Recommended Corrective Action: Develop and implement a sampling procedure that ensures that fecal coliform samples are collected in a sterile container.

Submit a copy of the sampling procedure to the Region 10 office.

Resolution: The City developed and implemented a sampling procedure that ensures that fecal coliform samples are collected in a sterile container.

The City submitted a copy of the sampling procedure to the Region 10 office on 11/14/2004.

Track No: 183122	
30 TAC Chapter 319.7(c)	
PERMIT M&RR 3b Monitoring and Reporting Requirements No. 3b, Pg 5	

Alleged Violation: Investigation: 339042

Comment Date: 11/08/2004

Failure by the City of Orange to maintain monitoring records for at least 3 years from date of sample measurement.

At the time of the investigation, it was noted that the continuous flow monitoring data for Outfalls 001 and 002 was only available from July 2004 to present. Mr. Martindale stated that a computer failure had lost all of the flow data.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that records of monitoring are retained for at least 3 years from date of sample collection.

Submit a copy of the operating procedure to the Region 10 office.

Resolution: The City developed and implemented an operating procedure that ensures that records of monitoring are retained for at least 3 years from date of sample collection.

The City submitted a copy of the operating procedure to the Region 10 office on 11/14/2004.

Track No: 183124

30 TAC Chapter 305.125(1)

PERMIT OT 8, 10

Other Requirements Nos. 8 & 10, Pgs. 26 & 27

Alleged Violation: Investigation: 339042

Comment Date: 11/18/2004

Failure by the City of Orange to submit daily rainfall accumulations and 002 flow information reports to the Region 10 office and the Enforcement Division by September of each year.

During the records review, it was noted that the report for daily rainfall accumulations at the treatment plant for those days when Outfall 002 discharges was not submitted to the Region 10 office and the Enforcement Division (MC 149) by September 1 of each year.

Recommended Corrective Action: Submit all reports for the past three years 2002, 2003, and 2004 to the Enforcement Division of the Commission (MC 149).

Submit a copy of the last three years of reports to the Region 10 office.

Resolution: The City submitted all reports for the past three years 2002, 2003, and 2004 to the Enforcement Division of the Commission (MC 149).

The City submitted a copy of the reports to the Region 10 office on 11/22/2004.



Investigation # 339042

30 TAC Chapter 305.125(5)

PERMIT OpR 1 Operational Requirements No. 1, Pg 9

> Alleged Violation: Investigation: 339042

Comment Date: 11/30/2004

Failure by the City of Orange to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

At the time of the investigation, a tractor trailer filled with belt pressed sludge was leaking leachate onto the ground.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that all leacheate from the sludge drying process is captured and put back into the wastewater treatment plant.

Submit photographic documentation and a copy of the operating procedure to the Region 10 office.

Resolution: The City developed and implemented an operating procedure that ensures that all leacheate from the sludge drying process is captured and put back into the wastewater treatment plant.

The City submitted photographic documentation and a copy of the operating procedure to the Region 10 office on 11/14/2004.

Track No: 183210

30 TAC Chapter 305.125(1)

PERMIT D&SPC 3a Definitions and Standard Permit Conditions No. 3a, Pg. 4

Alleged Violation: Investigation: 339042

Comment Date: 11/30/2004

Failure by the City of Orange to collect a 24 hour 12 part composite sample no closer than 2 hours apart.

A review of the bench sheets for the composite sample proportioning found when the compositor was out of service and the operators were physically collecting the samples, the aliquots were collected closer than two hours apart.

Recommended Corrective Action: Develop and implement a sampling procedure that ensures that the 24 hour composite samples are collected in 12 portions with no portion being closer than 2 hours apart.

Submit a copy of the sampling procedure to the Region 10 office.

Resolution: The City developed and implemented a sampling procedure that ensures that the 24 hour composite samples are collected in 12 portions with no portion being closer than 2 hours apart.

The City submitted a copy of the sampling procedure to the Region 10 office on 11/14/2004.

Track No: 183217 30 TAC Chapter 305.125(1) PERMIT PC 1a Permit Conditions No. 1a, Pg 7

Alleged Violation:

Investigation: 339042

Comment Date: 11/23/2004

Failure by the City of Orange to correctly calculate 2 hour peak flow

During the records review, it was noted that the 2 hour peak flow was being calculated incorrectly. Mr. Martindale stated that he looks at each day of discharge, takes the day with with the max flow, breaks the flows down by 1 hour increments, takes the highest flow and breaks it into 10 minute increments and from that determines the 2-hour peak flow.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that 2 hour peak flow in calculated correctly.

Submit a copy of the operating procedure to the Region 10 office.

Resolution: The City developed and implemented an operating procedure that ensures that 2 hour peak flow in calculated correctly.

The City submitted an example of the calculation and a description of how the 2 hour peak flow is calculated to the Region 10 office on 11/22/2004.

Track No: 183446 30 TAC Chapter 305.125(1) PERMIT D&SPC 1b Definitions and Standard Permit Conditions No. 1b, Pg. 3

Alleged Violation: Investigation: 339042

Comment Date: 11/12/2004

Failure by the City of Orange to properly calculate daily average flow for Outfall 002.

At the time of the investigation, it was noted that flow was being calculated incorrectly for 002. The City calculated the flow by adding the total flow for days of discharge and divided by the number of days in the month and not the number of days that had a discharge.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that daily average flow for Outfall 002 is properly calculated. Correct and resubmit all DMR's from October 2001 thru present.

Submit a copy of the operating procedure and all corrected DMR's to the Region 10 office.

Resolution: The City developed and implemented a operating procedure that correctly calculates daily average flows for intermittent discharges from Outfall 002. The City corrected 3 years worth of DMR's.

The City submitted the corrected DMR's and the operating procedure to the Region 10 office on 11/15/2004.

Track No: 183447

30 TAC Chapter 319.7(e)

PERMIT D&SPC 2b

Definitions and Standard Permit Conditions No. 2b, Pg. 3

Investigation # 339042



Investigation # 339042

Alleged Violation:

Investigation: 339042

Comment Date: 11/30/2004

Failure by the City of Orange to accurately calculate the 7-day average for fecal coliform.

During the records review, it was noted that the 7-day average for fecal coliform was being incorrectly calculated and reported for Outfall 001. The 7-day average was being calculated by using results collected from Wednesday thru Tuesday, instead of the required Sunday thru Saturday. The 7-day average was being reported as the average geometric mean for each 7-day monitoring period. The required result to be reported should be the maximum 7-day geometric mean.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that fecal coliform 7-day averages are calculated correctly. Correct all DMR's from October 2001 thru present and resubmit to Austin.

Submit a copy of the operating procedure and the corrected DMR's to the Region 10 office.

Resolution: The City developed and implemented an operating procedure that ensures that fecal coliform 7-day averages are calculated correctly. The City corrected all DMR's from October 2001 thru present and resubmitted to Austin.

The City submitted a copy of the operating procedure and of the corrected DMR's to the Region 10 office on 11/14/2004.

Track No: 183449

30 TAC Chapter 305.125(1) PERMIT D&SPC Definitions and Standard Permit Conditions No. 2a, Pg. 3

Alleged Violation: Investigation: 339042

Comment Date: 11/12/2004

Failure by the City of Orange to calculate daily average concentrations for parameters at Outfall 002.

During the record review, it was noted that the results reported for daily average concentration for BOD, TSS, Cu, Zn, Hg, and pH maximum and minimum for Outfall 002 were improperly calculated. The permittee was using all data collected during the month from Outfall 001 for Outfall 002. It was noted that outfall 002 only discharged on one or two days during the month.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that daily average concentrations are properly calculated. Correct all DMR's from October 2001 through present, and resubmit to Austin.

Submit a copy of the operating procedure and the corrected DMR's to the Region 10 office.

Resolution: The City developed and implemented an operating procedure that ensures that daily average concentrations are properly calculated. The City corrected all DMR's from October 2001 through present, and resubmitted to Austin.

The City submitted a copy of the operating procedure and of the corrected DMR's to the Region 10 office on 11/14/2004.

Track No: 183453 30 TAC Chapter 305.125(1) 30 TAC Chapter 305.125(11)(A) PERMIT M&RR 3a Monitoring and Reporting Requirements No. 3a, Pg. 4

Alleged Violation:

Investigation: 339042

Comment Date: 11/30/2004

Failure by the City of Orange to collect samples that are representative of discharge from Outfall 002.

At the time of the investigation, it was noted that samples for Outfall 002 were not representative of the discharge. The City is reporting 24-hour composite results from Outfall 001 for Outfall 002, even though Outfall 002 only discharges for a brief period of time. The effluent flows thru 2 parallel trains of UV banks and recombines in a junction box which has lift pumps for Outfalls 001 and 002. An ISCO auto sampler collects a 24 hour 12-part composite sample from the junction box. The sample results for dissolved oxygen, pH, biochemical oxygen demand, total suspended solids, Copper, Zinc, and fecal coliform reported for 002 are results from the 24-hour composites reported from 001. The exact duration of the discharges from Outfall 002. could not be determined due to the loss of all flow data prior to July 2004. Mr. Martindale stated that the discharge from 002 rarely last more than a few hours. Records show that Outfall 002 only discharges 1 to 2 days a month, if a discharge occurs.

Recommended Corrective Action: Develop and implement an operating procedure that ensures that effluent samples collected for Outfall 002 are representative of discharge.

Submit a copy of the operating procedure to the Region 10 office.

Resolution: The City developed and implemented an operating procedure that ensures that effluent samples collected for Outfall 002 are representative of discharge.

The City submitted a copy of the operating procedure to the Region 10 office on 11/14/2004.

Track No: 183461 30 TAC Chapter 305.125(1) 30 TAC Chapter 305.125(5) PERMIT OpR 1 Operational Requirements No. 1, Pg. 9 Alleged Violation:

Investigation: 339042

Comment Date: 11/12/2004

Failure by the City of Orange to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

At the time of the investigation, it was noted that the flow monitoring system showed that a discharge was occurring at Outfall 002. An evaluation found that no discharge was occuring.

Recommended Corrective Action: Repair or replace the flow monitoring system for Outfall 002.

Submit documentation showing that the flow monitoring equipment for Outfall 002 is properly functioning to the Region 10 office.

Resolution: The City repaired the flow monitoring system for Outfall 002.

The City submitted compliance documentation to the Region 10 office on 11/14/2004.





Alleged Violation: Investigation: 339042

Comment Date: 12/06/2004

Failure by the City of Orange to submit a report of the date, the average flow, and the duration of each discharge from Outfall 002 to the Region 10 office and the Enforcement Division (MC 149) during the month of September of each year.

At the time of the investigation, it was noted that the City did not submit a report consisting of the date, the average flow, and the duration of each discharge from Outfall 002 to the Region 10 office and the Enforcement Division (MC 149) during the month of September of each year.

Recommended Corrective Action: Submit the reports for FY 2001 thru FY 2004 to the Region 10 office and the Enforcement Division (MC 149).

Submit a copy of the reports to the Region 10 office.

Resolution: The City submitted the reports for FY 2001 thru FY 2004 to the Enforcement Division (MC 149).

The City submitted a copy of the reports to the Region 10 office on 11/22/2004.

Description	Additional Comments
ITEM	The main lift stations, Jackson St., Cove, 11th and Burton, Bancroft, and Roselawn lift stations all were equipped with SCADA systems. The system notifies the plant, which is manned 7 days/week, of problems. None of the these lift stations high level alarms could be checked to determine if they were functional. Install an alarm test switch to allow operators the ability to ensure that high level alarms are functional.
ITEM	At the time of the investigation, a check of the main lift stations found that the mechanical ventilation systems in the below ground dry wells were functional. The concern is that in order to activate the ventilation system, the operator must enter the dry well. The intermittently operated venting equipment should be interconnected with the stations lighting system.
 Are adequate sludge disposal records maintained? 	At the time of the investigation, it was noted that the sludge transporter manifests did not contain the sludge transporter registration number. Waste Management's sludge transporter number is 20682 and should be noted on each manifest for sludge hauled from the City of Orange.
Item two:	A review of the laboratory reports and quality control records found that the minimum analytical limit (MAL) for the metals analyzed was not reported. A review did find that based on the results, the analysis were meeting the required MAL for Copper, Zinc, and Mercury. Contact your contract laboratory and request that the MAL be added to the Reports submitted to the City.



November 12, 2004

Texas Commission on Environmental Quality Region 10 Office 3870 Eastex Fwy. Beaumont, Texas 77703-1892

Re: Alleged Violations for the Wastewater Compliance Evaluation Investigation for TPDES permit # 10626-001

Robert Hebert,

The following is an update report on the progress for the inspection conducted at the Jackson W.W.T.P. on October 19 and 20, 2004.

Alleged Violation #1

At Sykes lift station, oil drum leak on ground, small drum unknown and potable water hose no vacuum breaker. Jackson lift station #2 check valve not holding, #1 pump leaking. Cove lift station #1 check valve leaking. Roselawn lift station pumps #1 and #3 couplings leaking.

On October 25, 2004 the oil drum was removed, the soil was removed and the hole filled with sand. Pictures were taken. A small drum was removed and pictures taken. The potable hose bib was removed below ground level and covered with sand. Pictures were taken. On October 29, 2004 the #2 check valve at Jackson lift station was broke down and cleaned a picture was taken; the packing was replaced in the #1 pump, a picture was taken. On October 29, 2004 the #1 check valve at Cove lift station was broke down and repaired a picture was taken. On November 2, 2004 the victaulic couplings were replaced on pumps #1 and #3 at Roselawn lift station, pictures were taken.

Completed on 10/25/04, 10/29/04 & 11/02/04 Pictures sent on 11/08/04

Alleged Violation #2

The 16th Street lift station heavy oil/grease. Strickland (Hospital) lift station only one pump functioning, wet well not secured. Flying J's lift station wet well not secure, heavy grease. The Star Stop lift station alarm not functional.

The 16th Street lift station was cleaned with the Cities forces on October 26, 2004 after the business near that location had closed for the day. A picture was taken the next day. On the day of inspection the check valve for the non functioning pump at the Strickland (Hospital) lift station was cleaned and the pump placed back in operation. The wet wells at Strickland (Hospital) and Flying J's lift stations were secured on October 22, 2004 and pictures were taken. On October 25, 2004 the Cities forces cleaned the Flying J's lift station and pictures were taken. On October 29, 2004 the alarm light at Star Stop lift station was corrected and a picture was taken.

Completed on 10/22/04, 10/25/04, 10/26/04 & 10/29/04 Picture sent on 11/08/04





Alleged Violation #3 Allie Payne lift station not secure. Alarm not functioning.

On October 25, 2004 the hasp and lock were replaced on the Allie Payne lift station, a picture was taken. On November 1, 2004 the alarm light was corrected and a picture taken.

Completed on 10/25/04 & 11/01/04 Picture sent on 11/08/04

Alleged Violation #4 The Blue Bird lift station control panel not secure.

On October 22, 2004 a hasp and lock were placed on the control panel at the Blue bird lift station and pictures taken.

Completed on 10/22/04 Picture sent on 11/08/04

Alleged Violation #5 The north trickling filter has a moderate amount of debris.

On October 22, 2004 debris was removed from the north trickling filter and pictures taken. Completed on 10/22/04 Picture sent on 11/08/04

Alleged Violation #6 Sludge transport trailer leaking leachate on ground.

The belt press operator was notified of this on October 22, 2004. The trailers are usually removed from the plant on the day they are filled, however as an extra precaution buckets will be placed to catch the leachate and the leachate will be returned to the plants processing. A picture was taken.

Completed on 10/22/04 Picture sent on 11/08/04

Alleged Violation #7 No metals samples collected on days of discharge from outfall 002.

Enclosed is a copy of the Sampling Procedure for outfall 001 & 002. A copy of the chain of custody dated November 2 & 3, 2004 showing samples collected for outfall 002.

Completed on 10/31/04 & 11/02,03/01 No picture sent

Alleged Violation #8 Fecal sample not representative of the U.V. system, sample collected from only one train.

On October 21, 2004 I discussed this with the technician from our contract lab. On October 23, 2004 the lab started pulling equal parts from both trains and combining to collect the one sample. At a meeting in Beaumont on November 1, 2004 a decision was made that the fecal sample should be taken from the mixing zone after both U.V. trains. On November 3, 2004 we constructed a device to allow easy access to the mixing zone to collect these samples. A picture was taken. The contract lab technician started using this device to collect fecal samples from the mixing zone on November 8, 2004.

Completed on 11/08/04 Picture sent on 11/08/04





Alleged Violation #9 Bank 1A showing 0 intensity at control panel.

We contacted the Newman Regency Group, a representative of Trojan U.V., to have a technician inspect the U.V. system for communication problems. Tentatively the technician is scheduled for November 22, 2004. Completed on

No picture sent

Alleged Violation #10 27 of 144 modules showing off line at control panel, 10 modules pulled.

Six modules have been repaired and installed. The control center still shows 25 modules off, 4 of these are still out for repairs. The Trojan representative will address the remaining 21 modules during the inspection.

Completed on No picture sent

Alleged Violation #11 7-Day Average for fecal incorrectly calculated used Wednesday to Tuesday instead of Sunday to Saturday.

Enclosed are three years of corrected DMRs (October 2001 to September 2004). Completed on 10/31/04 & 11/08/04 No picture sent

Alleged Violation #12 Minimum analytical limits for metals not listed on lab reports.

Passed this information to the contract lab on October 21, 2004. Completed on No picture sent

Alleged Violation #13 No flow data from computer available prior to July 2004, no way to determine when 002 discharged.

Collected daily flow data on a separate disc (CD) from August 1, 2004. Daily flow data will be collected and saved on a separate disc to help prevent corruption of future flow data.

This will be an on going project. No picture sent

Alleged Violation #14 Computer showing flow from 002 when no flow occurring

Discovered debris on and under sensor to outfall 002 flow meter. Cleaned debris and reinstalled sensor. Completed on 10/25/04 No picture sent

Alleged Violation #15 Ph minimum and maximum for 002 not representative of discharge.

Enclosed is a copy of Sampling Procedures for outfall 001 and 002 along with a copy of the pH, DO daily log for 002 dated November 2, 2004. Completed on 10/30/04 & 11/02/04 No picture sent





Alleged Violation #16

Daily Average concentrations not correct for outfall 002 February 04, must be flow weighted or at least 4 events.

Enclosed are copies of 3 years of corrected DMR. Completed on 11/08/04 No picture sent

Alleged Violation #17 Numerous composite samples show collection times closer than 2 hours.

Enclosed is a copy of Sampling Procedures for outfall 001 and 002 and a new flow weighted calibration sheet dated November 9&10, 2004. Completed on 10/30/04 & 11/10/04 No pictures sent

Alleged Violation #18 No transporter registration number on sludge disposal manifest.

On October 22, 2004 contacted Waste Management in Houston. On November 8, 2004 we received new manifest with all of their identification numbers. Enclosed is a copy of this manifest.

Completed on 11/08/04 No picture sent

Alleged Violation #19 No report submitted for rainfall amount when 002 discharged by September 1.

Enclosed is a letter with the discharge dates for outfall 002 and the corresponding rainfall amounts. Completed on 11/11/04 No picture sent

Alleged Violation #20 No report submitted with date, duration and average flow for outfall 002 by September 1.

Due to corruption of past data, not able to provide past information. We are collecting flow data daily and saving it to a disc for future responses.

On going process No picture sent

Alleged Violation #21 No description of location of discharge of 8/13/04 report.

Enclosed is a copy of the corrected report. Completed on 10/22/04 No picture sent

Alleged Violation #22 67 accedence's of single grab fecal March 03 – July 04

Per our meeting on November 1, 2004 we are looking at long and short-term solutions to correct this situation. Enclosed is a copy of a P.O. Request and scope of work for PBS & J Engineering to evaluate the U.V. system. On going process No picture sent





Alleged Violation #23

Daily Average flow for 002 incorrect must be at least 3 events.

Per our phone conversations November 3&4, 2004 the 3 events needed are for instantaneous flow measurement. Totalized flow you use all daily totals available for the month. Enclosed are 3 years of corrected DMR's.

Completed on 10/31/04 & 11/08/04 No picture sent

Alleged Violation #24 Sample reported for 002 not representative of discharge.

Enclosed is a copy of Sampling Procedures for outfall 001 and 002. A copy of test results for outfall 002 dated November 2, 2004 is also included.

Completed on 10/30/04 & 11/10/04 No pictures sent

Alleged Violation #25 No replacement parts in stock for UV system.

Enclosed are copies of PO request to purchase the required parts. Completed on No picture sent

Alleged Violation # 26 Maintenance of U.V. system not adequate

The contract maintenance program has been increased from once every three months to once every two months on a regular basis. The frequency will increase as necessary.

On going process No picture sent

Alleged Violation #27 Failure to correctly report 7-Day Average for fecal coliform. Should be Maximum not Average.

Enclosed are 3 years of corrected DMR's for outfall 001 and 002 Completed on 10/31/04 & 11/08/04 No picture sent

Alleged Violation #28 Failure to collect fecal coliform sample correctly

Enclosed is a copy of the Sampling Procedure for outfall 001 and 002 Completed on 10/31/04 No picture sent

Alleged Violation #29 Failure to calculate 2 hour peak flow correctly

Enclosed is a copy of a spread sheet dated November 2&3, 2004 showing 2 hour peak flow for outfall 001 and 002

Completed on 10/05/04 No picture sent





Alleged Violation #30 Failure to meet effluent limitation for fecal grab at time of inspection

The contract maintenance has been increased from quarterly to two month intervals and we have hired an engineering firm to study improvements, upgrades or even replacement of the current U.V. system.

On going process No picture sent

Alleged Violation #31 Failure to have remote operation indicators for each U.V. lamp

Will have the Trojan representative address this with the inspection of the system. Completed on No picture sent

Should you have any questions or need further information, please call (409) 988-7336 or fax to (409) 883-1952.

Thank you,

L

David L. Martindale, Chief Operator cc: Jim Wolf, Director of Public Works David L. Trahan, Manager of Water Utilities

ATTACHMENT 5:F

Insert to 5:F City Of Orange Page 1

(2) Amending Applicant's certificate would result in the Applicant's ability to furnish water and sewer services in the proximate area. Because the quality of Applicant's services are higher, the cost of Applicant's services lower, and the reliability of Applicant's services greater, the consumers in the areas will be presented with a choice, and the likely effect will be that consumers will elect to receive services from Applicant rather than continue receiving inferior services from the current providers. If the decertifications sought are granted, then the current providers will no longer be certificated and will not able to operate in the respective areas at issue.

In this regard, the Applicant has made numerous efforts to come to an agreement with Aqua Texas, the provider for one of the annexed areas, to acquire its current system for fair market value, but provider Aqua Texas has consistently refused to negotiate in good faith, instead making unreasonable demands. As the Applicant is required by law to provide comparable services in an annexed area when a current provider's services are inferior, the Applicant now seeks decertification of current provider Aqua Texas, which is one of three retail public utilities serving the proximate area.

The other two retail public utilities for which decertification is sought are (a) North Orange Water and Sewer and (b) Kelly Brewer. As with provider Aqua Texas, Applicant previously initiated negotiations to acquire the systems of these respective utilities for fair market value. Unlike Aqua Texas, the negotiations with provider North Orange Water and Sewer and with provider Kelly Brewer are mutual and remain ongoing. As such acquisitions have not been completed by mutual agreement as of this date, however, Applicant must simultaneously move forward with this Application and Addendum for the decertification of all current providers, regardless of system acquisition status, in order to comply with the requirements imposed on it by Texas law.

ATTACHMENT 6:B,6:C,6:D (City Financial Statements/Audit)



CITY OF ORANGE, TEXAS Notes to the Financial Statements For the Fiscal Year September 30, 2005

E. Long-Term Debt

General Obligation Bonds/Certificates of Obligation

The government issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds, certificates of obligation and tax notes have been issued for both governmental and business-type activities. The original amount of general obligation bonds and certificates of obligation issued in prior years was \$22,460,000. During fiscal year 2005 the City issued two issues (1) the General Obligation Refunding Bonds Series 2005 and (2) Tax Notes Series 2005.

On July 13, 2005 the City of Orange issued the Series 2005 General Obligation Refunding Bonds of \$4,360,000 (par value) with interest rates of 3% - 4% to advance refund a portion of the Series 1999 General Obligation Bonds with interest rates of 5% - 5.5% and a par value of \$4,050,000. The Series 1999 General Obligation Bonds mature on August 1, 2019 and are callable on August 1, 2009. The Series 2005 General Obligation Refunding Bonds were issued at par and after paying issuance cost of \$111,344, the net proceeds were \$4,268,628. The net proceeds from the issuance of the Bonds and \$107,525 of accumulated City interest and sinking contributions were used to purchase US Securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the Series 1999 Bonds are called on August 1, 2009. The advance refunding met the requirements of an in-substance debt defeasance and the portion of the Series 1999 Bonds that were refunded were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$196,574, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$14,522.

On August 1, 2005 the City of Orange issued the Series 2005 Tax Notes with a par value of \$1,560,000. The bonds have a interest rates of 3.25%-3.75%. The tax notes were issued as seven (7) year serial notes with a final maturity of February 1, 2012.

General obligation, certificates of obligation, and tax notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and certificates of obligation generally are issued as twenty (20) year serial bonds with varying amounts of principal maturing each year. It is the intent of the City to pay for General Obligation bonds and Certificates of Obligation issued for business-type activities out of the revenues of the activity. General obligation bonds, certificates of obligation and tax notes currently outstanding are as follows:

CITY OF ORANGE, TEXAS Notes to the Financial Statements For the Fiscal Year September 30, 2005

Purpose	Interest Rates	Original Issue	Outstanding
Governmental Activities:			
Tax and Revenue Certificates of Obligation Series 1999	4.5% - 5.5%	\$6,500,000	\$1,130,000
General Obligation Refunding Bonds Series 2005	3.0% - 4.0%	4,360,000	4,360,000
Tax Notes Series 2005	3.25% - 3.75%	1,560,000	1,560,000
Business-types activities - refunding:			
General Obligation Advance Refunding, Series 2001	4.0% - 4.75%	13,385,000	12,795,000
General Obligation Refunding, Series 2002	2.0% - 3.0%	<u>2.575.000</u>	<u>635.000</u>
		<u>\$28,380,000</u>	<u>\$20,480,000</u>

Annual debt service requirements to maturity for general obligation bonds, tax notes and certificates of obligation are as follows:

	Governmental Activities Business-type Activities			<u>vities</u>		
Year Ending September 30, 2005	Principal	Interest	Total	Principal	Interest	Total
2005-2006	480,000	288,035	768,035	960,000	557,731	1,517,731
2006-2007	515,000	254,668	769,668	1,030,000	521,106	1,551,106
2007-2008	545,000	233,593	778,593	1,070,000	479,106	1,549,106
2008-2009	555,000	210,744	765,744	1,115,000	435,406	1,550,406
2009-2010	590,000	186,488	776,488	1,160,000	389,181	1,549,181
2010-2016	<u>4.365.000</u>	<u>823.438</u>	<u>5,188.438</u>	<u>8.095.000</u>	<u>1.165.348</u>	<u>9,260,348</u>
	<u>\$7,050,000</u>	<u>\$1,996,964</u>	<u>\$9,046,964</u>	<u>\$13,430,000</u>	<u>\$3,547,879</u>	<u>\$16,977,879</u>

CITY OF ORANGE, TEXAS Notes to the Financial Statements For the Fiscal Year September 30, 2005

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2005 was as follows:

	<u>Beginning</u> <u>Balance</u>	Additions	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds Payable: General Obligation Bonds and Notes	\$5,425,000	\$ 5,920,000	(\$4,295,000)	\$ 7,050,000	\$480,000
Less deferred amounts:					
Deferred charges on refunding	0	(326,152)	5,790	(320,362)	0
Bond issue costs	<u>0</u>	<u>(130,694)</u>	<u>2,258</u>	<u>(128,436)</u>	Q
Total bonds payable	5,425,000	5,463,154	(4,286,952)	6,601,202	480,000
Compensated absences	<u>1,597,859</u>	Q	(2.728)	<u>1,595,131</u>	<u>322,688</u>
Governmental activity long- term liabilities	<u>\$7,022,859</u>	<u>\$5,463,154</u>	(\$4,289,680)	<u>\$8,196,333</u>	<u>\$802,688</u>
Business-type activities:					
Bonds payable: General obligation bonds	14,355,000	0	(925,000)	13,430,000	960,000
Less deferred amounts:					
Deferred interest	(319,434)	0	63,113	(256,321)	0
Bond issue costs	(268,504)	0	27,011	(241,493)	0
Capital lease payable	<u>0</u>	<u>157,415</u>	<u>(42,321)</u>	<u>115,094</u>	<u>52,196</u>
Total bonds and capital lease payable	13,767,062	157,415	(877,197)	13,047,280	1,012,196
Compensated absences	<u>72.437</u>	<u>0</u>	<u>(229)</u>	<u>72.208</u>	<u>18,072</u>
Business-type activity long- term liabilities	<u>\$13,839,499</u>	<u>\$157,415</u>	<u>(\$877,426)</u>	<u>\$13,119,488</u>	<u>\$1,030,268</u>

Any long-term liabilities of the City, other than bonds, are paid out of the applicable fund.



F. Restricted Net Assets

The balances of the restricted net asset accounts are as follows:

Governmental activities:	
Authorized use of capital improvement funds	\$1,489,333
Debt service payments	25,657
Loan guarantee	236,000
Business-type activities:	
Debt service	<u>1.516.207</u>
Total	<u>\$3,267,197</u>

City of Orange, Texas Statement of Net Assets Proprietary Funds September 30, 2005

.

	Business-Type Activities - Enterprise Funds				Governmental	
	Water & Sewer Current Year	Water & Sewer Prior Year	Sanitation Current Year	Sanitation Prior Year	Total Current Year	Activities- Internal Service Funds
Assets						
Current assets:	#000 404	\$485.624	\$107,437	\$190,166	\$970.861	\$273,083
Cash and cash equivalents	\$863,424	φ400,024 Ω	• • •	0	4510,001 0	30.000
Cash with fiscal agent	0	•	-	0	87,497	00,000
Investments	87,497	597,849	-	96.600	918,400	ő
Receivables (net of allowance for uncollectibles)	790,033	649,242		90,000	72,897	c C
Inventories	72,897	72,897	-	0	39.595	(
Cash and cash equivalents - restricted	39,595	1,382,638	-	0		(
Investments - restricted	1,551,884	438,967			1,551,884	303,083
Total current assets	3,405,330	3,627,217	235,804	286,766	3,641,134	303,063
Noncurrent assets:						
Capital assets (net of accumulated depreciation)			-	-	950 444	c
Land	358,410	358,410		0	358,410	
Buildings	250,816	257,001		0	250,816	-
Improvements other than buildings	29,097,128	29,834,696		0	29,097,128	(
Machinery and equipment	189,512	211,733		2,173	191,445	C
Transportation vehicles	275,912	308,112		52,023	446,525	(
Construction in progress	294,760	114,856		0	294,760	
Total noncurrent assets	30,466,538	31,084,808		54,196	30,639,084	(
Total assets	33,871,868	34,712,025	408,350	340,962	34,280,218	303,083
Liabilities						
Current liabilities:						
Accounts payable and other current liabilities	308,294	204,517	59,705	100,725	367,999	84,94
Accrued interest payable	93,547	98,585	i 0	0	93,547	
Capital lease payable	0	0	52,196	0	52,196	
Liability for employee benefits	68,916	71,222	3,292	1,215	72,208	
Current portion of long-term debt	960.000	925,000) 0	0	960,000	
Total current liabilities	1,430,757	1.299.324		101,940	1,545,950	84,94
Noncurrent Rabilities:						
Capital lease payable	0	c	62,898	0	62,898	
General obligation bonds payable (net of unamortized	•	-				
discounts and deferred amounts on refundings)	11,972,186	12,842,062	2 0	0		
Total noncurrent liabilities	11,972,186	12,842,062	62,898	0	12,035,084	
Total liabilities	13,402,943	14,141,386	178,091	101,940	13,581,034	84,94
Net Assets	17 534 353	16,729,808	57.452	54,196	17,591,804	
Invested in capital assets net of related debt	17,534,352	1.519.887		•		
Restricted for debt service	1,516,207	, ,		•		218,14
Unrestricted	1,418,366	2,320,944	the second se		the second	\$218,14
Total net assets	\$20,468,925	\$20,570,63	\$230,259	\$239,022	20,099,104	4210,1-
Adjustment to reflect the consolidation of internal servic enterprise funds	e fund activities	related to			(41,658)	
					\$20,657,526	
Net assets of business-type activities						

The notes to the financial statements are an integral part of this statement.



(\$133,882)

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City of Orange, Texas Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds

For the Year Ended September 30, 2005

3,195,688	Water & Sewer Prior Year \$1,593,397	Sanitation Current Year \$0	Sanitation Prior Year \$0	Total Current Year	Activities- Internal Service Funds
\$1,618,337 3,195,688	\$1,593,397				
3,195,688		\$0	en.	A . A . A A	
3,195,688				\$1,618,337	\$0
		0	0	3,195,688	0
	3,125,731	976.221	883.025	976,221	Č
0	0	9/6,221 0	663,U25 0	161.631	2.030.556
161,631	139,702		883,025		2,030,556
4,975,658	4,858,830	976,221	003,025	0,801,011	2,000,000
				4 000 070	,
				• •	(
576,996					
501,023				• •	1
186,058	194,554				
600,269	595,732	-	-	• •	
1,071,884	1,061,899	· · ·		• •	10.00
666,486	595,679	•	-	•	19,39
46,717	44,291	14,961	•		
90,124	94,511	0	-	•	
0	0	0	-	-	263,50
0	0	0	-		1,926,27
4,785,289	4,615,634	984,272			2,209,17
190,367	243,196	(8,051)	33,228	182,316	(178,61
70,816	0	-	-		
62,413	24,858				7,38
(585,628)	(615,359)	(3,450)		•	
(35,715)	(65,669)		-		
(488,114)	(656,170)	(712)			7,38
) (8,763)	33,989	(306,510)	(171,23
196,033	130,368	0	-		
(101,714)	(282,606)) (8,763)	33,989	(110,477)	(171,23
20.570.639	20,853,245	239,022			389,37
20.468.925		and the second sec	239,022	5	218,14
· · · · · · · · · · · · · · · · · · ·	1,045,734 576,996 501,023 186,058 600,269 1,071,884 666,486 46,717 90,124 0 0 4,785,289 190,367 70,816 62,413 (585,628) (35,715) (488,114) (297,747) 196,033 (101,714) 20,570,639	1,045,734 1,022,374 576,996 562,220 501,023 444,374 186,058 194,554 600,269 595,732 1,071,884 1,061,899 666,486 595,679 46,717 44,291 90,124 94,511 0 0 0 0 0 4,785,289 4,815,634 190,367 243,196 70,816 0 62,413 24,858 (585,628) (615,359) (35,715) (65,669) (488,114) (656,170) (297,747) (412,974) 196,033 130,368 (101,714) (282,606)	1,045,734 1,022,374 44,245 576,996 562,220 30,376 501,023 444,374 678,213 186,058 194,554 1,447 600,269 595,732 0 1,071,884 1,061,899 39,065 666,486 595,679 175,965 46,717 44,291 14,961 90,124 94,511 0 0 0 0 0 0 0 0 0 0 4,785,289 4,815,634 984,272 190,367 243,196 (8,051) 70,816 0 0 652,628) (615,359) (3,450) (35,715) (65,669) 0 (488,114) (656,170) (712) (297,747) (412,974) (8,763) 196,033 130,368 0 (101,714) (282,606) (8,763) 20,570,639 20,853,245 239,022	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

Change in net assets by business-type activities (page 31)

The notes to the financial statements are an integral part of this statement.

City of Orange Statement of Cash Flows Proprietary Funds For the Year Ended September 30, 2005

	Water & Sewer Current Year	Water & Sewer Prior Year	Sanitation Current Year	Sanilation Prior Year	Total Current Year	Governmental Activities- Internal Service Funds
Cash flows from operating activities:	A 1 300 004	\$4,772,408	\$929.49 3	\$873,659	\$5,728,424	\$0
Receipts from customers and users	\$4,798,931 0	34,172,400 0	0	0	0	2,299,453
Receipts from interfund services provided	-	(1,830,265)	(720,680)	(579,478)	(2.513,253)	(2,380,554)
Payments to suppliers	(1,792,573)	(1,005,447)	(72,544)	(38,677)	(1,099,361)	0
Payments to employees	(1,026,817)	(595,679)	(175,965)	(153,213)	(842,451)	0
Payments for interfund services used	(666,486)	1,341,017	(39,696)	102,291	1,273,359	(81,101)
Net cash provided by operating activities	1,313,055	1,041,017	(00,000)			
Cash flows from noncapital financing activities:	70,816	0	0	0	70,816	0
Subsidy from federal grant	70,816	0	0	0	70,816	0
Net cash provided by noncapital financing activities	10,010					
Cash flows from capital and related financing						
activities:	0	0	157,415	0	157,415	0
Proceeds from capital debt	196,033	130,368	0	0	196,033	0
Capital contributions	(320,458)	(271,228)	(157,415)	(2,392)	(477,873)	0
Purchases of capital assets	(168,870)	(315,594)	0	0	(168,870)	0
Acquisition and construction of capital assets	(925,000)	(900,000)	(42,321)	0	(967,321)	0
Principal paid on capital debt	(590,666)	(625,435)	(3,450)	0	(594,116)	0
Interest paid on capital debt Net cash provided by capital and related	(,	•				0
	(1,808,961)	(1,981,889)	(45,771)	(2,392)	(1,854,732)	
financing activities						
Cash flows from Investing activities:	8.642,710	10,621,772	433,233	320,168	9,075,943	1,381,675
Proceeds from sales and maturities of investments	(9,239,363)	(10,610,798)	(433,233)	(320,168)	(9,672,596)	(1,062,108)
Purchase of investments	56,500	29,583	2,738	761	59,238	7,381
Interest and dividends received	(540,153)	40,557	2,738	761	(537,415)	326,948
Net cash provided (used) by investing activities	(010,100)					
Net increase (decrease) in cash and cash	(965,243)	(600,315)	(82,729)	100,660	(1,047,972)	245,847
equivalents	1,868,262	2,468,577	190,166	89,506	2,058,428	57,236
Cash and cash equivalents October 1	\$903,019	\$1,868,262	\$107,437	\$190,166	\$1,010,456	\$303,083
Cash and cash equivalents September 30	3303,013	41,000,202				
Reconciliation of operating income to net cash provided (used) by operating activities: Operating income (Loss) Adjustments to reconcile operating income to	\$190,367	\$ 243,196	(\$8,051)	\$33,228	\$182,316	(\$178,615)
net cash provided (used) by operating activities:		1.061.899	39.065	18,056	1,110,949	0
Depreciation expense	1,071,884		03,003	0	90,124	0
Amortization of bond issue costs	90,124	94,511	14,961	13,321	61,678	0
Bad debt expense	46,717	44,291	14,001			
Changes in assets and liabilities:	4.70 700	(84,842)	(46,728)	4,226	(223,453)	127,253
(Increase) decrease in accounts receivable	(176,725)	(13,770)	•	0	, O	0
(Increase) decrease in inventory	0	(13,770)	ō	Ő	0	141,644
(Increase) decrease in prepaids	0	-	-	33,460		(171,383)
Increase (decrease) in accounts payable	90,688	(4,268)				(\$81,101)
Net cash provided by operating activities	\$1,313,055	\$1,341,017	(\$39,696)	\$102,291	\$1,273,359	
Noncash investing, capital and financing activities	196,033	130,368	0	0		0
Contributions of capital assets from government	602,763	(9,607)	-	0	602,763	(319,567)
Increase (decrease) in fair value of investments	002;703	(0,001)				

The notes to the financial statements are an integral part of this statement

ATTACHMENT 6:B:II (Rate Schedules)

AN ORDINANCE AMENDING CERTAIN PORTIONS OF APPENDIX A, SECTION 11.200, OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS PERTAINING TO UTILITY SERVICE RATES AND CHARGES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE,

TEXAS:

((

Section I.

That Appendix A, Section 11.200, Subsection (2), (A) and (B) of the code of

ordinances of the City of Orange, Texas be and is hereby amended to read as follows:

(2) <u>Rates</u>

(A) Class A Users

Monthly bill = 9.50 + 6.20 per 1,000 gallons (or increment) of usage over 1,000 gallons.

(B) Class B Users

Monthly bill = 9.50 + 6.20 per 1,000 gallons of usage over 1,000 gallons.

In addition to the monthly rates as established the City may charge a surcharge for excess BOD, TSS, or other pollutants as needed. Such surcharges would be established and approved as needed.

Section II.

It is expressly ordained that if any section or subsection, clause, sentence or paragraph

of the ordinance shall be found to be illegal, invalid or void by any court of competent jurisdiction, then such findings shall not affect the remaining portions of this ordinance, but the same shall be valid and in effect, it being the expressed intention of the City Council of the City of Orange, Texas

to pass each and every sentence, clause, paragraph or section individually.

Section III.

That the rates in this ordinance will go into effect for the first billing cycle in October,

2005.

PASSED AND APPROVED on first reading this the $\frac{3 < 4}{2}$ day of September, 2005...

PASSED AND APPROVED on second reading this the <u>444</u> day September, 2005.

Mayor illiam layba

ATTEST: Anderson, Deputy City Secretary

John Cash Smith, City Attorney

AN ORDINANCE AMENDING CERTAIN PORTIONS OF APPENDIX A, SECTION 11.100, OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS PERTAINING TO UTILITY SERVICE RATES AND CHARGES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ORANGE,

TEXAS:

(

((

Section I.

That Appendix A, Section 11.100, Subsection (1), (A) and (B) of the code of

ordinances of the City of Orange, Texas be and is hereby amended to read as follows:

- (1) The following metered rate for water measured through a single meter, in increments of one thousand (1,000) gallons shall be effective:
 - (A) <u>Residential and Apartment, Multi Unit and Commercial Customers</u>

Minimum bill (1,000 gallons)

Meter	r Size	Per Meter
3/4	inch meter	\$ 7.56
1	inch meter	\$ 9.23
1 1/2	inch meter	\$ 13.33
2	inch meter	\$ 18.29
3	inch meter	\$ 29.82
4	inch meter	\$ 46.30
6	inch meter	\$ 87.51
8	inch meter	\$136.96
10	inch meter	\$194.63
12	inch meter	\$260.57

(B) Volume charge shall be One Dollar and Eighty Cents (\$1.80) for each 1,000 gallons in excess of the minimum bill.

Section II.

It is expressly ordained that if any section or subsection, clause, sentence or paragraph

of the ordinance shall be found to be illegal, invalid or void by any court of competent jurisdiction,

then such findings shall not affect the remaining portions of this ordinance, but the same shall be

valid and in effect, it being the expressed intention of the City Council of the City of Orange, Texas to pass each and every sentence, clause, paragraph or section individually.

Section III.

That the rates in this ordinance will go into effect for the first billing cycle in October

2005.

PASSED AND APPROVED on first reading this the $\underline{/3c/}$ day of September, 2005. Oc+obe-PASSED AND APPROVED on second reading this the $\underline{4ch}$ day of September;

2005.

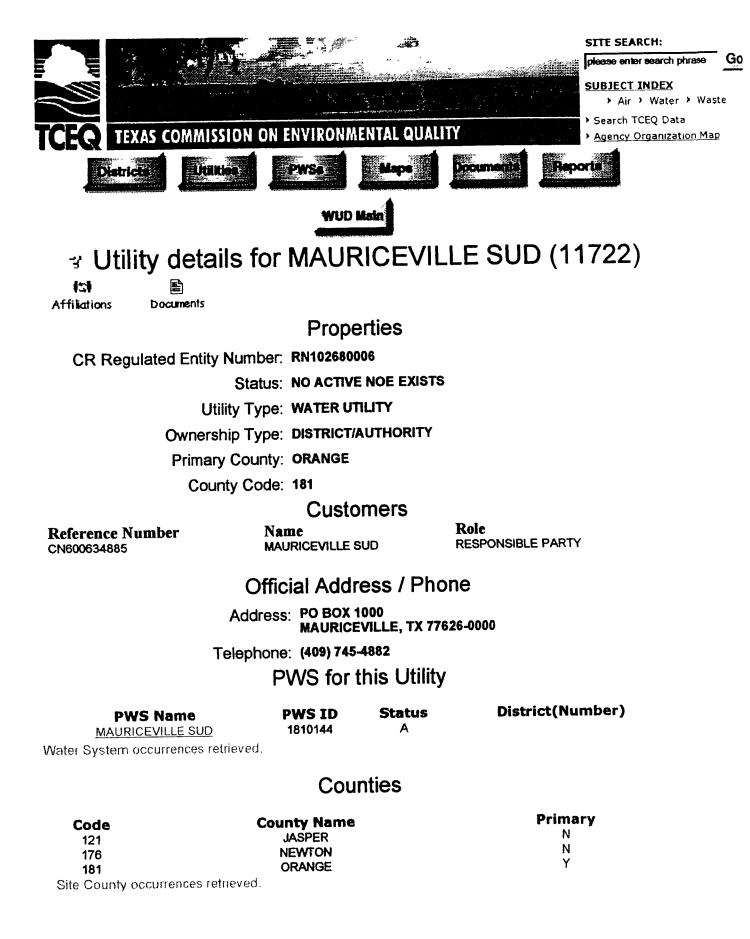
iIliam Mayor

ATTEST:

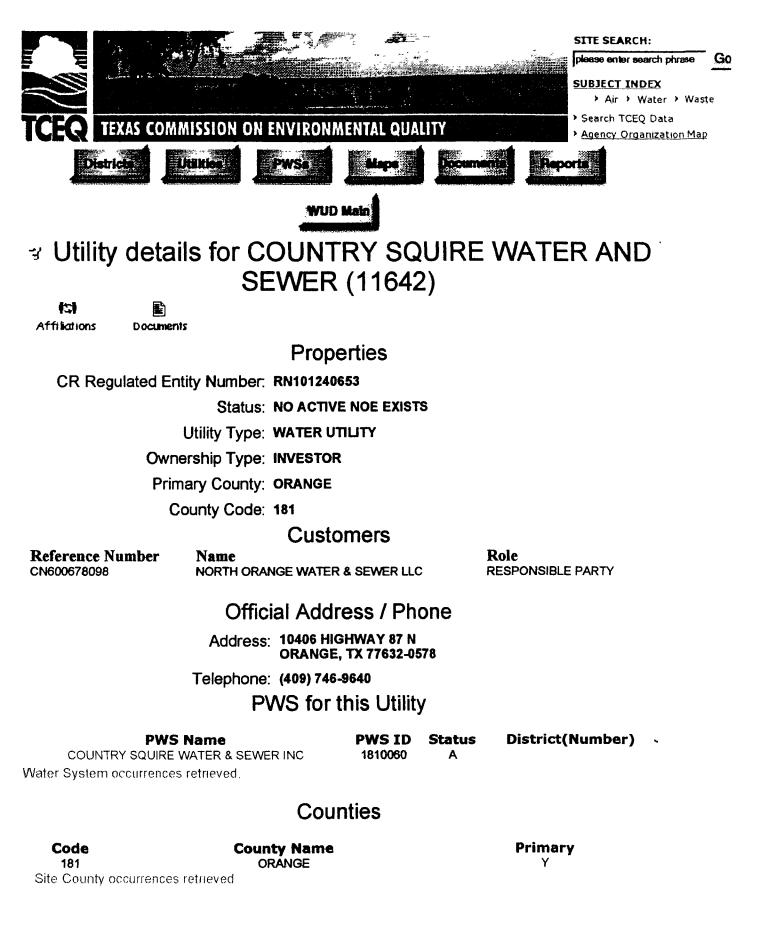
Patricia Anderson', Deputy City Secretary

John Cash Smith, City Attorney

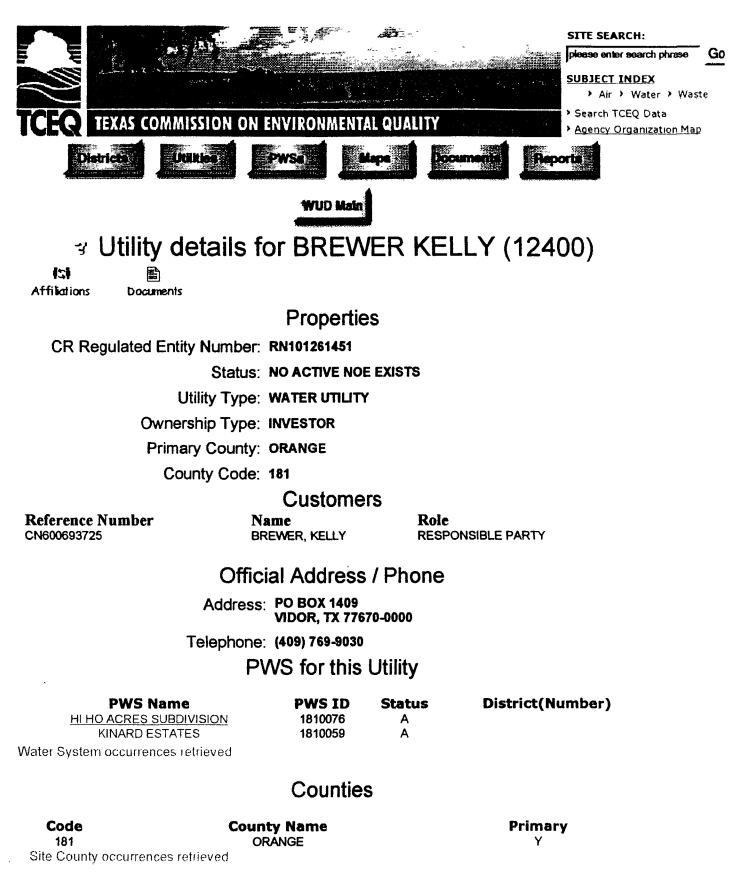
Utility details for MAURICEV** LI



http://www3 tnrcc state tx us/iwud/util/index cfm?fuseaction=DetailUtilitv&ID=19607



Utility details for BREWER K^T LY

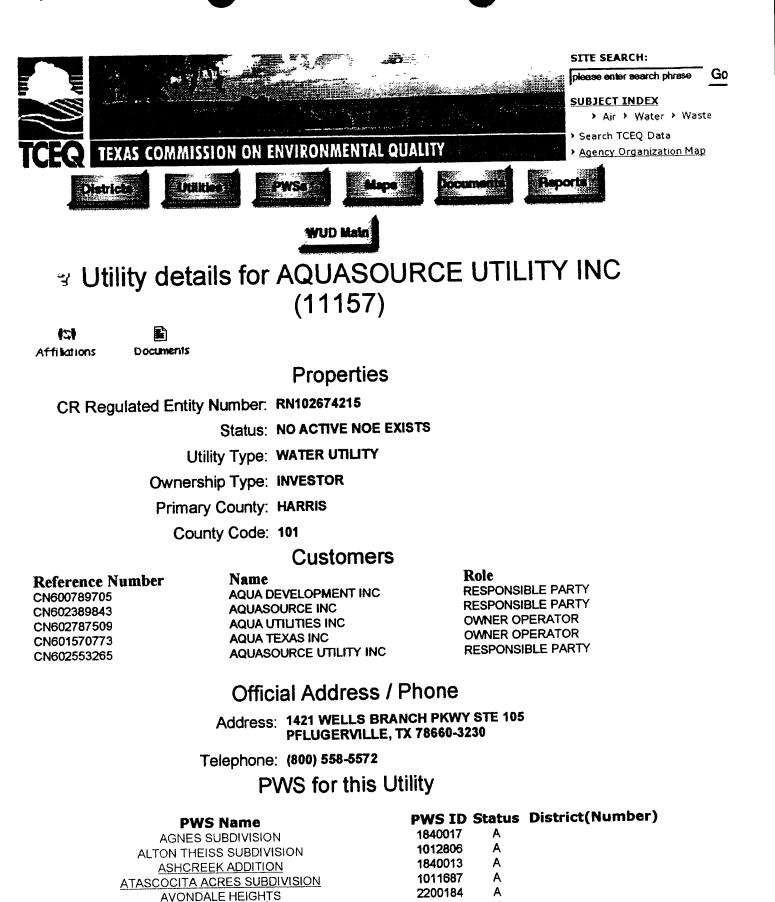


Activity

http://www3.tnrcc.state.tx.us/iwud/util/index.cfm?fuseaction=DetailUtility&ID=13469

Utility details for AQUASOU^{*} UTILITY INC





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2200284

1010809

1010810

AVONDALE HEIGHTS MOBILE HOME PARK

BAMMEL OAKS ESTATES 1

BAMMEL OAKS ESTATES 2

Utility details for CITY OF PF THURS

