

#### Weekly Requirements

1. Sweep or wash inside of each plant area and shop.
2. Clean vehicles, inside and outside.
3. Check sludge levels and drying beds for possible removal of excess.
4. Check static and pumping levels for wells and pump stations.
5. Top-off fuel on all vehicles each Friday.

#### Monthly Requirements

1. Collect 2 microbiological samples from Sample Site Plan for analysis and deliver to the NTMWD lab in Waco before the 15<sup>th</sup> of every month.
  - a. Sample site must be flushed for 1 minute then hose bib must be heated with torch for 30 seconds before sample is taken. No debris or contaminants should be allowed to enter sample bottle or lid.
  - b. Be sure sample is ok, if not, do retakes according to TCEW rules.
2. Flush an dead-end water lines that have not been flushed in distribution system and record on the Daily Log and Line Flushing Report.
3. Clean outside of plant facilities and shop of any scrap material, mow and clean fence lines as needed.
4. Check man holes for overflow or tampering.
5. Prepare Monthly Operating Report from Daily Log Sheet information.
6. Check all locks on tanks, gates and doors.
7. Visually check and inspect motors.
8. Flush mains.
9. Complete the Monthly Operational Report and DMR's.

#### Bi-Annually Requirements

1. Start up pumps on stand-by.
2. Inspect and test all relief devices.

#### Annually Requirements

1. Verify tank inspection contractor has completed the required tank inspections and complete the Annual tank inspection forms per TCEQ Rules & Regulations.
2. Check and replace screened openings – tank vents, etc.
3. Check heater for safe operation and air conditioning.
4. Inspect all electrical connections on motors and starters.
5. Lubricate all motors.
6. Inspect buildings for leaks or foundation problems.
7. Inspect buildings, clear fences and clean site.

As Required

1. Repair Leaks.
2. Repair sewer main breaks, clear clogs.
3. Supervise new construction.
4. Repair or replace meters.
5. Test meters.
6. Change chlorine (Cl<sub>2</sub>) bottles.
7. Respond to customer complaints as soon as possible.



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
CERTIFICATION AND EMPLOYMENT REPORT  
TCEQ REGION 04

ID#:	1750001	SYSTEM INFO:	City of Blooming Grove
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Last Name	First Name	License Number	License Type	Exp. Date
Coker	Melvin	WG0008153	B-Ground	02/07/09
Ivey	Chris	WO0020365	D-Water	09/01/08
Evans	Rory	WO0020510	D-Water	09/29/08

**Corsicana Environmental Services**  
**200 N 12th**  
**Corsicana, Texas 75110**  
**(903) 654-4873**

**Backflow Prevention Assembly Test and Maintenance Report**

Name of Property: City of Blooming Grove Phone # \_\_\_\_\_  
Property Address: Sewer Plant Contact Person: Beth Nemeth  
City: Blooming Grove State: TX Zip: \_\_\_\_\_ Key Map # \_\_\_\_\_  
Mailing Company: City of Blooming Grove Water Blooming Grove Tx Contact # \_\_\_\_\_  
ATTN: \_\_\_\_\_ Contact Person: \_\_\_\_\_

**TYPE OF ASSEMBLY**

- ☒ Reduced Pressure Principle (RP) ☐ Reduced Pressure Principle-Detector (RPD) ☐ Pressure Vacuum Breaker (PVB)  
☐ Double Check Valve (DCV) ☐ Double Check Valve-Detector (DCD) ☐ Spill-Resistant Pressure Vacuum Breaker (SVB)

Manufacturer: Wilkins Model # 975XL Size: 1 Serial # W314900

Located At: \_\_\_\_\_ Date Installed: Jun 5, 2007

Is the assembly installed in accordance with manufacturer recommendations and/or local code? Yes

	Reduced Pressure Principle Assembly			Pressure Vacuum Breaker & SVB	
	Double Check Valve Assembly		Relief Valve	Air Inlet	Check Valve
	Check Valve #1	Check Valve #2			
Initial Test	<input checked="" type="checkbox"/> Closed Tight RP <u>4.2</u> PSID <input type="checkbox"/> Leaked	<input checked="" type="checkbox"/> Closed Tight <u>4.2</u> PSID <input type="checkbox"/> Leaked	Opened At <u>4.0</u> PSID <input type="checkbox"/> Did Not Open	Opened At ____ PSID <input type="checkbox"/> Did Not Open	Held At ____ PSID <input type="checkbox"/> Leaked
Repairs and Materials Used					
Final Test	<input type="checkbox"/> Closed Tight RP _____ PSID	<input type="checkbox"/> Closed Tight _____ PSID	Opened At ____ PSID	Opened At ____ PSID	Held At ____ PSID

Test Gauge Used: Mfr: Watts, Model # TK99E Serial #: 0061788

Calibration Date Nov 17, 2006

Remarks: Initial Test

Meter# \_\_\_\_\_

Line PSI \_\_\_\_\_

THE ABOVE IS CERTIFIED TO BE TRUE AT THE TIME OF TESTING.

Backflow Test Status ☒ Passed ☐ Failed

CT's Firm Name: \_\_\_\_\_

Certified Tester Mark A Lee

Certified Tester No.: BP0009873

Test Date: Jun 19, 2007

Firm Phone# \_\_\_\_\_

WQC Engineer: \_\_\_\_\_

RECEIVED

JUN 20 2007

REC'D

## §290.47(d) Appendix D: Customer Service Inspection Certificate

## Customer Service Inspection Certificate

Name of PWS: City of Blooming Grove PWS I.D. No.: 1750001Location of Service: 504 E. Keir

Reason for Inspection:

- New construction. . . . . ☐
- Existing service where contaminant hazards are suspected . . . . . ☐
- Major renovation or expansion of distribution facilities . . . . . ☒

I, \_\_\_\_\_, upon inspection of the private water distribution facilities connected to the  
aforementioned public water supply do hereby certify that, to the best of my knowledge:

- | Compliance                          | Non-Compliance           |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - 1 No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with Commission regulations.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - 2 No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention assembly tester. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - 3 No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - 4 No pipe or pipe fitting which contains more than 8.0% lead exists in private water distribution facilities installed on or after July 1, 1988.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - 5 No solder or flux which contains more than 0.2% lead exists in private water distribution facilities installed on or after July 1, 1988.  |

I further certify that the following materials were used in the installation of the private water distribution facilities:

Service lines Lead ☐ Copper ☐ PVC ☒ Other ☐

Solder Lead ☐ Lead Free ☐ Solvent Weld ☒ Other ☐

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

Remarks: \_\_\_\_\_

Mitch Drahle M-7244  
Signature of Inspector  
Master Plumber  
Title  
6-20-07  
Date

Registration Number \_\_\_\_\_

Type of Registration \_\_\_\_\_

RECEIVED

JUN 20 2007

REGION 4 - DEW

Rules and Regulations for PWSs: 30 TAC 290 Subchapter D  
RG-195 ■ Revised February 2004

## §290.47(d) Appendix D: Customer Service Inspection Certificate

## Customer Service Inspection Certificate

Name of PWS: city of Bloomington Grove PWS I.D. No.: 175001  
 Location of Service: 309 N. Hinckley

Reason for Inspection: New construction ..... ☐  
 Existing service where contaminant hazards are suspected ..... ☐  
 Major renovation or expansion of distribution facilities ..... ☒

I, \_\_\_\_\_, upon inspection of the private water distribution facilities connected to the  
 aforementioned public water supply do hereby certify that, to the best of my knowledge:

Compliance	Non-Compliance	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	- 1 No direct connection between the public drinking water supply and a potential source of contamination exists. Potential sources of contamination are isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with Commission regulations.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	- 2 No cross-connection between the public drinking water supply and a private water system exists. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly is properly installed and a service agreement exists for annual inspection and testing by a certified backflow prevention assembly tester.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	- 3 No connection exists which would allow the return of water used for condensing, cooling or industrial processes back to the public water supply.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	- 4 No pipe or pipe fitting which contains more than 8.0% lead exists in private water distribution facilities installed on or after July 1, 1988.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	- 5 No solder or flux which contains more than 0.2% lead exists in private water distribution facilities installed on or after July 1, 1988.

I further certify that the following materials were used in the installation of the private water distribution facilities:

Service lines	Lead <input type="checkbox"/>	Copper <input type="checkbox"/>	PVC <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
Solder	Lead <input type="checkbox"/>	Lead Free <input type="checkbox"/>	Solvent Weld <input checked="" type="checkbox"/>	Other <input type="checkbox"/>

I recognize that this document shall become a permanent record of the aforementioned Public Water System and that I am legally responsible for the validity of the information I have provided.

Remarks: \_\_\_\_\_

\_\_\_\_\_  
 Signature of Inspector  
Michael D. Ducker  
6-20-07  
 Title  
 Date

\_\_\_\_\_  
 Registration Number  
 \_\_\_\_\_  
 Type of Registration

RECEIVED

JUN 21 2007

City of Blooming Grove 200 S. Fordyce Box 237 Blooming Grove, Texas 76626

Chris Ivey - Certified Operator WWTP

Permit ID: 0075418

County: Navarro

Phone: 903-695-2711

TO: TCEQ, attn: Michelle Havelka

OUTSTANDING ALLEGED VIOLATIONS FOLLOW UP AND RESOLUTION FORM

Alleged Violation:

Failure to conduct operation and maintenance on the clarifier. 5/14/09

RESOLUTION:

An aggressive system of screening and skimming has resulted in consistently clear conditions in the clarifier and chlorine contact chamber. PLEASE SEE ATTACHED PHOTOS \* PHOTOS Labeled "A"

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Alleged Violation:

Failure to maintain calibration records for the chlorine meter and perform manganese corrections. 5/14/09

RESOLUTION:

Have been calibrating twice weekly since 6/1/09 and making manganese corrections on chlorine residual sampling. PLEASE SEE ATTACHED MONITORING REPORTS

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Alleged Violation:

Failure to provide adequate safeguards to prevent discharge of untreated wastewater during power failures. 5/14/09

RESOLUTION:

City still has reserve in place with United Rentals for generator to be supplied in the event of emergency power outage.

City Council has discussed and are currently seeking to purchase backup generators for WWTP and lift stations. We are seeking bids and cost comparisons. Once we have decided on purchase plan, we will submit to TCEQ in writing all updates and capacity information.

Alleged Violation:

Failure to maintain sludge drying beds. 5/14/09

RESOLUTION:

City maintains 4 drying beds. 2 have been cleaned out completely according to TCEQ request and wastes hauled off to landfill via Allied Waste contracted services. These 2 have been returned to operational use. The remaining 2 beds have had vegetation removed and sludge cleaned out. They are in need of additional maintenance and repair before being returned to operational service. PLEASE SEE ATTACHED PHOTOS \*

PHOTOS LABELED "B"

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Alleged Violation:

Failure to submit annual sludge report for FY2008 5/14/09

RESOLUTION:

Submitted FY2008 sludge report to TCEQ Enforcement division in June 09. Had 0 discharge for the FY2008.

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Alleged Violation:

Failure to perform instantaneous flow measurements five times a week as specified in permit. 5/14/09

RESOLUTION:

Have committed to take and record instantaneous flow measurements on daily WWTP log starting 6/1/2009

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Comments:

Inspected noted issue with out of service clarifier. This clarifier was taken offline and abandoned when sewer plant was upgraded many years ago (approx. 1992). The old clarifier is not in operation, but does collect rain water. The City Council has approved an additional \$10,000 in our new operating budget (effective October 1<sup>st</sup> 2009) to rectify this situation. We are currently seeking bids for dismantling and back filling the old clarifier site. (to say demolishing old clarifier and filling in hole with soil) That is option 1. The second option we are entertaining is to see the cost of putting old clarifier back in operation. This may be more of an expense than the city can afford.

If there are any questions or comments to any of the above mentioned items, please contact the City Hall or Chris Ivey.

Thank You.





City of Blooming Grove

PERMIT NO. - TX 0075418

Chris Ivey - Certified Operator

## Chlorine Meter Standards and Calibration Record

July 2009

DATE	BLANK	READING	STD 1	READING	STD 2	READING	STD 3	READING	INT.
7/1	0	<del>0</del>	.22	.20	.91	.96	1.62	1.58	CD
7/6	0	<del>0</del>	.22	.22	.91	.92	1.62	1.62	CD
7/9	0	<del>0</del>	.22	.20	.91	.90	1.62	1.60	CD
7/13	0	<del>0</del>	.22	.20	.91	.92	1.62	1.62	CD
7/14	0	<del>0</del>	.22	.20	.91	.92	1.62	1.62	CD
7/20	0	<del>0</del>	.22	.22	.91	.94	1.62	1.64	CD
7/23	0	<del>0</del>	.22	.20	.91	.90	1.62	1.60	CD
7/27	0	<del>0</del>	.22	.22	.91	.92	1.62	1.62	CD
7/30	0	<del>0</del>	.22	.20	.91	.92	1.62	1.64	CD
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		

VARIANCE

+/- 0.09

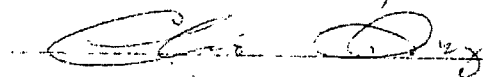
+/- 0.10

+/- 0.14

CERTIFIED OPERATOR

CHRIS IVEY

SIGNATURE



DATE

7/30/09

City of Blooming Grove

PERMIT NO. - TX 0075418

Chris Ivey - Certified Operator

## Chlorine Meter Standards and Calibration Record

AUGUST 09

DATE	BLANK	READING	STD 1	READING	STD 2	READING	STD 3	READING	INT.
8/3	0	0	.22	.24	.91	.92	1.62	1.63	OK
8/6	0	0	.22	.22	.91	.91	1.62	1.62	OK
8/10	0	0	.22	.20	.91	.92	1.62	1.64	OK
8/13	0	0	.22	.22	.91	.91	1.62	1.63	OK
8/18	0	0	.22	.24	.91	.90	1.62	1.63	OK
8/21	0	0	.22	.22	.91	.92	1.62	1.64	OK
8/24	0	0	.22	.22	.91	.90	1.62	1.62	OK
8/26	0	0	.22	.24	.91	.91	1.62	1.64	OK
8/31	0	0	.22	.24	.91	.92	1.62	1.64	OK
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		
	0		.22		.91		1.62		

VARIANCE

±/- 0.09

±/- 0.10

±/- 0.14

CERTIFIED OPERATOR

CHRIS IVEY

SIGNATURE

Chris Ivey

DATE

8/31/09

Monthly Report  
Water Treatment Plant for Public Sewer Systems

10 of Sewer System

CITY OF BLOOMING GROVE WWTP

TCEQ PWS ID # TX0075418

Month

June

Year

2009

County

NAVARRO

DAY OF MONTH	BLANKET/CLARIFIER	SLUDGE LEVELS IN RACETRACK	LBS OF CL2	FLOW READING	EFFLUENT T IN MGD	EFFLUENT IN GAL/DAY	CL2 RESIDUAL	MANG. CORR.	FREE CL2 RESIDUAL
1	28.0 %	34.0 %	2.1	8.881	0.051	31,000	1.87	.14	1.83
2	%	%	1.8	8.904	0.023	23,000	2.45	.28	2.17
3	%	%	1.7	8.829	0.025	25,000	2.01	.10	1.91
4	%	%	1.6	8.857	0.028	28,000	2.12	.08	2.04
5	%	%	1.8	8.857	0.030	30,000	1.85	.22	1.63
6	%	%	1.6	8.915	0.028	28,000	2.08	.16	1.92
7	%	%	1.9	8.946	0.031	31,000	1.91	.17	1.74
8	%	%	2.1	8.970	0.024	24,000	2.18	.30	1.88
9	32.0 %	38.0 %	2.0	9.001	0.031	31,000	2.09	.32	1.77
10	%	%	2.0	9.040	0.015	45,000	1.72	.09	1.63
11	%	%	1.9	9.090	0.014	44,000	2.15	.12	1.99
12	%	%	1.8	9.115	0.025	25,000	2.28	.18	2.10
13	%	%	1.9	9.146	0.031	31,000	2.28	.24	2.04
14	%	%	2.1	9.180	0.054	34,000	1.90	.07	1.83
15	29.0 %	40.0 %	1.7	9.212	0.032	32,000	1.86	.15	1.71
16	%	%	1.7	9.240	0.028	28,800	1.97	.21	1.76
17	%	%	1.8	9.272	0.052	32,000	2.06	.24	1.82
18	%	%	1.5	9.294	0.022	22,000	1.95	.30	1.65
19	%	%	1.8	9.310	0.016	16,000	1.56	.17	1.39
20	%	%	2.2	9.330	0.024	26,000	1.82	.26	1.56
21	%	%	2.0	9.359	0.023	23,000	1.95	.13	1.82
22	32.0 %	32.0 %	1.9	9.380	0.021	21,000	2.14	.08	2.06
23	%	%	2.1	9.403	0.028	28,000	1.86	.12	1.74
24	%	%	1.7	9.430	0.028	28,000	2.07	.14	1.93
25	%	%	1.7	9.461	0.033	33,000	2.01	.17	1.84
26	%	%	1.9	9.494	0.025	25,000	2.05	.14	1.91
27	%	%	1.8	9.528	0.032	32,000	1.90	.08	1.82
28	%	%	1.7	9.549	0.021	21,000	2.04	.12	1.92
29	30.0 %	36.0 %	2.0	9.576	0.027	27,000	2.24	.20	2.04
30	%	%	2.1	9.603	0.029	29,000	1.94	.22	1.72
31	%	%							
TOTAL			55.7		0.853	853,000			
AVERAGE	30.4 %	36.0 %	1.86		0.028	28,400	1.84		1.84
MAX. DAY	33.0 %	40.0 %	2.2		0.045	45,000	2.2		2.17
MIN. DAY	26.0 %	32.0 %	1.5		0.016	16,000			1.39

SLUDGE WASTING REMOVAL

5,000

gals - tons

Date 6/20/09

General Comments

Certified Operator

Signature

CHRIS J. VEY  
[Signature]

Date

7.6.09

6/11 5"  
6/10 5"

2.4112  
6/20 0.50

**Monthly Report**  
**Water Treatment Plant for Public Sewer Systems**

**CITY OF BLOOMING GROVE WWTP**

Line of Sewer System

CEQ PWS ID #

TX0075418

County

NAVARRO

Month

July

Year

2009

DAY OF MONTH	BLANKET/CLARIFIER	SLUDGE LEVELS IN RACE TRACK	LBS OF CL2	FLOW READING	REFLUENT IN MGD	INSTANT FLOW	CL2 RESIDUAL	MANG. CORR.	FREE CL2 RESIDUAL
1	46.0 %	32.0 %	2.1	9.625	0.020	37.158	2.40	.30	2.10
2	%	%	1.9	9.649	0.024	40.621	2.23	.18	2.05
3	%	%	1.9	9.682	0.033	42.668	1.99	.23	1.76
4	%	%	1.7	9.708	0.026	43.140	2.11	.09	2.02
5	%	%	1.8	9.744	0.036	38.823	2.08	.32	1.76
6	38.0 %	43.0 %	1.8	9.801	0.057	48.511	1.92	.28	1.54
7	%	%	1.7	9.822	0.021	38.336	1.93	.06	1.87
8	%	%	1.7	9.848	0.026	39.939	2.01	.23	1.78
9	%	%	2.0	9.879	0.031	42.483	1.36	.19	1.67
10	26.0 %	32.0 %	2.1	9.902	0.023	40.033	1.91	.10	1.81
11	%	%	2.2	9.928	0.026	42.211	1.96	.12	1.84
12	%	%	2.1	9.957	0.029	40.088	1.88	.15	1.70
13	30.0 %	36.0 %	2.0	9.958	0.031	39.910	1.83	.12	1.71
14	%	%	2.1	0.011	0.024	36.627	1.76	.12	1.64
15	%	%	2.1	0.040	0.021	43.088	1.36	.07	1.29
16	%	%	1.8	0.072	0.032	40.211	1.81	.22	1.65
17	32.0 %	40.0 %	1.8	0.077	0.020	39.053	1.91	.00	1.61
18	%	%	1.7	0.123	0.020	39.113	2.05	.32	1.71
19	%	%	1.7	0.155	0.032	42.547	2.10	.08	2.02
20	%	%	1.9	0.189	0.034	42.167	1.82	.12	1.70
21	%	%	1.6	0.218	0.029	40.083	1.64	.07	1.57
22	36.0 %	32.0 %	1.8	0.276	0.022	39.926	1.79	.14	1.65
23	%	%	2.0	0.271	0.031	38.825	1.89	.21	1.68
24	%	%	1.8	0.299	0.023	42.317	2.12	.20	1.86
25	%	%	2.1	0.329	0.030	40.727	2.07	.19	1.88
26	%	%	1.9	0.368	0.037	38.868	1.83	.08	1.75
27	%	%	2.2	0.401	0.033	40.127	1.76	.11	1.65
28	31.0 %	35.0 %	1.8	0.445	0.044	42.281	1.92	.10	1.92
29	%	%	1.9	0.400	0.028	44.159	1.69	.10	1.59
30	%	%	1.4	0.514	0.031	40.929	1.85	.20	1.65
31	%	%	1.7	0.546	0.026	41.188	2.17	.17	1.97
TOTAL			58.7		0.935				
AVERAGE	34.4 %	35.43 %	1.89		0.030		1.91		1.74
MAX. DAY	46.0 %	43.0 %	2.2		0.057		2.40		2.10
MIN. DAY	26.0 %	32.0 %	1.6		0.020		1.36		1.29

SLUDGE WASTING/REMOVAL

gals tons

Date

General Comments

Certified Operator

CHRIS DUFFY

Signature

Date

8/5/09

**Monthly Report**  
**Water Treatment Plant for Public Sewer Systems**

Name of Sewer System

**CITY OF BLOOMING GROVE WWTP**

JEQ PWS ID #

**TX0075418**

Month

**AUGUST**

Year

**2009**

County

**NAVARRO**

DAY OF MONTH	BLANKET/CLARIFIER	SLUDGE LEVELS IN RACETRACK	LBS OF CL2	FLOW READING	EFFLUENT IN MGD	INSTANT FLOW	CL2 RESIDUAL	MANG. CORR.	FREE CL2 RESIDUAL
1	%	%	1.8	0.52	0.022	38.125	1.84	0.12	1.72
2	%	%	1.9	0.585	0.023	40.023	1.63	0.21	1.42
3	%	%	2.1	0.614	0.024	36.182	1.50	0.10	1.40
4	28.0 %	36.0 %	2.0	0.641	0.027	37.436	2.26	0.32	1.96
5	%	%	1.9	0.670	0.027	42.187	1.94	0.28	1.66
6	%	%	1.9	0.701	0.031	44.264	1.93	0.17	1.76
7	%	%	2.0	0.730	0.029	41.876	2.14	0.24	1.90
8	%	%	1.8	0.754	0.024	40.938	1.90	0.18	1.72
9	%	%	1.7	0.774	0.025	39.921	1.83	0.12	1.71
10	%	%	1.8	0.808	0.027	40.888	1.74	0.16	1.58
11	32.0 %	40.5 %	1.9	0.835	0.025	38.363	2.15	0.21	1.94
12	%	%	2.2	0.861	0.029	37.295	1.88	0.22	1.66
13	%	%	2.0	0.893	0.032	40.111	1.92	0.23	1.69
14	%	%	2.1	0.922	0.029	42.629	2.10	0.32	1.78
15	%	%	2.1	0.954	0.032	48.862	1.76	0.17	1.62
16	%	%	1.9	0.985	0.031	40.672	1.68	0.16	1.52
17	%	%	1.8	1.020	0.035	38.295	1.64	0.15	1.49
18	%	%	1.6	1.046	0.026	37.772	1.83	0.21	1.62
19	34.0 %	29.0 %	1.7	1.082	0.026	43.118	1.94	0.22	1.72
20	%	%	1.7	1.118	0.036	38.681	1.87	0.17	1.70
21	%	%	1.9	1.146	0.028	37.926	1.66	0.12	1.54
22	%	%	1.8	1.175	0.029	39.814	1.87	0.16	1.71
23	%	%	2.0	1.206	0.031	42.287	2.02	0.24	1.78
24	%	%	2.1	1.235	0.029	40.734	1.93	0.18	1.75
25	30.0 %	34.5 %	2.2	1.265	0.030	39.206	1.69	0.11	1.58
26	%	%	2.1	1.292	0.027	38.827	1.53	0.10	1.43
27	%	%	1.8	1.321	0.029	40.198	1.92	0.21	1.71
28	%	%	1.7	1.352	0.031	38.372	2.10	0.31	1.79
29	%	%	1.9	1.380	0.028	39.458	2.06	0.16	1.90
30	%	%	2.0	1.411	0.031	41.966	1.98	0.24	1.74
31	26.0 %	38.0 %	1.8	1.440	0.029	38.742	2.03	0.27	1.76
TOTAL			59.2		0.891	8220			
AVERAGE	30.0 %	35.6 %	1.91		0.029		1.88	0.19	1.69
MAX. DAY	34.0 %	40.5 %	2.2		0.036		2.26	0.32	1.96
MIN. DAY	26.0 %	29.0 %	1.6		0.022		1.50	0.10	1.40

SLUDGE WASTING/REMOVAL

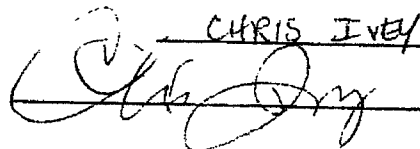
☐ gals ☐ tons

Date

General Comments

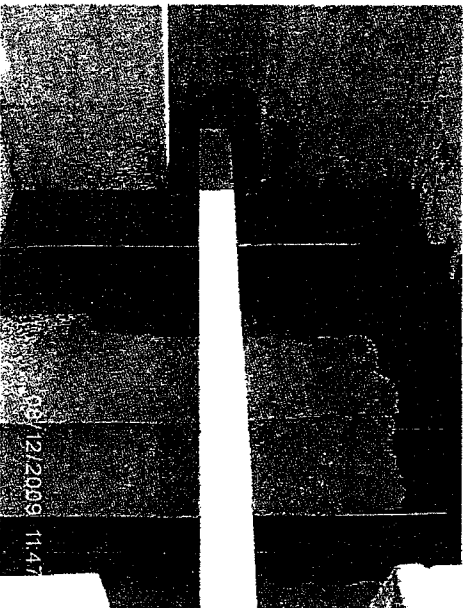
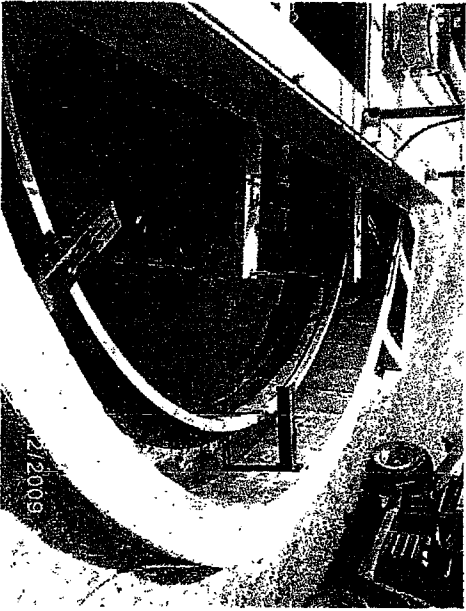
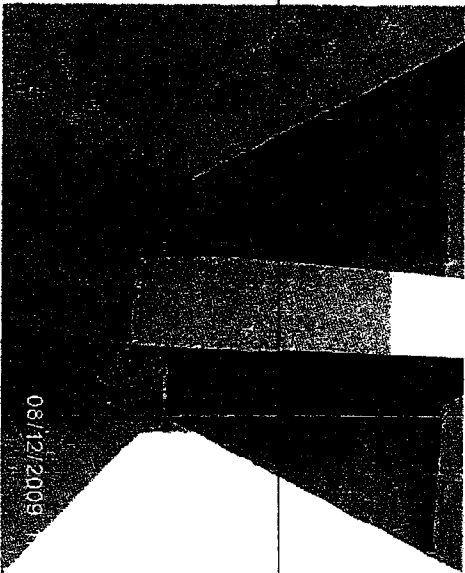
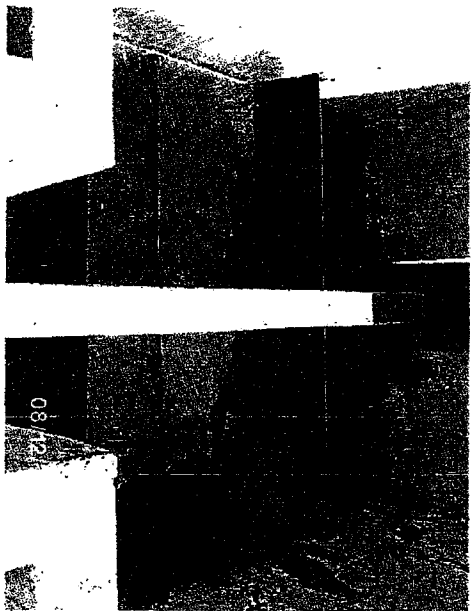
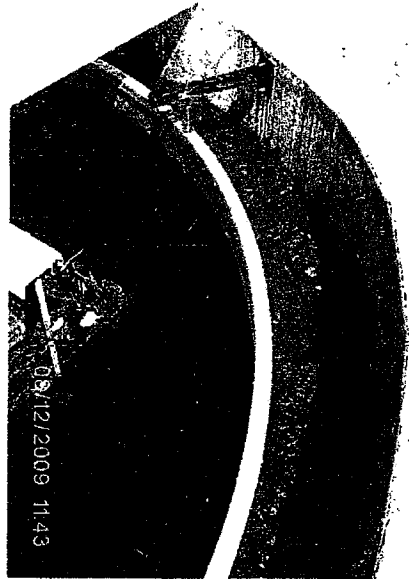
Certified Operator

Signature

*CHRIS IVEY*  


Date

**9-11-09**



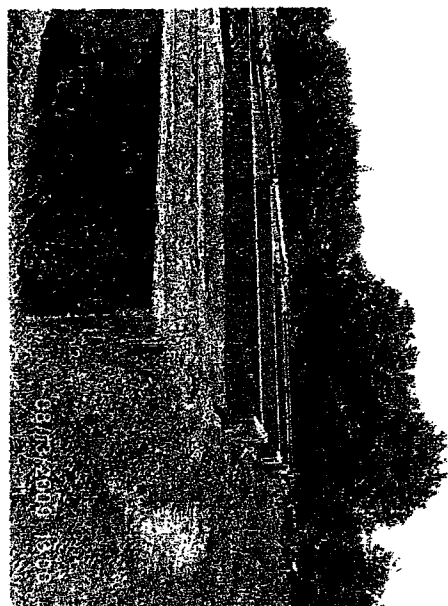
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PHOTOS

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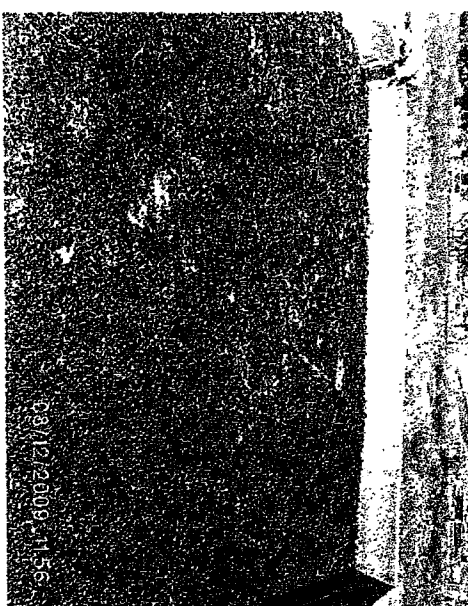
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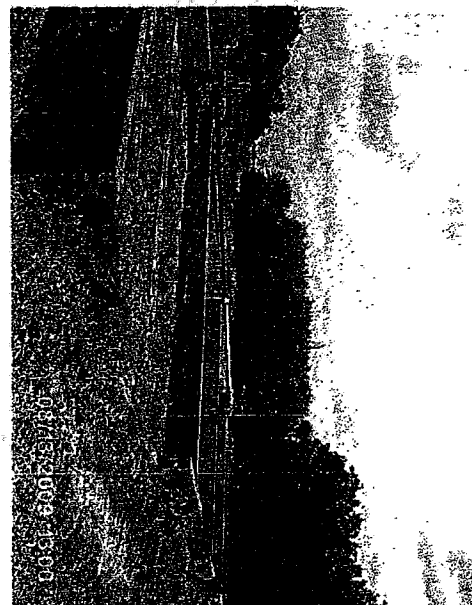
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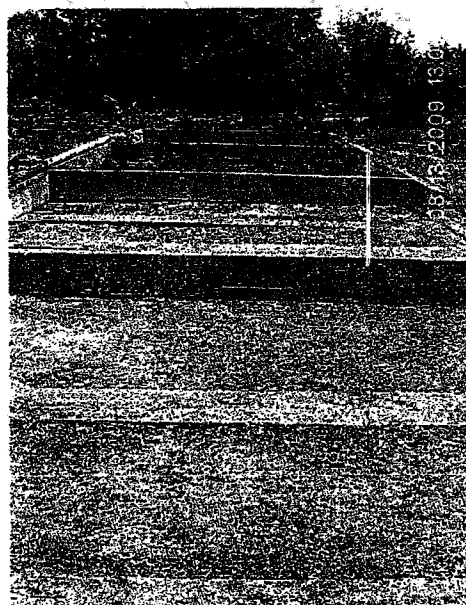
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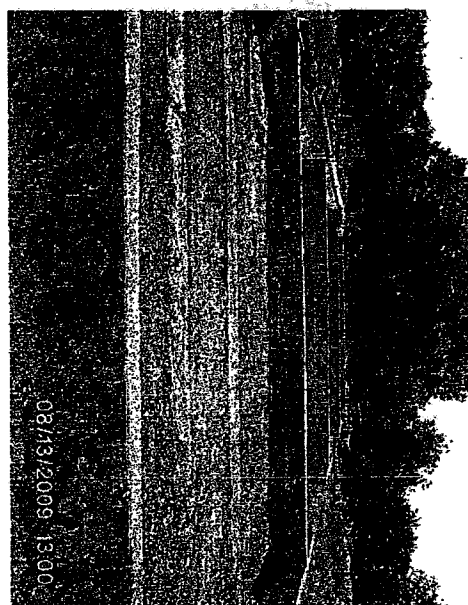
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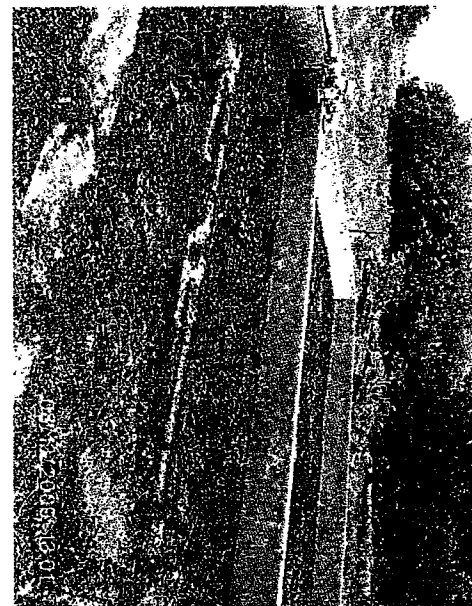
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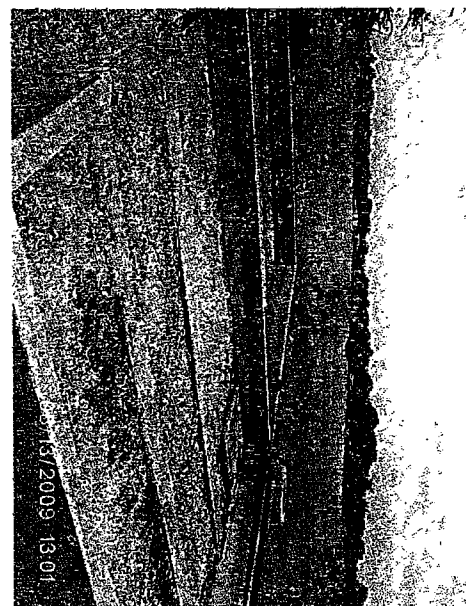
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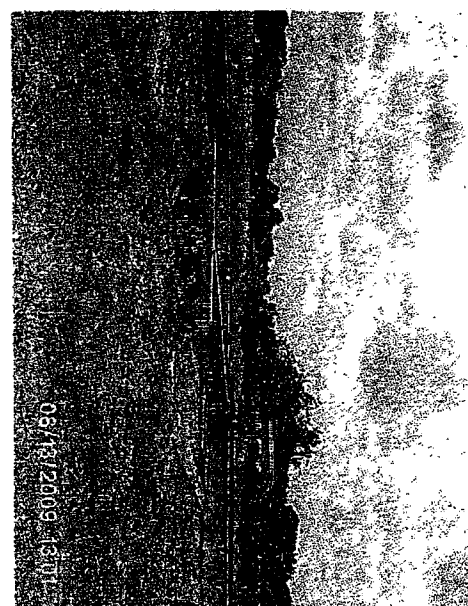
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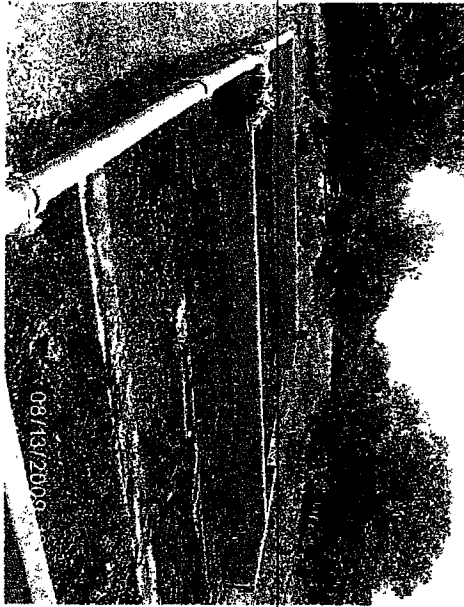


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PHETS "B"

PHET 2 of 2



**CITY OF BLOOMING GROVE'S  
APPLICATION TO OBTAIN A WATER AND SEWER  
CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

**ATTACHMENT G**

## AMENDED WATER PURCHASE CONTRACT

COPY

WHEREAS, on the 17th day of August, 1976, the City of Corsicana, Texas as Seller and the City of Blooming Grove as Purchaser entered into a contract for the sale and purchase of treated water; and

WHEREAS, on the 21st day of October, 1987, the City of Corsicana and the City of Blooming Grove agreed to amend said Water Purchase Contract so as to furnish potable treated water meeting applicable purity standards of the State Health Department of Texas in such quantity as may be required by the Purchaser not to exceed 8,000,000 gallons per month subject to any condition precedent or limitation hereinafter contained; and

WHEREAS, Purchaser expects demands upon its water system in future months; and

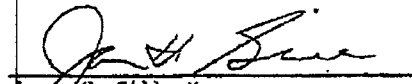
WHEREAS, these demands of service would exceed the usage of 8,000,000 gallons per month; and

WHEREAS, Seller desires to supply additional treated water to its Purchaser.

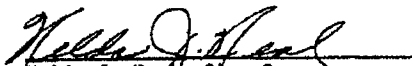
NOW, THEREFORE, in consideration of these premises, Seller agrees to amend said Water Purchase Contract and Amended Water Purchase Contract so as to furnish potable treated water meeting applicable purity standards of the State Health Department of Texas in such quantity as may be required by the Purchaser not to exceed 15,000,000 gallons per month upon such rates and conditions now in effect and subject to any changes in conditions and rates as established in the future by the governing body of the City of Corsicana.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this amended contract to be duly executed in duplicate counterparts on the 6 day of December, 1988, each of which shall constitute an original.

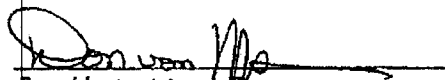
SELLER: CITY OF CORSICANA

  
James H. Gill, Mayor

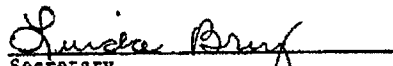
ATTEST:

  
Nelda J. Neal, City Secretary

PURCHASER: CITY OF BLOOMING GROVE

  
President Mayor

ATTEST:

  
Secretary

COPY

## AMENDED WATER PURCHASE CONTRACT

WITNESS this agreement made the 6 day of October, 1987, between the City of Corsicana, Texas, hereinafter called "Seller" and the City of Blooming Grove, Texas, hereinafter called "Purchaser", as follows:

WHEREAS, the Seller and Purchaser entered into a Water Purchase Contract on August 17, 1976 providing for the sale of up to five million gallons of potable water per month; and

WHEREAS, the parties hereto desire to increase the supply of potable water to an amount not to exceed eight million gallons per month;

THEREFORE, the Seller and Purchaser, for and in consideration of the mutual promises and covenants herein contained, have agreed and do agree as follows:

1. That Paragraph A.1 of the Water Purchase Contract dated August 17, 1976 between the parties hereto shall be amended to read as follows:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Health Department, Austin, Texas, in such quantity as may be required by the Purchaser not to exceed 8 million gallons per month, subject to any condition precedent or limitation hereinafter contained.

2. That all other terms and provisions of the Water Purchase Contract of August 17, 1976 be and remain as executed and amended.

EXECUTED on 21 October, 1987 by the City of Corsicana, Texas.

  
MAYOR

ATTEST:

  
NEIDA J. NEAL  
CITY SECRETARY

EXECUTED on 15 October, 1987 by the City of Blooming Grove, Texas.

  
MAYOR

ATTEST:

  
CITY SECRETARY

## WATER PURCHASE CONTRACT

COPY

This contract for the sale and purchase of water is entered into as of the 17 day of August, 1976, between the City of Corsicana, Corsicana, Texas, hereinafter referred to as the "Seller" and the City of Blooming Grove, Texas, hereinafter referred to as the "Purchaser".

## W I T N E S S E T H:

WHEREAS, the Purchaser is organized and established under the provisions of a general law City in the State of Texas, for the purpose of constructing and operating a water supply distribution system and to accomplish this purpose, the Purchaser will require a supply of treated water, and

WHEREAS, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

WHEREAS, by Commission Order enacted on the 17 day of August, 1976, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Commission Order was approved and the execution of this contract carrying out the said Order by the Mayor, and attested by the City Secretary, was duly authorized, and

WHEREAS, by Council Order of the City Council of the Purchaser, enacted on the 2nd day of August, 1976, the purchase of water from the Seller in accordance with the terms set forth in the said was approved, and the execution of this contract by the Mayor, and attested by the City Secretary was duly authorized;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Health Department, Austin, Texas, in such quantity as may be required by the Purchaser not to exceed 5 million gallons per month, subject to any condition precedent or limitation hereinafter contained.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 50 pounds per square inch from an existing 30 inch main supply at a point located near the intersection of Highway 3 and Fm. Rd. 55. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

4. The seller agrees to maintain the meter and such maintenance cost shall be charged to the purchaser.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 10th day of each month, \$0.45 per 1,000 gallons for all water received.

2. To give the Seller the full right and authority to enter upon the property of any and all of Purchaser's customers located between the delivery point and the first air gap to be installed in the Purchaser's water system for the purpose of inspecting any and all connections made by such customers to the water line between said delivery point and said air gap. Should the

with all possible dispatch. In the event of unforeseen water shortages or the occurrence of any other event that necessitates the rationing of water, it is agreed that water deliveries to Purchaser shall be reduced proportionally with City resident consumers.

4. (Modification of Contract) Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of production. At no time will the Seller be required to furnish water at rates less than the costs of supply, treatment, and transmission of water to Purchaser. Increased rates due to increased costs to Seller will automatically go into effect upon thirty (30) days written notice to Purchaser. (See Attachment No. 1)

5. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

6. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

7. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in triplicate counterparts, each of which shall constitute an original.

Seller ascertain, or have reasonable grounds to believe that there exists any condition upon said water line between delivery point and air gap, which such condition might result in contamination of Seller's water supply, or jeopardize Seller's certificate with the State Health Department, then Seller shall notify the Corporation and such Corporation shall immediately correct such condition. In the event Corporation fails to correct such condition within 10 days, Seller reserves the right to cease delivering water under this Contract until such condition is corrected to the satisfaction of the Seller. Nothing herein shall be construed to impose upon the Seller the duty and obligation to make any inspection or to regulate the quality of water except to the point of delivery, and Corporation shall be solely responsible for the operation, maintenance, regulations and employment of all facilities beyond the Delivery Point and the regulation of the use of all water received by it as the delivery point.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 40 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.
2. (Delivery of Water) That sixty days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date of the initial delivery of water.
3. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied



## ATTACHMENT NO. 1

To further clarify Section B, Item 4, when the Budget Officer of the City of Corsicana demonstrates in the adopted budget relative to Water Treatment Debt Service and a reasonable charge for billing, that it is necessary to increase rates to maintain income equal to cost of production. The City of Corsicana reserves the right to increase rates as necessary upon 30 days notice.

Seller: CITY OF CORSICANA

Sue Youngblood  
Sue Youngblood, Mayor

Attest:

Nelda J. Neal  
Nelda J. Neal, City Secretary

Purchaser: CITY OF BLOOMING GROVE

Boyd C Bryant

Attest:

Mary Ann Melton  
City Secretary  
Mary Ann Melton

This contract is approved on behalf of the Farmers Home Administration this

\_\_\_\_\_ day of \_\_\_\_\_, 1976.

Lee R. Tunnell, County Supervisor

**CITY OF BLOOMING GROVE'S  
APPLICATION TO OBTAIN A WATER AND SEWER  
CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

**ATTACHMENT H**

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CITY OF BLOOMING GROVE

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED SEPTEMBER 30, 2008*

*Introductory Section*

City of Blooming Grove  
Annual Financial Report  
For The Year Ended September 30, 2008

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*Financial Section*

# **HUDSON ANDERSON & ASSOCIATES, P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**HUDSON ANDERSON, CPA & CFP  
FRANK MARX, III, CPA  
DORI BOHL, CPA & CFE**

## **Independent Auditors' Report on Financial Statements**

Mayor & City Council  
City of Blooming Grove  
P. O. Box 237  
Blooming Grove, Texas 76626

Members of the Mayor & City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Blooming Grove as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Blooming Grove's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Blooming Grove as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2009, on our consideration of City of Blooming Grove's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the City of Blooming Grove's basic financial statements. The accompanying supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hudson Anderson & Associates, P.C.*

Hudson Anderson & Associates, P.C.

February 2, 2009

# City of Blooming Grove

200 S. Fordyce  
P.O. Box 237  
Blooming Grove, TX 76626  
903-695-2711

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Blooming Grove's annual financial report presents our discussion and analysis of the City's financial performance during the year ended September 30, 2008. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The City's total combined net assets on financial statement exhibit A-1 were \$1,186,576 at September 30, 2008.
- During the year, the City's primary government expenses on financial statement exhibit A-2 were \$80,124 less than the \$687,922 generated in taxes and other revenues for all activities.
- The total cost of the City's programs on financial statement exhibit A-5 increased \$19,426 from last year. This was due to equipment expenditures of \$29,466 during the current year.
- The general fund reported a general fund balance this year on financial statement exhibit A-3 of \$127,297. The City began the current year with a fund balance in the amount of \$93,314.

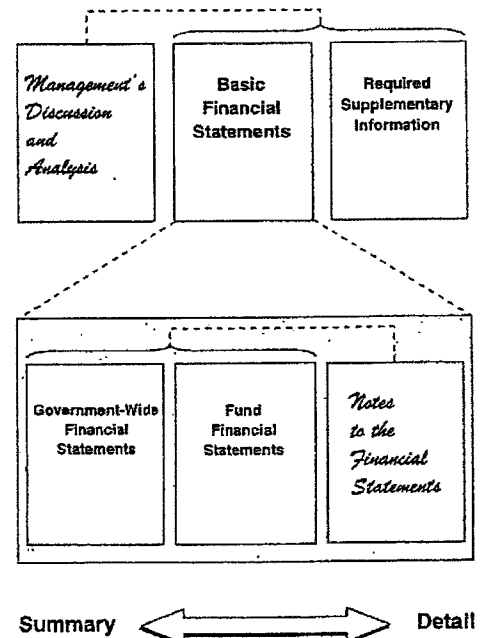
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements provide information about for profit activities.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the City's Annual Financial Report



### Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as public safety, sanitation, street maintenance and general administration. Taxes finance most of these activities.

### Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—The City provides water and sewer services to its citizens and charges fees to pay for this service. These activities are accounted for on the accrual basis of accounting.

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net assets. The City's combined net assets were \$1.2 million at September 30, 2008. (See Table A-1).

**Table A-1**  
**City of Blooming Grove's Net Assets**  
*(In million dollars)*

	<u>2008</u>	<u>2007</u>	<u>Total Percentage Change 2008-2007</u>
Current assets:			
Cash and cash equivalents	.2	.1	100
Receivables	.1	.1	0
Inventories	.0	.0	0
Total current assets	<u>.3</u>	<u>.2</u>	34
Noncurrent assets:			
Land, furniture and equipment	2.3	2.2	4
Less accumulated depreciation	(1.2)	(1.1)	-8
Other assets	.1	.1	0
Total noncurrent assets	<u>1.2</u>	<u>1.2</u>	0
Total Assets	<u>1.5</u>	<u>1.4</u>	7
Current liabilities:			
Accounts payable and accrued liabilities	.1	.1	0
Consumer deposits	.0	.0	0
Due to other governments	.1	.1	0
Deferred revenue	.0	.0	0
Total current liabilities	<u>.2</u>	<u>.2</u>	0
Long-term liabilities:			
Noncurrent liabilities due in one year	.0	.0	0
Noncurrent liabilities due more than 1 yr	.1	.1	0
Total Liabilities	<u>.3</u>	<u>.3</u>	0
Net Assets:			
Invested in capital assets, net of debt	1.0	1.0	0
Restricted	.1	.1	0
Unrestricted	.1	.0	**
Total Net Assets	<u>1.2</u>	<u>1.1</u>	8

The City has \$42,019 in restricted net assets that represent proceeds from debt service, and \$65,871 restricted for other purposes. The \$95,749 of unrestricted net assets represent resources to be available to fund the programs of the City next year.

**Changes in net assets.** The City's total revenues were \$687,922. A significant portion, 21 percent, of the City's revenue comes from taxes, while 70 percent relates to charges for services.

The total cost of all programs and services was \$607,798; 43 percent of these costs are for governmental activities.

#### **Governmental Activities**

- Property tax revenues increased to \$83,560.
- The City's charges for services increased to \$142,644.

**Table A-2**  
**Changes in City of Blooming Grove's Net Assets**  
*(in million dollars)*

	<u>2008</u>	<u>2007</u>	<u>% Ch</u>
Program Revenues:			
Charges for Services	.5	.4	20
Operating Grants and Contributions	.0	.0	0
General Revenues			
Taxes	.1	.1	0
Investment Earnings	.0	.0	0
Other	.1	.1	0
Total Revenues	<u>.7</u>	<u>.6</u>	14
General Government	.1	.1	0
Public Safety	.0	.1	**
Highways and Streets	.0	.0	0
Culture and Recreation	.0	.0	0
Sanitation	.1	.1	0
Water and Sewer	.3	.3	0
Other	.1	.0	**
Total Expenses	<u>.6</u>	<u>.6</u>	0
Excess (Deficiency) Before Other Resources, Uses and Transfers:	.1	.0	**
Transfers In (Out)	.0	.0	0
Increase (Decrease) in Net Assets	<u>.1</u>	<u>.0</u>	**

Table A-3 presents the cost of each of the City's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$.6 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$.08 million.
- Some of the cost was paid by those who directly benefited from the programs \$.14 million.

**Table A-3**  
**Net Cost of Selected City Functions**  
*(in millions of dollars)*

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>	
General Government	.08	.08	0	.08	.08	0
Public Safety	.04	.05	-20	-.03	-.04	25
Highways and Streets	.03	.03	0	.03	.03	0

#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$.3 million, while the previous year it was \$.3 million. The percentage in local revenues remained relatively constant. Revenues from business-type activities totaled \$383,775, while the previous year it was \$292,032.

#### General Fund Budgetary Highlights

Over the course of the year, the City revised its budget. Actual expenditures were still \$41,561 below final budget amounts. On the other hand, resources available were \$9,936 above the final budgeted amount.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2008, the City had invested \$2,290,122 in a broad range of capital assets, including land, equipment, and buildings. (See Table A-4.) This amount represents a net change (including additions and deductions) of \$47,006 over last year.

**Table A-4**  
City's Capital Assets  
(In millions of dollars)

	<u>2008</u>	<u>2007</u>	<u>Total Percentage Change 2008-2007</u>
Land	.0	.0	0
Buildings and improvements	.1	.1	0
Water and sewer system	1.8	1.8	0
Equipment	.4	.3	33
Construction in Progress	.0	.0	0
Totals at historical cost	2.3	2.2	5
Total accumulated depreciation	(1.2)	(1.1)	-9
Net capital assets	<u>1.1</u>	<u>1.1</u>	0

The City's fiscal year 2008 capital budget projects spending do not reflect any major projects. More detailed information about the City's capital assets is presented in the notes to the financial statements.

### Long Term Debt

At year-end the City had \$.15 million in bonds, leases and notes outstanding as shown in Table A-5. More detailed information about the City's debt is presented in the notes to the financial statements.

**Table A-5**  
City's Long Term Debt  
(In millions of dollars)

	<u>2008</u>	<u>2007</u>	<u>Total Percentage Change 2008-2007</u>
Bonds payable	.08	.09	-11
Notes payable	.07	.06	17
Total bonds & notes payable	<u>.15</u>	<u>.15</u>	0

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's budgetary general fund fund balance is not expected to change appreciably by the close of fiscal year 2009.

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Blooming Grove's Business Services Department at P. O. Box 237, Blooming Grove, Texas 76626 or phone number 903-695-2711.

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*Basic Financial Statements*

## CITY OF BLOOMING GROVE

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<i>Cash and Cash Equivalents</i>	\$ 126,565	\$ 81,979	\$ 208,544
<i>Receivables ( net of allowances for uncollectibles)</i>	20,655	40,149	60,804
<i>Internal Balances</i>	7,342	(7,342)	--
<i>Inventories</i>	--	2,500	2,500
Restricted Assets:			
<i>Cash</i>	--	107,890	107,890
Capital Assets ( net of accumulated depreciation):			
<i>Land</i>	33,454	3,549	37,003
<i>Buildings &amp; Equipment, net</i>	96,735	997,709	1,094,444
<b>Total Assets</b>	<b>284,751</b>	<b>1,226,434</b>	<b>1,511,185</b>
<b>LIABILITIES</b>			
<i>Accounts Payable and Other Current Liabilities</i>	17,839	18,621	36,460
<i>Consumer Deposits</i>	--	37,842	37,842
<i>Repayable to Other Governments</i>	--	101,797	101,797
Noncurrent Liabilities-			
<i>Due within one year</i>	9,432	10,793	20,225
<i>Due in more than one year</i>	86,285	42,000	128,285
<b>Total Liabilities</b>	<b>113,556</b>	<b>211,053</b>	<b>324,609</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	34,472	948,465	982,937
Restricted For:			
Debt Service	--	42,019	42,019
Other Purposes		65,871	65,871
Unrestricted	136,723	(40,974)	95,749
<b>Total Net Assets</b>	<b>171,195</b>	<b>1,015,381</b>	<b>1,186,576</b>

The accompanying notes are an integral part of this statement.



Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (83,297)		\$ (83,297)
27,922		27,922
(29,965)		(29,965)
11,283		11,283
(8,195)		(8,195)
(32,803)		(32,803)
(4,458)		(4,458)
<u>(119,513)</u>		<u>(119,513)</u>
--	\$ (7,091)	(7,091)
<u>(119,513)</u>	<u>(7,091)</u>	<u>(126,604)</u>
83,560	--	83,560
19,782	--	19,782
39,077	--	39,077
181	--	181
300	1,229	1,529
18,603	33,346	51,949
--	10,650	10,650
<u>161,503</u>	<u>45,225</u>	<u>206,728</u>
<u>41,990</u>	<u>38,134</u>	<u>80,124</u>
129,205	977,247	1,106,452
<u>\$ 171,195</u>	<u>\$ 1,015,381</u>	<u>\$ 1,186,576</u>

**CITY OF BLOOMING GROVE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2008**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Assets:			
<i>Cash and Cash Equivalents</i>	\$ 126,565	\$ --	\$ 126,565
<i>Receivables ( net of allowances for uncollectibles)</i>	20,655	--	20,655
<i>Due from Other Funds</i>	7,342	--	7,342
<b>Total Assets</b>	<b>\$ 154,562</b>	<b>\$ --</b>	<b>\$ 154,562</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
<i>Accounts Payable</i>	\$ 17,839	\$ --	\$ 17,839
<i>Deferred Revenue</i>	9,426	--	9,426
<b>Total Liabilities</b>	<b>27,265</b>	<b>--</b>	<b>27,265</b>
Fund Balances:			
Unreserved	127,297	--	127,297
<b>Total Fund Balance</b>	<b>127,297</b>	<b>--</b>	<b>127,297</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 154,562</b>	<b>\$ --</b>	<b>\$ 154,562</b>

The accompanying notes are an integral part of this statement.

**CITY OF BLOOMING GROVE****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2008**

Total fund balances - governmental funds balance sheet	\$ 127,297
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	130,189
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	9,426
Payables for bond principal which are not due in the current period are not reported in the funds.	<u>(95,717)</u>
Net assets of governmental activities - statement of net assets	\$ <u>171,195</u>

The accompanying notes are an integral part of this statement.

**CITY OF BLOOMING GROVE**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
General Property Taxes	\$ 84,784	\$ --	\$ 84,784
General Sales and Use Taxes	19,782	--	19,782
Franchise Taxes	39,077	--	39,077
License and Permits	181	--	181
Charges for Services	75,982	--	75,982
Fines	66,662	--	66,662
Investment Earnings	300	--	300
Miscellaneous	18,603	--	18,603
Total revenues	<u>305,371</u>	<u>--</u>	<u>305,371</u>
Expenditures:			
Current			
General Government	81,147	--	81,147
Public Safety	37,740	--	37,740
Highway & Streets	29,192	--	29,192
Sanitation	63,030	--	63,030
Culture & Recreation	7,984	--	7,984
Municipal Court	31,957	--	31,957
Principal	4,221	3,000	7,221
Interest and Fiscal Charges	2,708	1,750	4,458
Capital Outlay			
Equipment	29,466	--	29,466
Total Expenditures	<u>287,445</u>	<u>4,750</u>	<u>292,195</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,926</u>	<u>(4,750)</u>	<u>13,176</u>
Other Financing Sources (Uses):			
Operating Transfers In	5,807	4,750	10,557
Transfers in-Note Proceeds	15,000	--	15,000
Operating Transfers Out	(4,750)	(5,807)	(10,557)
Total Other Financing Sources (Uses)	<u>16,057</u>	<u>(1,057)</u>	<u>15,000</u>
Net Change in Fund Balances	33,983	(5,807)	28,176
Fund Balances - Beginning	93,314	5,807	99,121
Fund Balances - Ending	<u>\$ 127,297</u>	<u>\$ --</u>	<u>\$ 127,297</u>

**CITY OF BLOOMING GROVE**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008*

Net change in fund balances - total governmental funds	\$ 28,176
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	29,466
The depreciation of capital assets used in governmental activities is not reported in the funds.	(6,649)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(1,224)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(15,000)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	3,000
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	4,221
Change in net assets of governmental activities - statement of activities	\$ <u>41,990</u>

The accompanying notes are an integral part of this statement.

## CITY OF BLOOMING GROVE

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

SEPTEMBER 30, 2008

	Enterprise Fund
	Water and Sewer Fund
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 81,979
Receivables ( net of allowances for uncollectibles)	40,149
Inventories	2,500
Total Current Assets	<u>148,766</u>
Noncurrent Assets:	
Restricted Cash, Cash Equivalents and Investments-	
Cash	107,890
Capital Assets:	
Land	3,549
Property, Plant and Equipment-Net	997,709
Total Noncurrent Assets	<u>1,085,010</u>
Total Assets	<u>1,233,776</u>
LIABILITIES:	
Current Liabilities:	
Accounts payable	18,621
Consumer deposits	37,842
Due to other funds	7,342
Repayable to Other Governments	101,797
Revenue bonds payable-From Restricted Assets	10,793
Liabilities Payable from Restricted Assets-	
Revenue Bonds Payable	42,000
Total Liabilities	<u>218,395</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	1,001,258
Restricted For:	
Debt Repayment	42,019
Other Purposes	65,871
Unrestricted Net Assets	(93,767)
Total Net Assets	<u>\$ 1,015,381</u>

**CITY OF BLOOMING GROVE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Enterprise Fund Water and Sewer Fund
OPERATING REVENUES:	
<i>Water</i>	\$ 246,536
<i>Sewer</i>	92,014
<i>Miscellaneous</i>	33,346
Total Operating Revenues	<u>371,896</u>
OPERATING EXPENSES:	
<i>Personal Services</i>	83,195
<i>Supplies &amp; Materials</i>	102,553
<i>Depreciation</i>	68,555
<i>Water Purchased</i>	88,523
Total Operating Expenses	<u>342,826</u>
Operating Income	<u>29,070</u>
NON-OPERATING REVENUES (EXPENSES):	
<i>Intergovernmental Revenue</i>	10,650
<i>Interest Revenue</i>	1,229
<i>Interest Expense &amp; Fees</i>	(2,815)
Total Non-operating Revenues (Expenses)	<u>9,064</u>
Income before Transfers	<u>38,134</u>
Operating Transfers In	--
Operating Transfers Out	--
Change in Net Assets	<u>38,134</u>
Total Net Assets - Beginning	977,247
Total Net Assets - Ending	<u>\$ 1,015,381</u>

The accompanying notes are an integral part of this statement.

**CITY OF BLOOMING GROVE****STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Enterprise Fund Water & Sewer Fund
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Customers</i>	\$ 360,085
<i>Cash Payments to Employees for Services</i>	(83,195)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(191,817)
Net Cash Provided (Used) by Operating Activities	<u>85,073</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Proceeds (Payments) from (for) Borrowings</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
<i>Capital Grant Received</i>	10,650
<i>Principal and Interest Paid</i>	(13,123)
<i>Acquisition or Construction of Capital Assets</i>	(17,540)
<i>Payable to Other Governments</i>	(20,191)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(40,204)</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Interest and Dividends on Investments</i>	1,229
Net Cash Provided (Used) by Investing Activities	<u>1,229</u>
Net Increase (Decrease) in Cash and Cash Equivalents	46,098
Cash and Cash Equivalents at Beginning of Year	35,881
Cash and Cash Equivalents at End of Year	<u>\$ 81,979</u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 29,070
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
<i>Depreciation</i>	68,555
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	13,040
<i>Decrease (Increase) in Inventories</i>	--
<i>Decrease (Increase) in Restricted Cash</i>	(26,350)
<i>Increase (Decrease) in Accounts Payable</i>	(1,345)
<i>Increase (Decrease) in Payroll Deductions</i>	--
<i>Increase (Decrease) in Accrued Wages Payable</i>	--
<i>Increase (Decrease) in Interfund Payables</i>	(1,459)
<i>Increase (Decrease) in Consumer Deposits</i>	3,562
Total Adjustments	<u>56,003</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 85,073</u>

The accompanying notes are an integral part of this statement.



**CITY OF BLOOMING GROVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**A. Summary of Significant Accounting Policies**

The combined financial statements of City of Blooming Grove (the "City") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**1. Reporting Entity**

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City
- the exclusion of the organization would result in misleading or incomplete financial statements

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) The City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the City.

Based on these criteria, the City has no component units. Additionally, the City is not a component unit of any other reporting entity as defined by the GASB Statement.

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**CITY OF BLOOMING GROVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports the following major enterprise funds:

Water and Sewer Fund. This is the City's primary enterprise operating fund and accounts for all customers and financial resources of the enterprise fund.

**b. Measurement Focus, Basis of Accounting**

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen to apply future FASB standards.