

CITY OF OVILLA, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2004

NOTE 6 – SUBSEQUENT EVENT

On October 25, 2004, the City Council awarded a bid for Phase I of Duncanville Road supply line construction project in the amount of \$1,385,424.

Proprietary Fund

ENTERPRISE FUND - The City's utility operations are accounted for in this fund.

CITY OF OVILLA, TEXAS  
UTILITY FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET ASSETS - BUDGET (BUDGET BASIS) AND ACTUAL  
Year Ended September 30, 2004

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under) Budget
<b>Operating revenues:</b>			
Water sales	\$ 873,000	\$ 745,657	\$ (127,343)
Solid waste	113,000	109,599	(3,401)
Reconnect fees	2,200	3,402	1,202
Meters	7,500	6,050	(1,450)
Miscellaneous	500	7,430	6,930
Water connect fees	1,800	2,450	650
Sewer fees	5,500	6,800	1,300
Sewer service	132,500	137,646	5,146
Total operating revenues	<u>1,136,000</u>	<u>1,019,034</u>	<u>(116,966)</u>
<b>Operating expenses:</b>			
Salaries	142,981	145,639	2,658
Overtime	6,500	8,220	1,720
Payroll taxes	2,028	2,220	192
Insurance, group	21,723	21,723	-
Insurance, liability	2,000	1,252	(748)
Worker's compensation	3,818	3,042	(776)
Retirement	8,587	10,384	1,797
Uniforms	5,800	6,116	316
Office	3,000	3,814	814
Equipment maintenance	7,000	9,977	2,977
Education	1,900	2,709	809
Maintenance, supplies and repairs	18,500	20,492	1,992
Miscellaneous	500	3,412	2,912
Postage	4,000	3,818	(182)
Utilities - water tower	1,250	1,414	164
Audit and accounting	2,901	5,459	2,558
Outside services	1,300	1,155	(145)
Engineering fees	500	-	(500)
Equipment rental	300	219	(81)
Water testing	1,400	1,555	155
Water purchase	555,000	433,634	(121,366)
Water tower maintenance	2,000	5,077	3,077
TRA wastewater treatment	34,750	19,468	(15,282)
Electricity - wells	9,500	7,664	(1,836)
Repairs - wells	1,000	230	(770)
Dues	350	175	(175)
Fuel	8,000	8,283	283
Water well fees	2,200	1,055	(1,145)
Solid waste	104,760	108,032	3,272

CITY OF OVILLA, TEXAS  
UTILITY FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET ASSETS - BUDGET (BUDGET BASIS) AND ACTUAL  
Year Ended September 30, 2004

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under) Budget
Legal fees	\$ 1,000	\$ -	\$ (1,000)
Sewer lines	4,621	4,621	-
Total operating expenses	<u>959,169</u>	<u>840,859</u>	<u>(118,310)</u>
Operating income	<u>176,831</u>	<u>178,175</u>	<u>1,344</u>
Nonoperating revenue (expenses):			
New equipment	(500)	-	500
Capital equipment	(3,340)	-	3,340
Interest earned	2,500	1,311	(1,189)
Bond principal	(50,000)	(50,000)	-
Interest and fees paid on bonds and leases	<u>(65,656)</u>	<u>(65,044)</u>	<u>612</u>
Total nonoperating revenue (expenses)	<u>(116,996)</u>	<u>(113,733)</u>	<u>3,263</u>
Income before transfers	59,835	64,442	4,607
Operating transfers in	-	4,723	4,723
Operating transfers out	<u>(55,000)</u>	<u>(27,463)</u>	<u>27,537</u>
	<u>(55,000)</u>	<u>(22,740)</u>	<u>32,260</u>
Change in Net Assets - Budget Basis	4,835	41,702	36,867
Net assets at beginning of year	-	<u>8,445,435</u>	<u>8,445,435</u>
Net assets at end of year	<u>\$ 4,835</u>	<u>\$ 8,487,137</u>	<u>\$ 8,482,302</u>

Note: The City of Ovilla, Texas, prepares the utility fund annual budget on a basis (budget basis) which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the above schedule to provide a meaningful comparison of actual results with the budget.

Adjustments necessary to convert the Utility Fund's change in net assets on the budget basis to a GAAP basis are provided below:

Change in Net Assets - Budget Basis	\$ 41,702
Revenue and expenses recognized for GAAP - Reported in impact fee and capital outlay budget:	
Impact fee and interest income	75,885
Impact fee engineering	(27,000)
Depreciation	(97,025)
Amortization	(1,864)
Principal paid on long-term debt not expensed for GAAP	50,000
Interest expense capitalized in construction in progress	63,696
Interest income capitalized in construction in progress	(63,696)
Capital contributions	175,152
Change in Net Assets - GAAP Basis	<u>\$ 216,850</u>

CITY OF OVILLA, TEXAS  
 UTILITY FUND  
 SCHEDULE OF IMPACT FEE AND CAPITAL OUTLAY - BUDGET (BUDGET BASIS) AND ACTUAL  
 Year Ended September 30, 2004

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Over (Under) Budget
Impact fees and capital outlays:			
Impact fee engineering	\$ 11,500	\$ 27,000	\$ 15,500
Impact fee projects	90,000	-	(90,000)
Elevated storage tank	150,591	72,726	(77,865)
Pump station/ground storage	1,168,191	1,296,264	128,073
Supply line/meter vault	1,200,000	190,354	(1,009,646)
Contingencies	25,000	-	(25,000)
	<u>\$ 2,645,282</u>	<u>\$ 1,586,344</u>	<u>\$ (1,058,938)</u>
Sources of additions:			
Impact fees	\$ 6,900	\$ 7,704	\$ 804
Interest	55,000	68,181	13,181
Prior year impact fees and capital improvement projects funds	2,583,382	1,510,459	(1,072,923)
	<u>\$ 2,645,282</u>	<u>\$ 1,586,344</u>	<u>\$ (1,058,938)</u>

**Supplementary Financial Data**

CITY OF OVILLA, TEXAS  
MISCELLANEOUS STATISTICAL FACTS  
September 30, 2004

Estimated gallons billed (in thousands)	147,226
Estimated gallons purchased (in thousands)	166,583

## STATISTICAL SECTION (Unaudited)

### Continuing Financial Disclosure Tables

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2004, from the last debt issues that were sold in 2002. This financial information is also sent to any state information depository ("SID") that is designated by the State of Texas and approved by the Securities and Exchange Commission ("SEC").



CITY OF OVILLA, TEXAS

VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT TABLE 1

2004/05 Market Valuation Established by Ellis Central Appraisal District (excluding totally exempt property)		\$ 256,847,690
Less Exemptions/Reductions at 100% Market Value:		
Absolute	\$ 10,899,530	
Residential Homestead Exemptions	846,007	
Over 65 and Disabled	10,633,556	
Disabled Veterans	235,500	
Productivity Loss	8,968,698	
Other Exemptions	1,250	31,584,541
2004/05 Taxable Assessed Valuation		\$ 225,263,149
General Obligation Debt Payable from Ad Valorem Taxes		\$ 8,450,000
LESS: Self-Supporting Debt (1)		1,209,500
Net General Obligation Tax Debt to Taxable Assessed Valuation		\$ 7,240,500
Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation		3.21%

2004 Estimated Population - 3,600  
 Per Capita Taxable Assessed Valuation - \$62,573  
 Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$2,347

(1) General obligation debt in the amounts shown for which repayment is provided from revenues of the City's enterprise funds. The amount of self-supporting debt is based on the percentages of revenue support as shown in "Table 9 - Computation of self-supporting Debt". It is the City's current policy to provide these payments from enterprise fund revenues; this policy is subject to change in the future.

CITY OF OVILLA, TEXAS

TAXABLE ASSESSED VALUATIONS BY CATEGORY

TABLE 2

Category	Fiscal Year Ended September 30					
	2005		2004		2003	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 221,510,360	86.24%	\$ 215,534,380	86.09%	\$ 210,470,104	86.55%
Real, Residential, Multi-Family	-	0.00%	-	0.00%	-	0.00%
Real, Vacant Lots/Tracts	2,017,620	0.79%	2,086,360	0.83%	2,303,770	0.95%
Real, Acreage (Land Only)	10,923,000	4.25%	11,200,730	4.47%	10,966,730	4.51%
Real, Farm and Ranch Improvements	3,486,250	1.36%	3,544,290	1.42%	3,732,270	1.53%
Real, Commercial	1,602,900	0.62%	1,608,140	0.64%	1,633,290	0.67%
Real and Tangible Personal, Utilities	2,651,030	1.03%	2,758,250	1.10%	2,734,550	1.12%
Tangible Personal, Commercial	805,510	0.31%	1,237,680	0.49%	1,574,350	0.65%
Tangible Personal, Industrial	-	0.00%	-	0.00%	-	0.00%
Intangible	2,490	0.00%	-	0.00%	-	0.00%
Real Property, Inventory	2,949,000	1.15%	3,678,290	1.47%	2,571,990	1.06%
Constitutional Exempt	10,899,530	4.24%	8,719,960	3.48%	7,185,620	2.95%
Total Appraised Value Before Exemptions	\$ 256,847,690	100.00%	\$ 250,368,080	100.00%	\$ 243,172,674	100.00%
Less: Total Exemptions/Reductions	31,584,541		30,474,540		25,763,720	
Taxable Assessed Value	\$ 225,263,149		\$ 219,893,540		\$ 217,408,954	

Category	2002		2001		2000	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 192,554,276	85.85%	\$ 155,658,030	85.29%	\$ 143,322,640	86.92%
Real, Residential, Multi-Family	-	0.00%	-	0.00%	300,460	0.18%
Real, Vacant Lots/Tracts	2,377,110	1.06%	3,290,080	1.80%	3,947,220	2.39%
Real, Acreage (Land Only)	9,281,820	4.14%	6,812,070	3.73%	9,267,630	5.62%
Real, Farm and Ranch Improvements	4,070,810	1.81%	2,577,500	1.41%	2,764,630	1.68%
Real, Commercial	1,302,820	0.58%	1,004,160	0.55%	925,090	0.56%
Real and Tangible Personal, Utilities	2,858,310	1.27%	2,114,400	1.16%	1,954,140	1.19%
Tangible Personal, Commercial	1,993,180	0.89%	1,911,460	1.05%	1,895,090	1.15%
Tangible Personal, Industrial	-	0.00%	2,000	0.00%	2,000	0.00%
Intangible	6,826,750	3.04%	8,149,305	4.47%	-	0.07%
Real Property, Inventory	3,024,790	1.35%	981,030	0.54%	505,640	0.31%
Total Appraised Value Before Exemptions	\$ 224,289,866	100.00%	\$ 182,500,035	100.00%	\$ 164,884,540	100.07%
Less: Total Exemptions/Reductions	26,453,419		10,691,380		10,518,143	
Taxable Assessed Value	\$ 197,836,447		\$ 171,808,655		\$ 154,366,397	

NOTE: Valuations shown are certified taxable assessed values reported by the Ellis Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

CITY OF OVILLA, TEXAS

VALUATION AND GENERAL OBLIGATION DEBT HISTORY

TABLE 3

Fiscal Year Ended 9/30	Estimated City Population	Taxable Assessed Valuation	Per Capita Taxable Assessed Valuation	Net General Obligation (G.O.) Tax Debt	Per Capita G.O. Tax Debt	Ratio G.O. Tax Debt to Taxable Assessed Valuation
1999	3,050	\$ 139,617,453	\$ 45,776	\$ 535,000	\$ 175	0.38%
2000	3,405	154,366,397	45,335	515,000	151	0.33%
2001	3,500	171,808,655	49,088	490,000	140	0.29%
2002	3,600	197,836,447	54,954	8,735,000	2,426	4.42%
2003	3,600	217,408,954	60,391	8,680,000	2,411	3.99%
2004	3,600	219,893,540	61,082	8,450,000	2,347	3.84%
2005	3,600	225,263,149	62,573	8,210,000 <sup>(1)</sup>	2,281	3.64%

(1) Assumes debt paid as scheduled.

TAX RATE, LEVY AND COLLECTION HISTORY

TABLE 4

Fiscal Year Ended	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
1999	\$ 0.3813	\$ 0.3813	\$ -	\$ 514,918	98.21%	99.43%
2000	0.3965	0.3965	-	593,509	97.11%	99.05%
2001	0.3878	0.3878	-	681,187	97.56%	98.72%
2002	0.3878	0.3878	-	767,210	97.53%	97.95%
2003	0.5586	0.3950	0.1636	1,214,424	97.96%	99.80%
2004	0.6667	0.4276	0.2391	1,466,136	97.11%	98.91%
2005	0.6825	0.4569	0.2256	1,537,421	n/a	n/a

TEN LARGEST TAXPAYERS

TABLE 5

Name of Taxpayer	Nature of Property	2004/05 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Richard J. Keenan	Individual	\$ 2,323,520	23.89%
Oncor Electric Delivery Company	Business	1,953,670	20.09%
Ali Sharaf	Individual	776,980	7.99%
Gene and Les Lee Johnston	Individual	733,480	7.54%
Jim Johnson Homes, Inc.	Business	725,023	7.45%
Jon R. and Vanessa L. Jensen	Individual	684,640	7.04%
Christopher J. Blincoe	Individual	648,380	6.67%
George Tellez Builders, Inc.	Business	646,260	6.64%
Robin Murphy	Individual	630,210	6.48%
Paul D. and Mary K. Vinton	Individual	604,690	6.22%
		<u>\$ 9,726,853</u>	<u>100.00%</u>

CITY OF OVILLA, TEXAS

ESTIMATED OVERLAPPING DEBT

TABLE 6

<u>Taxing Jurisdiction</u>	<u>Total G.O. Tax Debt As of 12/31/04</u>	<u>Estimated % Applicable</u>	<u>Overlapping G.O. Tax Debt As of 12/31/04</u>	<u>Authorized But Unissued Debt As Of As of 12/31/04</u>
Direct:				
City of Ovilla	\$ 8,450,000	100.00%	\$ 8,450,000	\$ -
Overlapping:				
Midlothian ISD	103,295,372 *	2.28%	2,355,135	-
Red Oak ISD	29,737,142	16.95%	5,040,466	-
Dallas County	203,692,395 *	0.01%	20,369	-
Dallas County CCD	110,500,000 *	0.01%	11,050	-
Ellis County	21,416,262 *	3.08%	659,621	-
Total	<u>\$ 477,091,171</u>		<u>\$ 16,536,641</u>	

Total Direct and Overlapping G.O. Tax Debt	\$ 16,536,641
Ratio of Total Direct and Overlapping G.O. Tax Debt to Taxable Assessed Valuation	7.34%
Per Capita Direct and Overlapping G.O. Tax Debt	\$ 4,594

\* Gross Debt

CITY OF OVILLA, TEXAS

PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

TABLE 7

Fiscal Year Ended 9/30	General Obligation Debt			LESS: Self-Supporting Debt Service	NET Total Debt Service Requirements	% of Principal Retired
	Principal	Interest	Total			
2005	\$ 240,000	\$ 386,504	\$ 626,504	\$ 118,214	\$ 508,290	
2006	245,000	376,914	621,914	115,583	506,331	
2007	260,000	366,975	626,975	118,258	508,717	
2008	270,000	356,517	626,517	115,730	510,787	
2009	280,000	345,533	625,533	117,492	508,041	15%
2010	295,000	334,031	629,031	119,391	509,640	
2011	305,000	320,781	625,781	115,961	509,820	
2012	320,000	306,958	626,958	117,318	509,640	
2013	330,000	292,564	622,564	113,464	509,100	
2014	285,000	279,666	564,666	56,466	508,200	33%
2015	295,000	268,266	563,266	56,326	506,940	
2016	310,000	256,098	566,098	56,610	509,488	
2017	320,000	242,923	562,923	56,292	506,631	
2018	335,000	228,923	563,923	56,392	507,531	
2019	350,000	213,848	563,848	56,384	507,464	53%
2020	370,000	197,660	567,660	56,766	510,894	
2021	380,000	180,270	560,270	56,028	504,242	
2022	390,000	162,220	552,220	55,222	496,998	
2023	420,000	143,500	563,500	56,350	507,150	
2024	445,000	122,500	567,500	56,750	510,750	76%
2025	465,000	100,250	565,250	56,524	508,726	
2026	490,000	77,000	567,000	56,700	510,300	
2027	510,000	52,500	562,500	56,250	506,250	
2028	540,000	27,000	567,000	56,700	510,300	100%
	<u>\$ 8,450,000</u>	<u>\$ 5,639,401</u>	<u>\$ 14,089,401</u>	<u>\$ 1,897,171</u>	<u>\$ 12,192,230</u>	

CITY OF OVILLA, TEXAS

INTEREST AND SINKING FUND BUDGET PROJECTION

TABLE 8

Net Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/04		\$ 508,290
Interest and Sinking Fund, 9/30/04	\$ 14,867	
Budgeted Interest and Sinking Fund Tax Levy	508,193	
Estimated Investment Income and Transfer Revenue	<u>97</u>	<u>\$ 523,157</u>
Estimated balance, 9/30/05		\$ 14,867

COMPUTATION OF SELF-SUPPORTING DEBT, FISCAL YEAR ENDED 9-30-05

TABLE 9

Budgeted Net Waterworks and Sewer System Revenue Available	\$ 118,214
Less: Requirements for Revenue Bonds	-
Balance Available for Other Purposes	<u>\$ 118,214</u>
Requirements for System Tax Bonds	<u>\$ 118,214</u>
Percentage of System General Obligation Debt Self-Supporting	100%

OTHER OBLIGATIONS

TABLE 10

The City has a \$35,000 Fire Department Building Addition Note due in annual installments through September 1, 2006, bearing an interest rate of 2.0% as detailed below:

2005	\$ 3,896
2006	<u>3,896</u>
Total Payments	<u>\$ 7,792</u>

The City has also entered into a lease purchase in the amount of \$22,858 for fire department equipment which requires annual payments of \$8,181 on December 15 in each of the years 2004 and 2005. The City has also entered into a lease purchase in the amount of \$33,869 for fire department equipment which requires an annual payment of \$12,107 on March 5 of 2005. The City has also entered into a lease purchase in the amount of \$279,439 for a fire department truck which requires annual payments of \$44,306 on April 15 in each of the years 2005, 2006, 2007, and 2008. The City has also entered into a lease purchase in the amount of \$15,074 for water department equipment which require annual payments of \$3,340 on December 15 in each of the years 2005, 2006, and 2007. The city has also entered into a lease purchase in the amount of \$29,915 for police department equipment which requires annual payments of \$10,657 on October 27 in each of the years 2004 and 2005.

CITY OF OVILLA, TEXAS

GENERAL FUND REVENUES AND EXPENDITURE HISTORY

TABLE 11

	Fiscal Year Ended September 30				
	2004	2003	2002	2001	2000
<b>Revenues:</b>					
Administration	\$ 27,852	\$ 18,313	\$ 127,165	\$ 66,046	\$ 66,793
Building permits	17,890	22,265	16,010	20,235	27,510
City park	-	-	-	120	465
Taxes and franchise payments	1,663,164	1,426,807	987,826	883,955	774,960
Law enforcement	33,882	24,997	32,033	46,798	53,366
Animal control	6,278	4,898	2,307	2,379	3,020
Intergovernmental revenue	-	5,214	62,457	55,236	3,020
Other	4,323	-	-	-	-
<b>Total Revenues</b>	<b>1,753,389</b>	<b>1,502,494</b>	<b>1,227,798</b>	<b>1,074,769</b>	<b>971,653</b>
<b>Expenditures:</b>					
Administration	282,142	257,634	229,253	287,947	254,344
Election	1,145	996	825	915	955
Tax	15,467	13,853	8,847	8,913	7,511
City parks	8,464	8,368	6,991	6,114	8,354
Police protection	442,089	409,956	397,704	391,153	350,417
Judicial	3,786	3,284	3,630	3,644	2,800
Fire protection	238,434	245,708	372,676	232,804	245,635
Fire Marshall	4,674	7,049	3,073	1,563	3,707
Support services	49,789	42,000	45,937	42,909	-
Animal control	39,867	39,437	33,521	32,189	29,274
Streets	156,735	126,966	132,163	178,193	158,847
Debt service	41,405	32,805	12,517	37,245	57,761
<b>Total Expenditures</b>	<b>1,283,997</b>	<b>1,188,056</b>	<b>1,247,137</b>	<b>1,223,589</b>	<b>1,119,605</b>
<b>Other Sources (Uses):</b>					
Insurance proceeds	-	-	-	-	22,385
Sale of assets	-	9,250	26,000	-	-
Operating transfer in	27,463	65,000	184,432	13,500	150,568
Operating transfer out	(515,120)	(431,739)	-	-	-
Capital leases	28,277	-	80,727	-	-
<b>Total Other Sources (Uses)</b>	<b>(459,380)</b>	<b>(357,489)</b>	<b>291,159</b>	<b>13,500</b>	<b>172,953</b>
<b>Net change in fund balance</b>	<b>10,012</b>	<b>(43,051)</b>	<b>271,820</b>	<b>(135,320)</b>	<b>25,001</b>
<b>Beginning Fund Balance</b>	<b>215,491</b>	<b>258,542</b>	<b>(13,278)</b>	<b>122,042</b>	<b>97,041</b>
<b>Fund Balance - End of Year</b>	<b>\$ 225,503</b>	<b>\$ 215,491</b>	<b>\$ 258,542</b>	<b>\$ (13,278)</b>	<b>\$ 122,042</b>

CITY OF OVILLA, TEXAS

MUNICIPAL SALES TAX HISTORY

TABLE 12

The City has adopted the Municipal Sales and Use Tax Act, VATCS , Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to payment of general obligation tax debt. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9/30	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad valorem Tax Rate	Per Capita
1999	\$ 61,332	11.91%	\$ 0.0439	\$ 20.11
2000	64,178	10.81%	0.0416	18.85
2001	71,096	10.44%	0.0414	20.31
2002	75,131	9.79%	0.0380	20.87
2003	60,725	5.00%	0.0279	16.87
2004	59,470	4.06%	0.0270	16.52

The sales tax breakdown for the City is as follows:

Property Tax Relief	0.00%
Economic and Community Development	0.00%
City Sales and Use Tax	1.00%
State Sales and Use Tax	6.25%
<b>Total</b>	<b>7.25%</b>

CURRENT INVESTMENTS

TABLE 13

As of September 30, 2004, the City's investable funds were invested in the following categories:

Type of Investment	% of Portfolio	Purchase Amount	Market Value
Certificate of Deposit	2.64%	\$ 152,390	\$ 152,390
Demand Deposits	0.10%	5,714	5,714
Money Market/Savings	7.31%	421,942	421,942
Local Government Investment Pools	89.95%	5,190,135	5,190,135
	<b>100.00%</b>	<b>\$ 5,770,181</b>	<b>\$ 5,770,181</b>





105 South Cockrell Hill Road  
Ovilla, Texas 75154  
Ph: (972) 617-7262 Fax: (972) 515-3221

December 9, 2005

Drew Roberts  
Director of Public Works  
City of Glenn Heights  
1938 South Hampton  
Glenn Heights, TX 75154

RE: Application for Sewer CCN

Dear Sir:

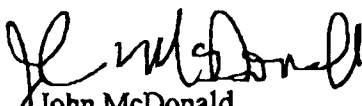
The City of Ovilla has applied to the Texas Commission on Environmental Quality (TCEQ) for a Certificate of Convenience and Necessity for the provision of sewer services to portions of our City indicated on the attached map. As part of the application, TCEQ has requested that the City of Ovilla notify you of this application and inquire about your entity's interest in providing such service to these areas within our corporate limits.

If you feel that your entity would be interested, please contact TCEQ at the following address within the next ten days.

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

If you have any questions, please contact me at 972.617.7262. Thank you for your time and consideration.

Sincerely,

  
John McDonald  
City Administrator



105 South Cockrell Hill Road  
Ovilla, Texas 75154  
Ph: (972) 617-7262 Fax: (972) 515-3221

December 9, 2005

Charlie Bertrand  
Director of Public Works  
City of Red Oak  
PO Box 393  
Red Oak, TX 75154

RE: Application for Sewer CCN

Dear Sir:

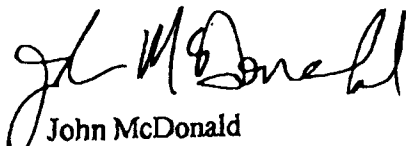
The City of Ovilla has applied to the Texas Commission on Environmental Quality (TCEQ) for a Certificate of Convenience and Necessity for the provision of sewer services to portions of our City indicated on the attached map. As part of the application, TCEQ has requested that the City of Ovilla notify you of this application and inquire about your entity's interest in providing such service to these areas within our corporate limits.

If you feel that your entity would be interested, please contact TCEQ at the following address within the next ten days.

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

If you have any questions, please contact me at 972.617.7262. Thank you for your time and consideration.

Sincerely,

  
John McDonald  
City Administrator



105 South Cockrell Hill Road  
Ovilla, Texas 75154  
Ph: (972) 617-7262 Fax: (972) 515-3221

December 9, 2005

Ruth Antebi-Guten  
Director of Public Works  
City of Cedar Hill  
1554 South Clark Road  
Cedar Hill, TX 75104

RE: Application for Sewer CCN

Dear Madam:


The City of Ovilla has applied to the Texas Commission on Environmental Quality (TCEQ) for a Certificate of Convenience and Necessity for the provision of sewer services to portions of our City indicated on the attached map. As part of the application, TCEQ has requested that the City of Ovilla notify you of this application and inquire about your entity's interest in providing such service to these areas within our corporate limits.

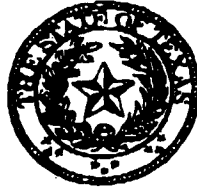
If you feel that your entity would be interested, please contact TCEQ at the following address within the next ten days.

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

If you have any questions, please contact me at 972.617.7262. Thank you for your time and consideration.

Sincerely,

  
John McDonald  
City Administrator



Texas Commission on Environmental Quality

APPLICATION NO. \_\_\_\_\_

AFFIDAVIT OF NOTICE TO CUSTOMERS AND OTHER AFFECTED PARTIES

STATE OF TEXAS

COUNTY OF ELLIS

Before me, the undersigned authority, on this day personally appeared Tammy McCoy

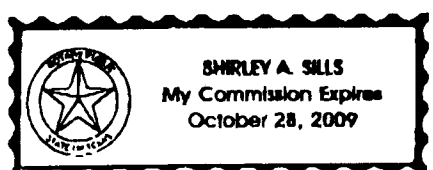
who being by me duly sworn, deposes and that (s)he is the Utility Billing Clerk of the City of Ovilla ; that the

attached notice was provided to customers and other affected parties by U.S. Postal Service on or about the following date, to wit: Friday Dec 16, 2005

METHOD USED TO PROVIDE NOTICE

Tammy McCoy  
SIGNATURE OF UTILITY OFFICIAL

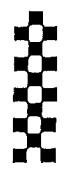
Subscribed and sworn to before me this 19th day of December, 2005, to certify which witness my hand and seal of office.



Shirley Sills  
Notary Public in and for the State of Texas

SHIRLEY SILLS  
Print or Type Name of Notary Public

Commission Expires 10-28-09



NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND  
NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY IN DALLAS AND  
ELLIS COUNTIES

To: Community Water Service  
PO Box 800099  
Mesquite, TX 75180 - 0099

Noticed Mailed December 16, 2005

The City of Ovilla has filed an application to amend CCN No. 11459 and to decertify portions of the City of Glenn Heights with the Texas Commission on Environmental Quality to provide water and sewer utility service in Dallas and Ellis Counties.

The proposed utility service area is located approximately one mile east of downtown Ovilla, Texas and is generally bounded on the north by Little Creek; on the east by Little Creek; on the south by Red Oak Creek Road; and the west by Westmoreland Road. See the enclosed map of the proposed service area.

The total are being requested includes approximately 500 acres and 89 current customers.

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

Persons who wish to intervene or comment should write the:

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

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

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

**Si desea informacion en Espanol, puede llamar al 1-800-687-4040.**



105 South Cockrell Hill Road  
Ovilla, Texas 75154  
Ph: (972) 617-7262 Fax: (972) 515-3221

---

December 19, 2005

Karen Blaschke  
Utility & Districts Section  
Water Supply Division – MC 153  
Texas Commission on Environmental Quality  
PO Box 13087  
Austin, TX 78711-3087


RE: Additional information as requested

Dear Ms. Blaschke:

As requested, the enclosed information is provided to complete our application for water and sewer CCN's.

Please let me know if there is anything further required. I appreciate your assistance in the processing of this application.

Sincerely,

  
John McDonald  
City Administrator

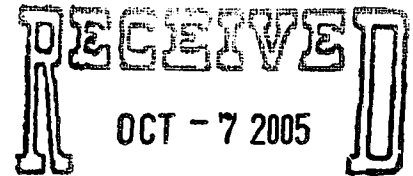
Enclosures



105 South Cockrell Hill Road  
Ovilla, Texas 75154  
Ph: (972) 617-7262 Fax: (972) 515-3221

October 6, 2005

Peggy Fox  
Districts Review Team (MC-156)  
Water Supply Division, Utilities & Districts Section  
Texas Commission on Environmental Quality  
PO Box 13087  
Austin, Texas 78711-3087



WATER QUALITY APPLICATIONS TEAM

RE: Application of City of Ovilla  
Administrative Review Number A-154-5

Dear Ms. Fox:

In reference to your letter dated September 9, 2006, the following information is submitted for your review:

1. Item 5.A.iv: Attached is a copy of a TCEQ Exit Interview Form received from Imran Khawaja on November 17, 2004. Per the City's Public Works Director, no follow up letter was received from your agency.
2. Item 5.A.v: No formal response letter was sent to Mr. Khawaja regarding his comments. Ovilla did provide him Mr. Khawaja with a copy of our Monitoring Plan, a detailed water system plan, and a log of residential disinfectant for the month of November 2004. Per discussion with you earlier this week, copies are not attached, but will be provided later if requested.
3. Item 6.B.ii: A copy of our existing rate schedule is attached.

I hope that the information provided is satisfactory. Please contact me immediately if I can be of any further assistance in the review of our application. Thank you for your help on this matter.

Sincerely,

John McDonald  
City Administrator

**TCEQ EXT INTERVIEW FORM: Potential Violations and/or Records Requested**

Regulated Entity/Site Name		City of D'Ville		TCEQ Add. ID No. RN No (optional)	0700067
Investigation Type	CCI	Contact Made In-House (Y/N)		Purpose of Investigation	CEI
Regulated Entity Contact	Tony Bumpus		Telephone No.	972/617-7262	Date Contacted
Title	Public Works Director		Fax No.	972/515-3221	Date Faxed
					11/17/04

**NOTICE:** The information provided in this Note is intended to provide clarity to issues that have arisen to the date of this Note during the investigation process between the agency and the company and does not represent agency findings related to violations. Any potential or alleged violations discovered after the date of this Note will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in this investigation's final report.

Issue No.	Type <sup>1</sup>	Rule Citation (if known)	Description of Issue
1)	AV	290.121(cg)	Failure to have an adequate Monitoring Plan
2)	AV	290.46(m)(2)	Failure to have up-to-date Distribution MAP
3)	AV	290.45(f)(4)	Failure to have an adequate Contract (0.6 GPM/Can)
4)	AV	290.110(b)(4)	Failure to have residual disinfectant - Concentration of 0.5 TAD

Note 1: Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

Investigator Name (Signed & Printed)	Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
INEAN	KETAWATA	11/17/04	Tony Bumpus	11/17/04



**025 LEGAL  
NOTICES**

To be published 1 time  
in The Waxahachie  
Daily Light, Friday,  
October 28, 2005.

**REGISTERED  
SEX OFFENDER**  
James William  
Bresdon, W/M  
29 YO  
142 Country Dr.  
Waxahachie,  
TX 75165  
Sexual assault child  
& indecency with  
a child contact  
modera)

Para mas informacion  
en este delinciente  
sexual registrado  
con-  
seguir acceso al sitio  
web de ofensor en  
[http://records.txdps.  
state.tx.us](http://records.txdps.state.tx.us)

**REGISTRADO  
del DELINCUENTE  
SEXUAL**  
Atasca William  
Bresdon, W/M  
29 YO  
142 Pais Dr.  
Waxahachie,  
TX 75165  
Niño sexual del  
asalto & indecencia  
con un contacto  
de niño  
riesgo del nivel  
(modera)

Para mas informacion  
en este delinciente  
sexual registrado  
con-  
seguir acceso al sitio  
web de ofensor en  
[http://records.txdps.  
state.tx.us](http://records.txdps.state.tx.us)

**Countywide  
Classifieds  
Get Great  
Results!**  
You can  
advertise  
your  
employment  
openings,  
merchandise  
for sale,  
homes for  
sale or  
lease,  
lost or found  
pets,  
business  
opportunities,  
cars/trucks  
for sale

To be published 2  
times in The Waxahachie  
Daily Light, Friday,  
October 28 and  
November 4, 2005.

**Notice for  
Publication**  
**NOTICE OF  
APPLICATION FOR  
CERTIFICATE OF  
CONVENIENCE  
AND NECESSITY  
(CON) TO PROVIDE  
WATER AND  
SEWER  
UTILITY SERVICE  
IN DALLAS AND  
ELLIS COUNTIES**

The City of Ovilla has  
filed applications for a  
sewer CON to amend  
CCN 05-1489 and to  
provide portions of the  
City of Glenn Heights  
with the Texas Com-  
mission on Environ-  
mental Quality to pro-  
vide water & sewer  
utility service in Dallas  
and Ellis Counties.

The proposed utility  
service area is located  
approximately 1 mile  
east and 1 mile north of  
downtown Ovilla,  
Texas, and is generally  
bounded on the north  
by Bear Creek Road;  
on the east by Hamp-  
ton Road; and on the  
south by Red Oak  
Creek Road; and on  
the west by Cockrell  
Hill Road.

The total area being  
requested includes ap-  
proximately 500 acres  
and 89 current cus-  
tomers.

A copy of the proposed  
service area map is  
available at 105 Cock-  
rell Hill Road, Ovilla,  
Texas, Phone Number  
972/617-7262.

A request for a public  
hearing must be in-  
cluding 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 appli-  
cation; (3) the state-  
ment "I/we request a  
public hearing"; (4) a  
brief description of how  
you or the persons you  
represent, would be  
adversely affected by  
the granting of the ap-  
plication for a CCN;  
(5) your proposed ad-  
justment to the appli-  
cation or CCN which

request for a hearing.  
Persons who wish to  
intervene or comment  
should write the:

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

within thirty (30) days  
from the date of this  
publication or notice. A  
public hearing will be  
held only if a legally  
sufficient hearing re-  
quest is received by  
the Commission on its  
own motion requests a  
hearing. Only those in-  
dividuals who submit a  
written hearing request  
or a written request to  
be notified if a hearing  
is set will receive no-  
tice if a hearing is  
scheduled.

If a public hearing is  
requested, the Execu-  
tive Director will not  
issue the CCN and will  
forward the application  
to the State Office of  
Administrative Hear-  
ings (SOAH) for a  
hearing. If no settle-  
ment is reached and  
an  
evidentiary hearing is  
held, the SOAH will  
submit a recom-  
mendation to the Com-  
mission for final deci-  
sion. If an evidentiary  
hearing is held, it will  
be a legal proceeding  
similar to a civil trial in  
state district court.  
Se desea Informacion  
en Espanol,  
puede llamar al 1-  
800-687-4040.

To be published  
in The Waxahachie  
Daily Light, Friday,  
October 28, 2005.

**NOTICE OF DRAFT  
FEDERAL  
OPERATING  
PERMIT**

**DRAFT PERMIT  
NO. 01010**

**APPLICATION  
DRAFT PERMIT**  
Dartco of Texas,  
Limited Partnership  
Solon Road, Waxahachie,  
Texas 75165  
a Plastics, Foam  
products facility, has

applied to the Texas  
Commission on Environ-  
mental Quality (TCEQ) for an  
Federal Operating Permit (herein-  
ferred to as "Permit  
No. 01010) to au-  
thorize operation of  
Dartco of Texas,  
Waxahachie Site. The  
application is located  
850 Solon Road, Waxahachie,  
Texas. This applica-  
tion was received by  
TCEQ on July 8, 2005.  
The purpose of a  
draft operating permit  
to improve overall  
compliance with  
rules of governing  
pollution control  
clearly listing all re-  
quirements defined in Title  
Texas Administrative  
Code § 122.10  
TAC § 122.10).  
The permit will not au-  
thorize new construction  
increase the area  
emissions. The TCEQ  
Executive Director has com-  
pleted the technical re-  
view of the application  
has made a preliminary  
decision to prepare a  
draft permit for public  
comment review. The  
draft permit, if approved,  
will establish the condi-  
tions under which the  
facility must operate. The  
Executive Director recom-  
mends issuance of this  
draft permit. The draft  
permit application  
statement of basis for  
draft permit is available  
for viewing and copying  
at the TCEQ

**Get Maximum  
Exposure  
For Your  
Advertising  
Dollars!!**  
**Place Your  
Classified  
Ad  
Countywide!**

**Call Sharon  
or Barbara**