 0.25 miles to the beginning of a 2" water line;

THENCE in a westerly direction, under IH 45, to include an encased road bore;

THENCE in a northerly direction, 0.50 miles, parallel to and approximately 5 feet from the west right of way line of IH 45, to include the 2" water line at this location.



<b>Certified Water Treatment Operators</b>			
<b>Navarro Mills</b>			
<b>Name</b>	<b>TCEQ License No.</b>	<b>Grade</b>	<b>Expires</b>
Ronnie Woodall**	WS0003476	B	3-22-09
Douglas Spain***	WO0004220	A	7-16-09
David Harwell Jr.	WS0004864	B	10-15-07
James (Eddie) Putman	WS0005692	B	5-14-06
Ray Dean Brown	WS0002659	B	10-02-08
Billy Simmons	WS0002818	C	12-30-09
Jason Beard	WS0008049	C	01-27-09
Victor (Shorty) French	WS0005691	B	12-16-08
Chad Richards	WS0007509	C	10-01-07
<b>Lake Halbert</b>			
Wallace R. Watson***	WO0012234	A	06-10-09
Carl D. (David) Arnold	WO0019453	D	03-03-08
Nathan Young	WS0002877	C	02-21-10
Timothy Bruyere	WS0002514	C	01-02-10
Lance Kamp	WS0007196	C	02-02-10
Larry Murray*	WS0003941	B	4-14-09
Cliff NeSmith	WO0005281	A	09-26-08

\*Director of Environmental Services

09/05/07

\*\*Superintendent

\*\* \*Asst. Superintendent

**Attachment "B"**

## **Attachment "C"**

The City of Corsicana employs approximately 30 distribution personnel and 11 licensed water operators. The City of Corsicana has been supplying water and sewer services to its customers for nearly 100 years.

The Director of Environmental Services has over 20 years of experience in the overseeing and management of water treatment and distribution.

The City of Corsicana's distribution manager has 30 years of experience in installation, maintenance, and repairs of water and sewer systems. The City of Corsicana's Water Superintendent has 36 years of water production experience. All other operators and field maintenance personnel receive continuous education training from the TCEQ.

The City of Corsicana has on-call personnel for emergencies and after hours repairs, and has all the equipment, tools, and supplies required to make such repairs.

**ATTACHMENT "D"**

**ANGUS WATER SUPPLY CORP.  
212 FM 379  
Corsicana, Texas 75109  
(903)874-6773**

**CUSTOMERS:**

Billy Ray Dozier  
3651 S. IH 45 E  
Corsicana, Texas 75109  
(903)874-2219  
Deposit: \$100 (11-18-03)

Core-Tex  
3701 S. IH 45 E  
Corsicana, Texas 75109  
Deposit: \$0.00 (5-6-96)

Watkins Construction Co. (Fab Shop)  
4000 S. IH 45 E  
Corsicana, Texas 75109  
Deposit: \$100 (12-2-87)  
(903)874-6587  
Scott Watkins

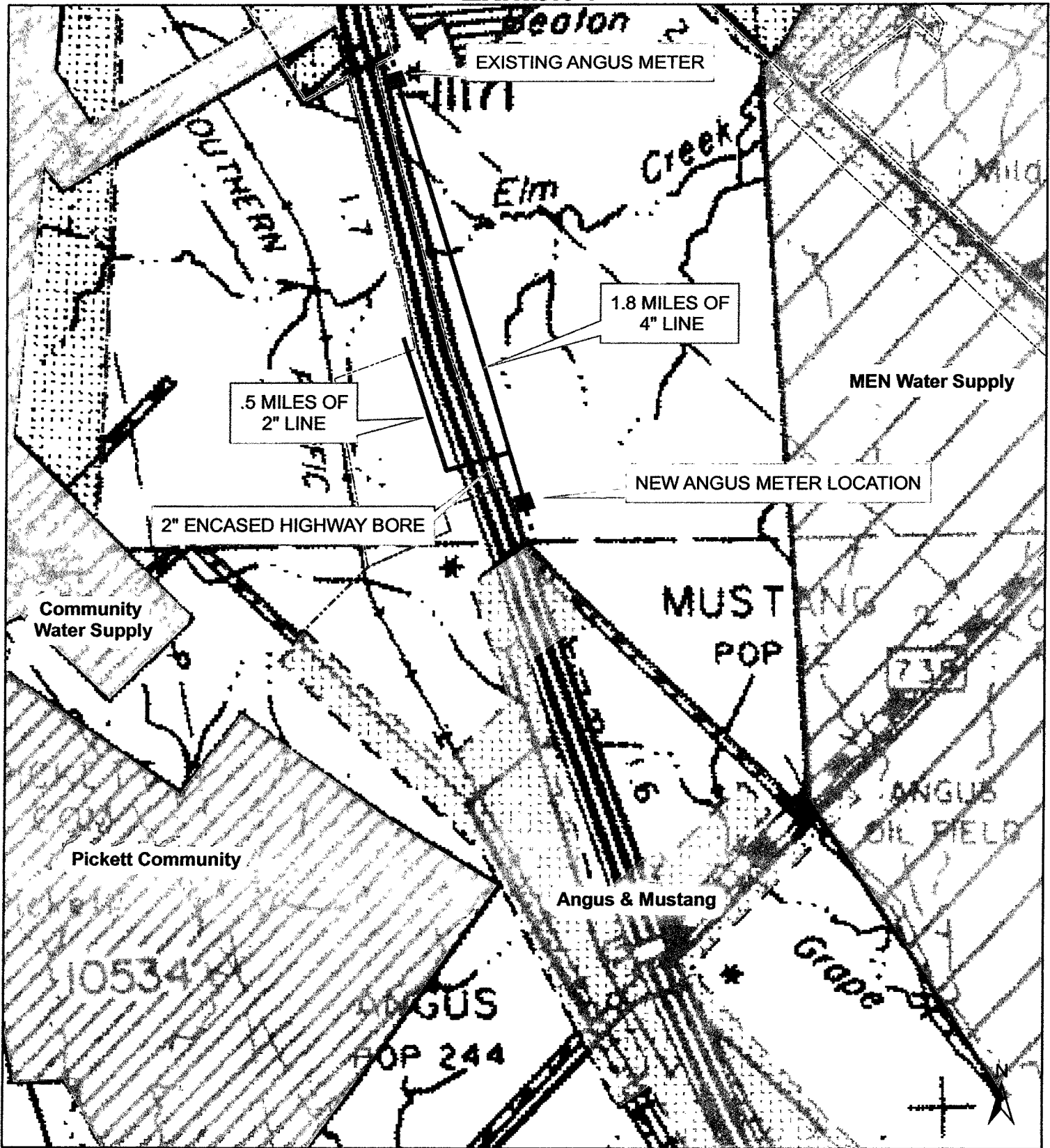
Mailing Address: P. O. Box 570  
Corsicana, TX. 75151

Sid McKissick  
IH 45 Access Road  
Corsicana, Texas 75109  
Deposit: \$100 (6-22-89)  
Junk Yard  
(903) 872-3044

Mailing Address: 6158 S. IH 45 W  
Corsicana, TX. 75109

# Facilities to be transferred from Angus to Corsicana

## Exhibit 1



### Legend

- CCN\_Boundary
- City\_Limits
- Facilities to be transferred

1:30,000



City of Corsicana  
 Engineering Dept  
 200 N. 12th St.  
 Corsicana, TX 75110  
 903.654.4803