



Control Number: 44333



Item Number: 1

Addendum StartPage: 0



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER
SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: **44333**

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication	13
Notice to Neighboring Systems, Landowners and Cities	15
Notice to Customers of IOUs in Proposed Area	17

Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s) <u>10524</u>	
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s) _____	

1. Applicant Information

Applicant

Utility name: City of DeKalb

Certificate number: 601365414

Street address (City/ST/ZIP/Code): 110 East Grizzly Drive, DeKalb, TX 75559-1800

Mailing address(City/ST/ZIP/Code): 110 East Grizzly Drive, DeKalb, TX 75559-1800

Utility Phone Number and Fax: (903) 667-2410 and Fax (903) 667-2689

Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name: Tom Pruitt, P.E.

Title: Consultant

Mailing address: 4445 S.E. Loop 286 Paris, TX 75460

Email: tpruitt@haytereng.com

Phone and Fax: (903) 785-0303 and Fax (903) 785-0308

List all counties in which service is proposed:

Bowie County

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

- ☐ Investor Owned Utility ☐ Individual ☐ Partnership
- ☐ Home or Property Owners Association ☐ For-profit Corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☒ Municipality ☐ District ☐ Other - Please explain:

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: _____
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

2. Location Information

- A. Are there people already living in the proposed area? ☐ Yes ☒ No
- If YES, are any currently receiving utility service? ☐ Yes ☐ No
- If YES, from WHOM? _____

B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

☐ Yes ☒ No Please see Attachment 1

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☐ Yes ☒ No

If YES, within the corporate limits of: _____

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

Not Applicable

D. Is any portion of the proposed service area inside another utility's CCN area?

☒ Yes ☐ No

If YES, has the current CCN holder agreed to decertify the proposed area?

Please see Attachment 2

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

Seeking dual certification. Please see Attachment 2.

3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county. Please see Attachment 3.
- B. A map showing only the proposed area by: Please see Attachment 3a and digital data on disk.
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area. Please see Attachment 4.
- D. Provide separate and additional maps of the proposed area(s) to show the following: Please see Attachment 5.
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information: Not Applicable
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
 - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? ☐ Yes ☐ No Not Applicable

- i. If yes, please provide documentation of the denial of service and go to c.
- ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.

C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

Not Applicable

D. Date of plat approval, if required: _____
 Approved by: _____

Not Applicable

E. Date Plans & Specifications submitted to the TCEQ for approval:

_____ Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ. Not Applicable

F. Date construction is scheduled to commence: _____

Not Applicable

G. Date service is scheduled to commence: _____

Not Applicable

5. Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

i. Water system(s): TCEQ Public Water System identification number(s):

0	1	9	0	0	0	1												
---	---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

ii. Sewer system(s): TCEQ Discharge Permit number(s)

W Q 1 0 0 6 2 - 0 0 2 ;

W Q -

W Q -

W Q -

W Q -

W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): Water 01-23-12; Sewer 02-22-12
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). See Attachment 6.
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. Please see Attachment 6.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Matt McAdoo	B	WW0050460
Wesley Massey	-	WD0004674

- Attach additional sheet(s) if necessary -

- C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?
- ☐ Yes
- ☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	894	894	Residential		
1" meter or larger	26	26	Commercial		
Non-Metered	9	9	Industrial		

TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water			Total Sewer		

E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

Sewer is served by the City already.

F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

G. Effect of Granting a Certificate Amendment. Please see Attachment 7

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i. the applicant,
- ii. any retail public utility of the same kind already serving the proximate area; and
- iii. any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i. ☐ No, (skip the rest of this question and go to #6)

ii. ☒ Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
Texarkana Water Utilities	100.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

- iii. ☐ Yes, Sewer treatment capacity Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis? Not Applicable

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

- iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract. Please see Attachment 8.

I. Ability to Provide Adequate Service.

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration: Please see Attachment 9

- the current and projected density; and
- the land use of the requested area.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

Creates eligibility for Industrial Park / future development within City Limits.

6. Financial Information

- A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system: Not Applicable
- the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
 - Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed). Please see Attachment 10A.
- ii. Attach a proposed rate schedule or tariff. Please see Attachment 10B.

❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**

- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers. See Attachment 10A.

- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant. See Attachment 10A.

❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area. Please see Attachment 11.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

OATH

STATE OF Texas
COUNTY OF Bowie

I, Dennis Wandrey, being duly sworn,
file this application as Mayor (indicate relationship to Applicant,
that is, owner, member of partnership, title as officer of corporation, or other authorized
representative of Applicant); that, in such capacity, I am qualified and authorized to file
and verify such application, am personally familiar with the maps and financial information
filed with this application, and have complied with all the requirements contained in this
application; and, that all such statements made and matters set forth therein are true and
correct. I further state that the application is made in good faith and that this application
does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended
from its original form.

**I further represent that the Applicant will provide continuous and adequate
service to all customers and qualified applicants for service within its certificated
service area.**

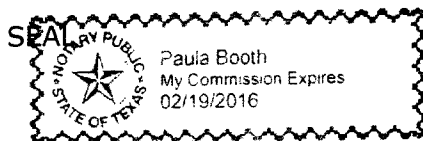


AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the
Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 18 of December 20 14


NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 2/19/2016

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/~~SEWER~~ UTILITY SERVICE IN

BOWIE

COUNTY~~(IES)~~, TEXAS

~~Name of Applicant~~ The City of DeKalb has filed an application for a
CCN to ~~obtain or amend~~ CCN No. (s) 10524 and to
~~decertify a portion(s) of~~ Central Bowie County WSC (CCN #10525) with the
dual-certify the area (Name of Decertified Utility)

Public Utility commission of Texas to provide

water

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in

Bowie

County
(ies).

The proposed utility service area is located approximately 1 miles west
[direction] of downtown DeKalb, [City or Town] Texas, and is
generally bounded on the north by the DeKalb Fire Department & the DeKalb City Park; on the east by
DeKalb Middle School; on the south by open floodplain; and on the west by US 259

The total area being requested includes approximately 64 acres and no
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): City of DeKalb, City Hall, 110 East Grizzly Drive, DeKalb, TX 75559-1800; (903) 667-2410

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 file with the PUC at the following address:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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 commission 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 final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/~~SEWER~~ UTILITY SERVICE IN

BOWIE

COUNTY~~(IES)~~, TEXAS

To: Central Bowie County WSC Date Notice Mailed 20
(Neighboring System, Landowner or City)

2822 Hwy 82 West, PO Box 306

(Address)

New Boston Texas 75570
City State Zip

Name of Applicant The City of DeKalb has filed an application ~~for a~~
CCN to ~~obtain or amend~~ CCN No. (s) 10524 and to
~~decertify a portion(s) of~~ Central Bowie County WSC (CCN #10525) with the
dual-certify the area (Name of Dual-certified Utility)

Public Utility Commission of Texas to provide water
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in Bowie County(ies).

The proposed utility service area is located approximately 1 miles west
[direction] of downtown DeKalb, [City or Town] Texas, and is
generally bounded on the north by DeKalb Fire Department and DeKalb City Park; on the east by
DeKalb Middle School; on the south by open floodplain; and on the west by US 259

See enclosed map of the proposed service area.

The total area being requested includes approximately 64 acres and no
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:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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 commission 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 final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/SEWER UTILITY SERVICE IN _____

_____, COUNTY(IES), TEXAS

Dear Customer: _____ Date Notice Mailed _____ 20 _____

Name of Applicant _____ has filed an application for a
CCN to obtain or amend CCN No. (s) _____ and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in _____ County(ies).

The proposed utility service area is located approximately _____ miles _____
[direction] of downtown _____, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): _____

The current utility rates which were first effective on _____ 20 _____

Monthly Flat Rate of \$ _____ Per connection

-OR-

Monthly Base Rate Including per _____ gallons
connection for:

5/8" meter	\$ _____
1" meter	\$ _____
1 1/2" meter	\$ _____
2" meter	\$ _____

Other\$ _____

Gallonage charge of \$ _____ Per 1,000
Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%

\$ _____
\$ _____
\$ _____
\$ _____
\$5.00 or 10%
\$ _____
\$ _____
\$ _____
\$ _____

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

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:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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 Commission 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 final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Attachment 1

The City of DeKalb holds water CCN #10524 and sewer CCN #20117. This application is to amend the water CCN – no changes are proposed for the sewer CCN.

All of the existing and proposed CCN area is in Bowie County, in northeast Texas. The area proposed for addition is presently certified to Central Bowie County Water Supply Corporation (10525). This CCN amendment affects one small area, and is being requested for multiple reasons:

1. The City has future development interests and plans to extend its service area as a result of the need for water service in the proposed area.
2. The City has extended its lines over the years to meet individual requests for service adjacent to its CCN.

See map attachments 3 and 5.

The area is located outside and contiguous to the incorporated limits of the City of DeKalb within Bowie County and consists of approximately 64 acres. It is bounded by US 259 to the west, DeKalb Fire Department and DeKalb City Park to the north, DeKalb Middle School to the east, and an open floodplain to the south. The proposed area is currently located within the CCN area of Central Bowie County WSC, but they do not have any utilities near the proposed service area. The City of DeKalb has lines in the area and has plans to extend a line to the proposed area. Dual-certification is proposed for this area.

Since the City will be serving the area, the City would like to protect its investment by securing CCN jurisdiction.

Economic Need: This does not apply to DeKalb's situation. However, when considering all options for water supply, extending a water line is the best alternative. Due to the close proximity of the nearby water line, it would be the most economical alternative in all aspects for all stakeholders. Also, the City's future plans for the propose area will help bring in more revenue, as it will attract populations inside and outside the city.

Environmental Need: In the past, the other option for water supply has been from individual wells drilled into small perched aquifers and the Nacatoch aquifer. However, over time, the water quality in these wells has declined, and residents in the area have bad tasting water that is high in sulfur and limited in quantity. These residents determined that it was preferable to be served by a public water supplier than to continue with poor quality groundwater. With the proposed area being located within a floodplain, there would also be the risk of contamination.

Requests for Service: Service in other areas of the city has been provided incrementally over the years as a result of individual request. There have been no requests for service within the

proposed area. The need for service has emerged only for the interests that the City has for future development.

Anticipated Growth: There are no major highways, industrial or institutional projects planned in the immediate area which would significantly stimulate growth. The City has commercial interests for the proposed area which will stimulate the flow of tourism, but is not foreseen to affect the inhabited population. The Region D water plan calls for growth between years 2020 to 2030 of less than 0.5% per year, which is modest. This growth trend will not be affected by the CCN amendments.

**Central Bowie County WSC**

ATTACHMENT 2

P.O. Box 306
New Boston, TX 75570
Phone (903) 628-5601 Fax (903) 628-9258
Cbcwsc@aol.com

July 11, 2014

Mayor Dennis Wandrey
City of DeKalb
110 E. Grizzly Drive
De Kalb, TX 75559

RE: Your letter, dated June 24, 2014, requesting consent for CCN change

Dear Mayor Wandrey:

1. Let this serve as a Letter Agreement whereby Central Bowie County WSC agrees and consents to allow the City of De Kalb to provide water to the property south of the Industrial Park.
2. The City will submit an application to the TCEQ or PUC to amend the City's CCN. Dual Certification will be designated for the property south of the Industrial Park.
3. All costs associated with the City and the WSC obtaining shared certification for this area will be the responsibility of the City.
4. The application to amend the CCN will be submitted within 9 months.
5. Central Bowie will have the opportunity to review/approve the map included as a part of the application to amend CCN prior to the package being submitted to the TCEQ or PUC.
6. Direct questions to Hal Harris, General Manager at 903-628-5601.

Sincerely,


Harrell Hignight, President

CONSENT TO AGREEMENT
CITY OF DE KALB

By: 

Dennis Wandrey, Mayor

Date: 7-31-14

OVERSIZED MAP(S)

ATTACHMENT 3-A on CD

To View

OVERSIZED Map

Or

Documents

You can call CENTRAL RECORDS

Main Line

(512) 936-7180

Gregory A. Shaw, Ph.D. Chairman
Miguel Garcia, Commissioner
Mark R. Ransom, Commissioner
Paul F. Cohen, P.E. Executive Director

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 20, 2012

Honorable Paul Meadows, Mayor
City of DeKalb
110 E. Grizzly St.
DeKalb, Texas 75559

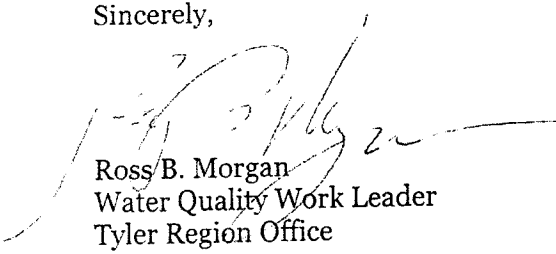
Re: Compliance Evaluation Investigation at:
City of DeKalb Wastewater Treatment Plant, 1430 County Road 4230, DeKalb (Bowie),
Texas
{TCEQ ID No.: WQ0010062002, EPA ID No.: TX0069671

Dear Mayor Meadows:

On February 21 and 22, 2012, Lisa Fisher of the Texas Commission on Environmental Quality (TCEQ) Tyler Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for storm water and wastewater treatment. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Lisa Fisher in the Tyler Region Office at (903)535-5137.

Sincerely,



Ross B. Morgan
Water Quality Work Leader
Tyler Region Office

RBM/Inf

CITY OF DeKALB

THE FRIENDLY CITY

PAUL G. MEADOWS
Mayor

ABBI BAKER
City Administrator

110 E. Grizzly Drive
DeKalb, Texas 75559-1800
Phone 903-667-2410
Fax 903-667-2689

April 6, 2012

TCEQ
2916 Teague Dr.
Tyler, TX 75701
Attn: Kevin Glanton

Mr. Glanton;

Please see below, answers to allegations of alleged violations, Investigation 988930, regarding our public water system.

Track 459510 – a) we have started, and will continue, to keep maintenance records on all water line repairs. We will document what type of repair, water line pressure, and how the repair was made. Each repair will be supervised by a licensed operator. b) A complaint log has been established. The City Water Clerk will document each complaint and a licensed operator will investigate and report on each individual incident.

Track 459511 – A customer service inspection will be performed on all new construction and any change-out of meters. The City has available, Jacky Shumake, an employee of Central Bowie WSC and a licensed CSI, to assist with inspections. Additionally, Matt McAdoo, Public Works Director, will take the class necessary to obtain his CSI license.

Track 459512 – Documentation was sent on March 12, 2012 regarding this alleged violation.

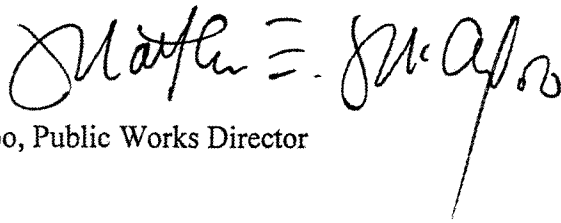
Track 459513 – The backflow prevention devices that are in place now have been inspected and will continue to be inspected on an annual basis. Also, the City of De Kalb will have additional sites inspected by a licensed backflow prevention assembly tester, Terry Ervin BP0013788, to determine if any additional RPZ's are necessary.

Track 459514 – A plant operations manual has been put together and made ready for implementation.

If there are any further questions regarding the above, please feel free to contact me at the above number.

Sincerely,

Matt McAdoo, Public Works Director



Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 7, 2012

CERTIFIED MAIL 91 7108 2133 3939 1972 5359
RETURN RECEIPT REQUESTED

The Honorable Paul Meadows, Mayor
City of De Kalb
110 E. Grizzly St.
De Kalb, TX 75559

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
City of De Kalb Water Supply, located on Grizzly Dr., 1 block S of Front St. in De Kalb
(Bowie Co.), TX., RN101390755, PWS ID: 0190001, Investigation No. 988930

Dear Mayor Meadows:

On January 23, 2012, Mr. Kevin Glanton of the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office conducted an investigation of the above-referenced system to evaluate compliance with applicable requirements for public water supply systems. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required, alleged violations which have been resolved, as well as additional issues.

Please submit to this office by the dates listed a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation by Track Number: March 14, 2012—459512. **Please note that failure to resolve this violation may result in enforcement action.**

Please submit a compliance plan by April 6, 2012, for the following violations by Track Number: 459510, 459511, 459513, and 459514. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If the violation has already been corrected, please submit compliance documentation, such as a photograph, purchase order, etc, demonstrating what actions were taken.

In the listing of the alleged violation(s), we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Tyler Region Office at 903-535-5100 or the Central Office Publications Ordering Team at 512-239-0028.

REPLY TO: REGION 5 • 2916 TEAGUE DR. • TYLER, TEXAS 75701-3734 • 903-535-5100 • FAX 903-595-1562

Austin Headquarters: 512-239-1000 • www.tceq.state.tx.us • How is our customer service? www.tceq.state.tx.us/goto/customersurvey

The Texas Commission on Environmental Quality appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the Tyler Region 5 Office within 10 days from the date of this letter. At that time, the Water Program Manager will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Kevin Glanton in the Tyler Region Office at (903) 535-5133.

Sincerely,



William D. Gibson, Work Leader
Tyler Region Office

WDG/rkg

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

CITY OF DEKALB

Investigation # 988930

, BOWIE COUNTY,

Investigation Date: 01/23/2012

Additional ID(s): 0190001

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 459510

Compliance Due Date: To Be Determined

30 TAC Chapter 290.46(f)

Alleged Violation:

Investigation: 988930

Comment Date: 2/24/2012

Failure to maintain the public water system's operating records organized, and copies kept on file or stored electronically as follows (the operating records must be accessible for review during inspections): a) the maintenance records for water system equipment and facilities; and b) Date, location, and nature of water quality, pressure or outage complaints and results of any subsequent complaint investigation.

During the investigation on 01/23/2012, the investigator documented by reviewing records and through conversation with the operator that the system failed to: a) maintain adequate maintenance records as discussed below; and b) a complaint log.

The water system should ensure that it maintains records for maintenance on the system regarding line repairs and the applicability and compliance with the special precautions requirements. If the line is repaired under pressure, which is 20 psi or more for the area affected, then the log should include this information, including how the line was repaired and what the pressures were. If the repair is subject to the special precautions requirements as defined below, then documentation demonstrating compliance with either of the special precautions options is required. In addition, documentation should demonstrate that line repairs are completed under the supervision of an adequately licensed operator. The special precautions required in response to an incident where the water main pressure drops below 20 psi and the lines are partially or fully dewatered follows (as listed in the flowchart in 30 TAC 290.47(h)). One of the following two options must be taken.

Option one is to issue a boil water notice (BWN), within 24 hours of the incident, to the customers affected by the incident. Documentation of the BWN must also be submitted to the TCEQ Tyler Region Office. After the pressure is restored, special bacteriological samples, representative of the area affected, shall immediately be taken. Upon receipt of the lab report indicating that the samples are negative for total coliform and e coli, the BWN may be rescinded. Copies of the rescind notice and lab samples shall be submitted to the TCEQ Tyler Region Office. This option does not mean that no effort should be made to flush the lines, if practical.

Option two requires the completion of the following steps: 1) disinfect the lines according to American Water Works Association (AWWA) standards; 2) flush until chlorine residual reaches normal operating levels or until a minimum of two volumes of the affected line is flushed, whichever is greater if the water is not clear after the prescribed flushing, continue to flush until the water is clear; 3) immediately collect bacteriological samples from the affected area and return the area to service; and 4) if bacteriological samples are negative, no further action is necessary, but if they are positive, notify the TCEQ Tyler Region Office for additional instructions.

Recommended Corrective Action: Please submit a compliance plan by 04/06/2012. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, photographs, purchase orders, results of analyses, etc. demonstrating what actions were taken.

Track No: 459511 Compliance Due Date: To Be Determined
30 TAC Chapter 290.46(j)

Alleged Violation:

Investigation: 988930

Comment Date: 2/24/2012

Failure to complete a customer service inspection certification prior to providing continuous water service to new construction, on any existing service when the water purveyor has reason to believe that cross-connections or other unacceptable plumbing practices exist, or after any material improvement, correction, or addition to the private water distribution facilities.

During the investigation on 01/23/2012, the investigator documented that the system failed to make available for inspection documentation of complete customer service inspections (CSI) on new construction or on existing service where a potential hazard may exist. The investigator asked to review copies, and the operator could not provide any for inspection. The operator stated that there had been new construction within the past 10 years. An alternative to conducting customer service inspections is to adopt a plumbing code ordinance and conduct plumbing inspections with a licensed plumbing inspector.

Recommended Corrective Action: Please submit a compliance plan by 04/06/2012. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, photographs, purchase orders, results of analyses, etc. demonstrating what actions were taken.

Track No: 459512 Compliance Due Date: 03/12/2012
30 TAC Chapter 290.44(h)(1)

Alleged Violation:

Investigation: 988930

Comment Date: 2/24/2012

Failure, by the regulated entity, to prohibit water connection to a residence or establishment where an actual or potential contamination or system hazard exists without an air gap separation or an approved backflow prevention assembly between the public water facilities and the actual or potential contamination or system hazard.

During the investigation 01/23/2012, the investigator documented, through conversation with the water operator, that the failed to require a reduced-pressure principle backflow prevention assembly (RPBA) at the wastewater treatment plant.

Note that an RPBA may not be required at such a facility if an individual who is properly credentialed determines and documents, via a customer service inspection certification [290.47(d)], that no potential cross-connection is present at such locations. According to 290.46(j)(1), individuals with the following credentials shall be recognized as capable of conducting a customer service inspection certification: Plumbing Inspectors and Water Supply Protection Specialists licensed by the Texas State Board of Plumbing Examiners and Customer service inspectors who have completed a commission approved course, passed an examination administered by the executive director, and hold a current professional certification or endorsement as a customer service inspector.

30 TAC 290.44(h)(4) states, "All backflow prevention assemblies that are required according to this section and associated table located in 30 TAC 290.47(i) of this title shall be tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection

against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester."

Recommended Corrective Action: Please submit compliance documentation by 03/14/2012. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

Track No: 459513 **Compliance Due Date:** To Be Determined
30 TAC Chapter 290.44(h)(4)

Alleged Violation:

Investigation: 988930

Comment Date: 2/24/2012

Failure to have all backflow prevention assemblies tested upon installation by a recognized backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester.

During the investigation on 01/23/2012, the investigator documented that the system failed to systematically require that backflow prevention assemblies, which are installed to provide protection against health hazards, be tested annually. The system should have a systematic way of communicating to each customer that has such assemblies that the annual test must be completed with related conditions for receiving the completed test report.

Recommended Corrective Action: Please submit a compliance plan by 04/06/2012. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, photographs, purchase orders, results of analyses, etc. demonstrating what actions were taken.

Track No: 459514 **Compliance Due Date:** To Be Determined
30 TAC Chapter 290.42(l)

Alleged Violation:

Investigation: 988930

Comment Date: 2/24/2012

Failure to compile and maintain current a thorough plant operations manual for operator review and reference. This manual should be of sufficient detail to provide the operator with routine maintenance and repair procedure as well as provide telephone numbers of water system personnel, system officials, and local/state/federal agencies to be contacted in the event of an emergency.

During the investigation on 01/23/2012, the investigator documented that the system failed to have a plant operations manual.

Recommended Corrective Action: Please submit a compliance plan by 04/06/2012. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, photographs, purchase orders, results of analyses, etc. demonstrating what actions were taken.

**ALLEGED VIOLATION(S) NOTED AND RESOLVED
ASSOCIATED TO A NOTICE OF VIOLATION**

Track No: 364975
30 TAC Chapter 290.46(f)(3)(A)(iv)

Alleged Violation:

Investigation: 745465

Comment Date: 5/12/2009

Failure to maintain the public water system's operating records organized, and copies kept on file or stored electronically as follows (the operating records must be accessible for review during inspections): 1. monthly dead-end main flushing logs.

During the investigation occurring on 04/28/09, the investigator documented through a file review that the system did not maintain consistent dead-end main flushing records; specifically, various mains were shown to be flushed each month, and dead-end mains were not notated.

Investigation: 988930

Comment Date: 2/24/2012

Please see violation comments.

Resolution: During the investigation on 01/23/2012, the investigator reviewed flush logs.

Track No: 364977**30 TAC Chapter 290.121****Alleged Violation:**

Investigation: 745465

Comment Date: 5/12/2009

Failure to develop and maintain an up to date system monitoring plan. The plan shall identify all bacteriological and chemical locations, describe the sampling frequency, and specify the analytical procedures and laboratories to be used to comply with monitoring requirements. The completed plan must be retained at each water plant, and made available for review during succeeding investigations.

During the investigation on 04/28/2008, the investigator documented through a file review that the water system failed to develop and maintain an up to date system monitoring plan that includes all chemical treatments and that is updated with chemical and bacteriological sampling frequencies.

Investigation: 988930

Comment Date: 2/24/2012

Please see violation comments.

Resolution: During the investigation on 01/23/2012, the investigator reviewed a Monitoring Plan.

Track No: 364979**30 TAC Chapter 290.46(m)****Alleged Violation:**

Investigation: 745465

Comment Date: 5/12/2009

Failure to initiate maintenance and housekeeping practices to ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

The investigator observed during the investigation on 04/28/2009 that the water system needs to cut back trees from barbed wire at ground storage plant, and cut back trees, shrubs, and vines from the fence in the yard.

Please see violation comments.

Resolution: During the investigation on 01/23/2012, the investigator observed that the brush had been removed from the fence.

ADDITIONAL ISSUES

<u>Description</u>	<u>Additional Comments</u>
Item 9	<p>Failure to cover and design, fabricate, erect, test and disinfect in strict accordance with current American Water Works Association (AWWA) standards, all facilities for potable water storage.</p> <p>During the investigation on 01/23/2012, the investigator observed and documented, by reviewing the tank inspection report, that the ground storage tank was not maintained as follows: the interior side wall plates were in fair to poor condition; the exterior surface of the side walls was generally deteriorated, and concrete was flaking off; the roof had a couple of areas where ponding occurs.</p> <p>Therefore, a Notice of Violation will be issued to the City of Texarkana for Failure to maintain the storage tank in accordance with AWWA standards.</p>
Item 10	<p>During the investigation, the investigator documented through a review of the water system's contract with Texarkana Water Utilities that Texarkana is only obligated to provide a maximum of 0.42 MG/Day, or about 292 GPM/con. The water system is required to provided a minimum of 610 GPM/conn (0.6 GPM x 1016 con). At this time, the TCEQ is not considering this issue a violation. In addition, the water system meets all other capacity requirements. However, the water system should work towards updating their contract.</p>

CITY OF DeKALB

THE FRIENDLY CITY

PAUL G. MEADOWS
Mayor

ABBI BAKER
City Administrator

110 E. Grizzly Drive
DeKalb, Texas 75559-1800
Phone 903-667-2410
Fax 903-667-2689

March 12, 2012

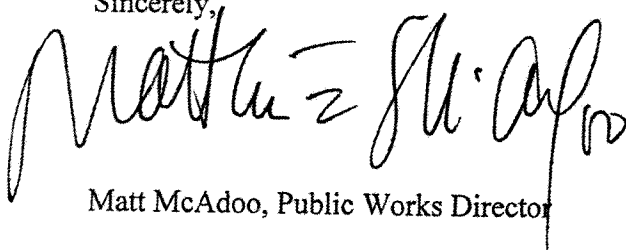
Kevin Glanton
Tyler Regional Office
TCEQ
2916 Teague Dr.
Tyler, TX 78711-3087

Re: Alleged Violation Track #459512

Mr. Glanton;

Per the above, alleged violation, I have enclosed an invoice, as well as a picture, of the installed RPBA at our WWTP. I will continue to work toward resolution of the remaining violations. As requested, I will submit a compliance plan no later than the 6th of April, 2012. If there is anything further needed from the City of De Kalb, please feel free to call my office. Thank you for your continued assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt McAdoo". The signature is stylized with a large, sweeping "M" and a cursive "McAdoo".

Matt McAdoo, Public Works Director

Custom Ventures, Inc.

PO Box 7

Paris, TX 75461-0007

Tel: 903-495-2139

Fax: 903-784-4520

Invoice

INVOICE LOCATION:

City of DeKalb
Attn: Matt McAdoo
110 East Grizzly Dr.
Detroit, TX 75559

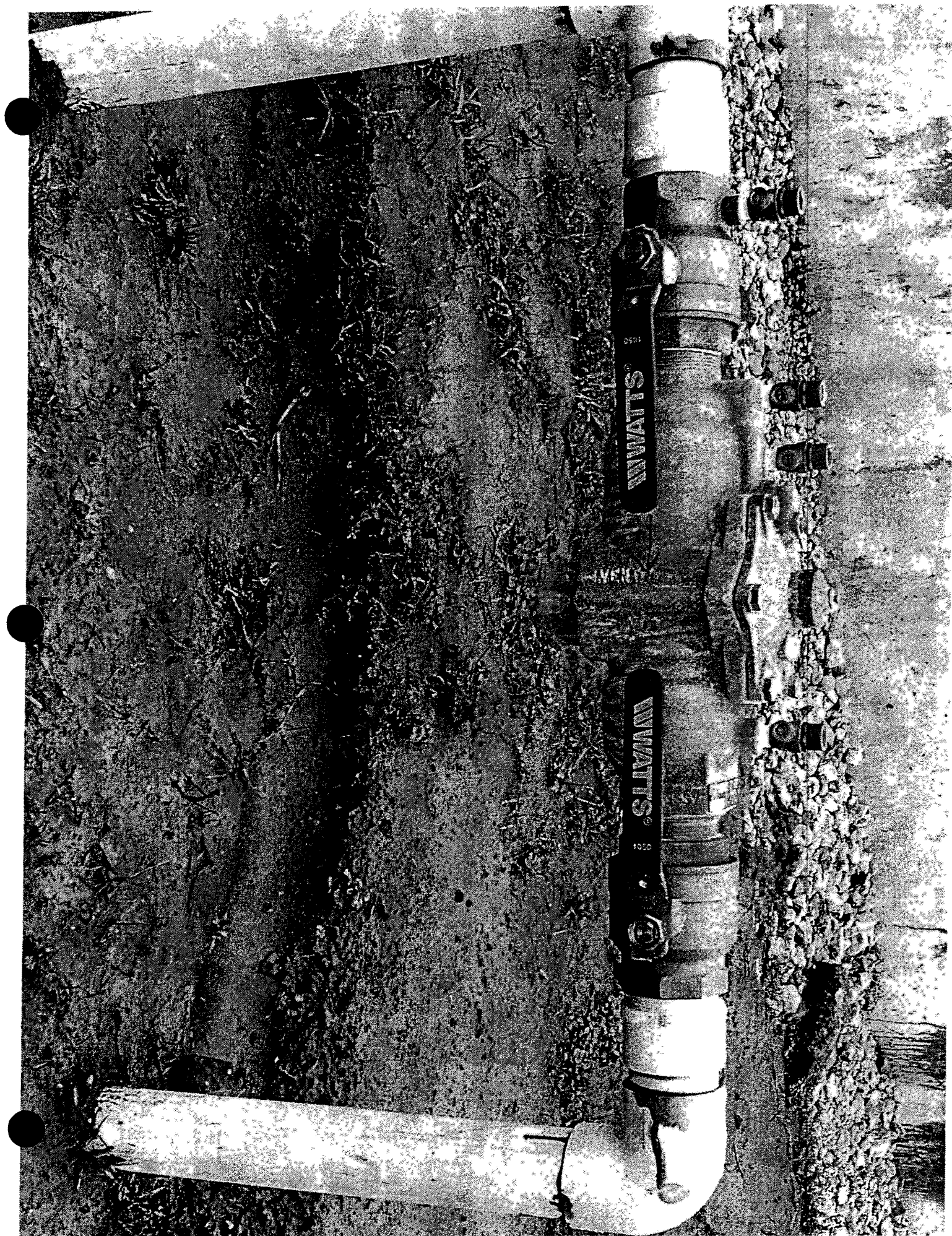
SERVICE LOCATION:

City of DeKalb
Waste Water Treatment Plant

INVOICE NUMBER 20120062
BILLING DATE February 24, 2012
PURCHASE ORDER NO.
TERMS Due Upon Receipt
SALES PERSON Terry Ervin
SHIPPED VIA [Shipped Via]
F.O.B. [F.O.B.]

QTY	DESCRIPTION	PRICE	AMOUNT
1	Installation/Test - 2" RPZ Backflow Preventor - at WWTP	\$ 1000.00	1000.00
Thank You Terry Ervin			
		SUBTOTAL	1000.00
		TAX RATE	
		TAX	0.00
		FREIGHT	0.00
			\$1,000.00
			TOTAL DUE

THANK YOU FOR YOUR BUSINESS!



Attachment 7

The Applicant. The City of DeKalb is an existing entity and is in close proximity to the requested area. Therefore, the goal of regionalization is met by this provider serving the area rather than a new provider. The City has operated its water system for many years, and is familiar with the workings of a water system. DeKalb's compliance history is acceptable – in the past, DeKalb has received multiple grants to extend its services, so there was no associated debt on the books. For the proposed area, DeKalb will incur the debt, payable from its own funds. Costs will be incurred in maintaining the lines, but income from the future attraction will help defray this cost.

Nearby Public Utilities. Central Bowie County WSC is the only other utility in close proximity to the proposed area. Central Bowie County WSC serves an area within Bowie County South and Southeast of DeKalb. Central Bowie County WSC has also been in business for a number of years, and is familiar with serving water in rural areas. However, compared to the City's close proximity to the proposed area, it would be infeasible for them to expand and service that area. There are no residential water service requests in the area. The inclusion is to protect the City's future investment.

Landowners in the Area. There are no residences or water service requests in the area – this area is minimal in size and is proposed for inclusion solely to protect the City's future investment.

ATTACHMENT 8

WATER SUPPLY CONTRACT

THE STATE OF TEXAS I
COUNTY OF BOWIE I

THIS CONTRACT, made and entered into this the 24th
day of June 1969, between the CITY OF TEXARKANA, TEXAS
(hereinafter called "TEXARKANA"), a municipal corporation in Bowie
County, Texas, acting under the laws of the State of Texas, and
the CITY OF DE KALB , TEXAS (hereinafter called " DE KALB "),
a municipal corporation in Bowie County, Texas, acting under
the laws of the State of Texas,

W I T N E S S E T H :

WHEREAS, under arrangements with the United States
Government TEXARKANA has been allowed storage space in Texarkana
Reservoir in a manner which provides it with not to exceed 25,000
acre-feet of water per annum and which TEXARKANA is authorized to
divert and use for municipal purposes under its Permit No. 1563a
issued by the Board of Water Engineers of the State of Texas; and

WHEREAS, it has been determined that such water supply
is sufficient to meet the municipal requirements of DE KALB
and other area cities throughout the reasonably foreseeable future;
and

WHEREAS, within the limits of the amounts which now are
or which hereafter may be available to it for municipal purposes,
TEXARKANA has agreed to supply the reasonable municipal require-
ments of such cities; and

WHEREAS, TEXARKANA has obtained from the Texas Water
Rights Commission and now possesses Permit No. 1563b, by virtue
of which it is authorized to divert and use for municipal purposes

an additional 20,000 acre-feet of water per annum (a total of 45,000 acre feet) and for which, by contract with the United States Government and contingent upon the construction of Cooper Reservoir on the Sulphur River, TEXARKANA will possess storage space in Texarkana Reservoir, thus further insuring an adequate supply of water for all such cities; and

WHEREAS, DE KALB desires to obtain a reliable supply of surface water for its municipal requirements such as that which may be made available to it under arrangements herein-after set forth; and

WHEREAS, TEXARKANA expects to enter into a Water Supply, System Sale-Purchase-Financing Agreement (hereinafter referred to as "Water System Agreement") with LAKE TEXARKANA WATER SUPPLY CORPORATION (hereinafter referred to as the "COMPANY") by the terms of which COMPANY will construct certain improvements, extensions and betterments to its present water treatment and transportation facilities (hereinafter referred to collectively as "COMPANY facilities"), which will provide the means of treating and transporting water to DE KALB from the Lake Texarkana supply, TEXARKANA to take possession of and maintain and operate all COMPANY facilities upon completion of the aforementioned improvements, extensions and betterments; and

WHEREAS, by the terms of said Water System Agreement COMPANY will issue and sell its bonds in a principal sum adequate to (a) discharge any COMPANY indebtedness, including bonds previously issued, for water treatment and transporting facilities heretofore constructed if, in the opinion of its financial consultants, it is necessary to do so in order to more advantageously finance anticipated improvements to such facilities; and (b) is supplemented by a \$3,000,000 grant contracted to COMPANY by the

United States of America, Secretary of Housing and Urban Development, provide sums required to construct the aforementioned improvements now anticipated for delivery of treated water to area cities including DE KALB ; and

WHEREAS, DE KALB understands that COMPANY bonds issued in financing COMPANY facilities will be payable from revenues received by COMPANY from TEXARKANA pursuant to said Water System Agreement between said COMPANY and TEXARKANA; further that certain of the amounts pledged by TEXARKANA to meet its said obligations to COMPANY are to be derived from this Water Supply Contract between DE KALB and TEXARKANA, thus constituting a basis for COMPANY credit in financing COMPANY facilities including those necessary in providing the means of treating and transporting water to DE KALB under this contract; and

WHEREAS, both DE KALB and TEXARKANA, acting through their duly constituted governing bodies, had mutually agreed upon the terms and conditions of this contract;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and undertakings herein set forth, the parties hereto agree and contract as follows:

SECTION 1: Quantity of Water - Water Charges.

(a) Upon the effective date of this contract TEXARKANA shall proceed as promptly as possible in performing its obligations under its Water System Agreement with COMPANY in order that COMPANY may construct the improvements, extensions and betterments to its present facilities which will offer DE KALB the means of receiving water under this contract. Upon completion and acceptance of such facilities TEXARKANA will make available to DE KALB at the point of delivery hereinafter specified treated water in an amount not to exceed 153.4 million gallons

per year to be delivered at the rate of not to exceed .42 million gallons per day. TEXARKANA represents that the COMPANY-constructed system capacity will permit the delivery aforementioned. Out of the total amount of water to be made available to DE KALB it shall be entitled to take and receive within the maximum daily rate of delivery above specified an amount not to exceed 76.7 million gallons per year, for which DE KALB agrees to make the minimum monthly payments hereinafter provided. For all amounts which it shall take within the maximum amount available for it but in excess of that to which it shall be entitled for the minimum monthly payments, DE KALB agrees to pay such rates or charges reasonably determined by TEXARKANA as those required to provide all costs incurred in the delivery of such water. TEXARKANA agrees to undertake to supply DE KALB water over and above the 153.4 million gallons per year first above mentioned as available to it under this agreement should the need arise and in that event and if such water cannot be delivered within the then existing system capacity, arrangements shall be accomplished by modification of the terms of this agreement as provided in Section 6 hereof. For purposes of arriving at the computations relating to price determinations TEXARKANA agrees there shall be made available for the use of itself and Texarkana, Arkansas, jointly treated water in an amount not to exceed 6,334.2 million gallons per year to be delivered at the rate of not to exceed 17.34 million gallons per day and that within said daily rate and out of said total annual availability it shall be entitled to take for their joint use an amount not to exceed 3,167.1 million gallons per year for minimum monthly payments arrived at in the same manner as

herein provided for . DE KALB'S minimum monthly payments and as will be provided for in all contracts with other area cities. The provisions hereof relating to taking and paying for water which may be received over and above that allowed for the minimum monthly payments shall be fully applicable to TEXARKANA. DE KALB agrees that as consideration for TEXARKANA'S undertakings, and regardless of the actual quantity of water delivered, during the period that COMPANY'S bonds issued to provide and construct COMPANY facilities or any interest on such bonds are outstanding and unpaid, it will make "minimum monthly payments" to TEXARKANA adequate to discharge its pro rata part of the following items:

(1) All amounts required for amortization of COMPANY facilities, including all bonds and additional bonds required to provide and complete the facilities as planned issued by COMPANY pursuant to the terms and conditions of its bond authorizing resolutions and including, without limitation, the payment of all principal and interest, fees and charges of paying agents, and for the maintenance of any reserve, contingency or other funds specified by COMPANY'S resolutions relating to its bonds issued for providing and constructing the COMPANY facilities. The COMPANY resolutions aforementioned, their provisions and the terms and conditions of the Water System Agreement between TEXARKANA and COMPANY are fully recognized by DE KALB in connection with its obligations to TEXARKANA hereunder. It is expressly understood, however, that after COMPANY bonds and all interest thereon

have been completely paid and discharged, the provisions of this item (1) shall no longer apply in the computation of minimum monthly payments.

(2) All amounts for which TEXARKANA may be obligated under its water storage contract with the United States Government after deducting therefrom such sums as are derived for this purpose under contracts between TEXARKANA and industrial users.

(3) All amounts reasonably required by TEXARKANA for the maintenance, operation and administration of all those properties and facilities which are received by it under contract with COMPANY. In computing the actual operating and maintenance costs of the facilities to be paid by TEXARKANA there shall be deducted any costs included therein for operating and maintaining facilities which may be provided for the delivery of industrial water out of that permitted for industrial purposes under TEXARKANA'S water permit. It is understood that at this time none of the facilities herein referred to are provided for the delivery of untreated or industrial water, but it is the intent of the parties that should the facilities be used for that purpose in the future, the charges made to the industry shall include the pro rata part of the operating and maintenance expense of the facilities in the same manner as the pro rata costs of maintaining and operating the facilities are computed for DE KALB. In order to determine the actual costs of operating and maintaining the facilities for the purpose of computing

the amount to be paid by DE KALB , TEXARKANA agrees that it will keep detailed and accurate accounts showing all direct expenses of operation and maintenance including labor and materials chargeable to the source of supply, power and pumping, purification and transmission. In addition, indirect expenses such as insurance, administration and supervision, transportation clearing account, general administrative expenses including labor and supplies, telephone and telegraph expense, rents, and all other overhead expenses shall be accounted for and allocated to operation and maintenance of the facilities. Such allocation shall be made by TEXARKANA based on a detailed study which the City shall cause to be made by an independent accountant. All figures and data used in the making of such computation shall be made available for the information of DE KALB at any reasonable time.

(4) All amounts reasonably required to pay COMPANY administration expenses attributable directly to its activities under the Water System Agreement between COMPANY and TEXARKANA.

(b) DE KALB agrees to pay in monthly installments all requirements aforementioned and to promptly pay as billed all monthly sums required to meet its pro rata part of the items set forth in subparagraph (a)(1) of this Section 1 relating to COMPANY bond requirements regardless of whether there are any other charges then due.

(c) Operation of COMPANY facilities shall conform to a fiscal or budget year beginning October 1st of each year and ending September 30th of the following year.

(d) On or prior to the 15th day of the second month preceding that in which COMPANY'S consulting engineers shall indicate that water may be made available for DE KALB'S use, the governing officials of TEXARKANA shall make a determination of all amounts anticipated as being required by TEXARKANA for items (1), (2), (3) and (4) of paragraph (a), such amounts to form the basis of a minimum monthly payment which shall be independent of the amount of water actually delivered to DE KALB by TEXARKANA.

(e) The determination called for in paragraph (d) above shall be made no later than the 15th day of May of the year next succeeding that in which water may be made available to DE KALB and shall relate not only to the requirements of the balance of the fiscal year then in progress, if any, but also to the requirements of the next succeeding fiscal year.

(f) Determinations similar to that described in paragraph (d) shall be made annually thereafter on or prior to the 10th day of May each year with respect to the succeeding fiscal year.

(g) Based upon the aforementioned determinations and within ten (10) days thereafter, the governing officials of the City of TEXARKANA shall cause to be prepared and its City Council shall preliminarily approve a budget reflecting all items which shall make up the total requirements attributable to COMPANY facilities and which must be provided for in the ensuing fiscal year or, if appropriate, the balance of the then current fiscal

year. As regards water taken by DE KALB over and above that to which it shall be entitled for the minimum monthly payment, it is agreed that in the preparation of each annual budget TEXARKANA shall make and present calculations relating to the charges estimated to be required for delivery of such additional water in the succeeding fiscal year, in like manner as herein stated with respect to annual budget procedures and the determination of minimum monthly payments. The Board of Directors of COMPANY shall be furnished a copy of such budget within seven (7) days after its preliminary approval by the TEXARKANA City Council and COMPANY may indicate exceptions or suggestions, if any, within ten (10) days after receipt. Due consideration shall be given any exception or suggestion made by COMPANY'S Board of Directors and shall be incorporated insofar as consistent with TEXARKANA'S rights and obligations under its Water System Agreement with COMPANY, its rights and obligations under its contract with all contracting cities including DE KALB, and consistent with its Lake Texarkana storage space contract with the United States Government. If for any reason it becomes apparent that the amount of any minimum or other payment made or to be made to TEXARKANA by DE KALB under an annual budget previously adopted is either insufficient or excessive, the parties agree that such shall be taken into consideration in the preparation of the succeeding year's budget and the amounts therein provided for charge to DE KALB adjusted up or down accordingly. Reasons for any increase or decrease in such charges shall be set forth by TEXARKANA in the succeeding year's budget. Among other features the budget aforementioned shall contain schedules of the minimum monthly payments to be made by each city contracting

with TEXARKANA to TEXARKANA each month during the budget year. So long as COMPANY bonds issued to provide COMPANY facilities herein referred to or any interest thereon remain outstanding and unpaid, and beginning with payments which shall become due on the 1st day of the sixth month next preceding the first month in which COMPANY shall be obligated to pay interest, and on the 1st day of each month thereafter, the scheduled minimum monthly payments shall contain not less than an amount equal to one-sixth ($1/6$) of the next succeeding installment of interest, and, in addition, beginning on the 1st day of the twelfth month next preceding the first month in which COMPANY shall be obligated to pay principal, and on the 1st day of each month thereafter, not less than one-twelfth ($1/12$) of the next succeeding installment of principal of all COMPANY bonds. Further, paying agent and other bond service charges shall be included in the scheduled monthly payments in such manner as will permit TEXARKANA to forward COMPANY all amounts required for satisfying and discharging COMPANY'S bond obligations in due and proper time.

(h) The budgeted amounts for which each contracting city, including DE KALB and TEXARKANA, shall be obligated as minimum monthly payments shall be computed upon the percentage that the amount of water to be made available by TEXARKANA to each such contracting city for its minimum monthly payments shall bear to the amount of water to be made available by TEXARKANA to all contracting cities, including DE KALB and TEXARKANA, for minimum monthly payments during the budget year.

(i) It is agreed and understood that TEXARKANA will prepare and furnish DE KALB monthly bills or statements for all amounts reflected as being required under the provisions

of TEXARKANA'S then current budget arrangements (supplemented if necessary) so that same shall be received by DE KALB on or prior to the 1st day of the month in which the bill shall be payable. Bills shall be payable no later than the 15th day of the month in which payable and DE KALB agrees it will promptly remit to TEXARKANA all amounts as billed so as to reach it on or before that day. The first billing shall be made so as to become payable on the 15th day of the second month next succeeding the first month TEXARKANA City Council determinations are made in accordance with the provisions hereof.

(j) Should DE KALB fail to make any payments at the times herein specified, interest on such amounts shall accrue at the rate of six per centum (6%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, TEXARKANA may, at its option, discontinue delivery of the water to DE KALB until the amount due TEXARKANA is paid in full with interest as herein specified. Such discontinuance shall not relieve DE KALB of its obligation to make the payments required by this Section.

SECTION 2: Water Quality.

Water delivered under this contract shall be of the same quality as that distributed by TEXARKANA to its own consumers and customers. Furthermore, TEXARKANA agrees to operate the treatment and transmission facilities in such manner as will assure the approval of the Health Department of the State of Texas.

SECTION 3: Point of Delivery.

The point of delivery of the aforementioned water to DE KALB shall be at a ground storage tank situated on a site in the W. L. Browning MRS and the T. L. Cowan MRS, said site being south of and fronting on S.W. Front Street, City of De Kalb, the N.E. Corner of which is West approximately 100 feet from the West R.O.W. line of Texas F.M. Hwy. No. 1840 in the City of De Kalb, Bowie County, Texas.

SECTION 4: Water Measurement.

(a) Pursuant to its contract with TEXARKANA, COMPANY shall furnish and install at said point of delivery a master meter of standard type for measuring properly the quantity of water delivered DE KALB under this contract, such to be operated and maintained by and at the expense of TEXARKANA. Both TEXARKANA and DE KALB shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by employees or agents of TEXARKANA. TEXARKANA shall keep a true record of all meter readings as transcribed from reports of its employees or agents with respect thereto. TEXARKANA shall give DE KALB such information as it may request from TEXARKANA'S journals or record books or permit DE KALB and its agents to have access to same during business hours.

(b) TEXARKANA shall calibrate (or arrange for calibration of) its metering equipment as often as it considers necessary and at such time as DE KALB may show reasonable evidence of error. If, upon any test, the percentage of any inaccuracy thereof is found to be in excess of 2%, registration thereof shall be corrected for a period extending back to the time such inaccuracy began, if such time is ascertainable, and

if not, then for a period extending back one-half of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. In the event

DE KALB has provided no check meter with reference thereto and if for any reason any master meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the period such meter is out of service or out of repair shall be agreed upon by the parties hereto, by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculations, or by estimating the quantity of water by the deliveries made during preceding periods under similar conditions when the meter was registering accurately.

SECTION 5: Contract Term - DE KALB'S Rights at End of Term.

This contract and the obligation of DE KALB to promptly make all prescribed monthly payments shall continue for the period that any of COMPANY'S bonds supported by said payments and issued to finance COMPANY facilities are outstanding and unpaid. At the end of such term, and when all such bonds and interest thereon have been paid or discharged, or when firm banking arrangements have been established to that end, TEXARKANA agrees DE KALB shall have the right to an extension of the term of this contract beyond such initial period under such arrangements as shall be agreed upon between TEXARKANA and DE KALB at the time, taking into consideration any change in quantity desired by DE KALB, the availability thereof and the costs involved in making deliveries to DE KALB. Determinations of charges shall then be made as herein provided for the original

term except that the COMPANY bond requirements shall not be involved as a factor.

SECTION 6: Modification of Provisions.

This contract may be changed and modified only with the consent of the governing bodies of both TEXARKANA and DE KALB. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representatives shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all monies required to be paid by DE KALB under the terms of this contract and no such change will be effective which affects adversely or causes a violation of any of the provisions of the resolutions authorizing the issuance of COMPANY'S bonds or any indentures securing such bonds. If for any reason DE KALB may desire the construction of any additional facilities over and above those now contemplated and provided same are within the legal and economic capabilities of TEXARKANA, provision therefor shall be made by means of a supplement or amendment hereto, the terms of which are to be negotiated between the parties. Should TEXARKANA desire to construct any such additional facilities, either for the purpose of meeting its obligations to DE KALB, or for other reasons, TEXARKANA shall not proceed with any work on such facilities, other than preliminary planning, without following the procedures described in this Section 6.

SECTION 7: Regulatory Provisions.

This contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the