

Selected Permittee DMR Data Report

10/01/2013 through 01/05/2015

*** NOT ICIS CERTIFIED ***

Monitoring Period	Param. Cd	Parameter	MLO	39 SINGSAMP (mg/kg)	Vio Code	Rev Date	85 MAXIMUM (mg/kg)	Vio Code	Rev Date	35 MX VALUE (lb/acr)	Vio Code	Rev Date
7/31/2014	46395	Cadmium, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	1200 SINGSAMP (mg/kg)	Vio Code	Rev Date	3000 MAXIMUM (mg/kg)	Vio Code	Rev Date	2677 MX VALUE (lb/acr)	Vio Code	Rev Date
7/31/2014	78473	Chromium, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	1500 SINGSAMP (mg/kg)	Vio Code	Rev Date	4300 MAXIMUM (mg/kg)	Vio Code	Rev Date	1339 MX VALUE (lb/acr)	Vio Code	Rev Date
7/31/2014	46394	Copper, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	VALUE (alt #)	Vio Code	Rev Date
7/31/2014	84369	Description of pathogen option used	SL	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	300 SINGSAMP (mg/kg)	Vio Code	Rev Date	840 MAXIMUM (mg/kg)	Vio Code	Rev Date	268 MX VALUE (lb/acr)	Vio Code	Rev Date
7/31/2014	78468	Lead, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	MX VALUE (state class)	Vio Code	Rev Date
7/31/2014	84368	Level of pathogen requirements achle	T	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	17 SINGSAMP (mg/kg)	Vio Code	Rev Date	57 MAXIMUM (mg/kg)	Vio Code	Rev Date	15 MX VALUE (lb/acr)	Vio Code	Rev Date
7/31/2014	78471	Mercury, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

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Monitoring Period	Param. Cd	Parameter	MLO	SINGSAMP (mg/kg)	Vio Code	Rcv Date	75 MAXIMUM (mg/kg)	Vio Code	Rcv Date	MX VALUE (lb/act)	Vio Code	Rcv Date
7/31/2014	78465	Molybdenum, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	SINGSAMP (mg/kg)	Vio Code	Rcv Date	420 MAXIMUM (mg/kg)	Vio Code	Rcv Date	375 MX VALUE (lb/act)	Vio Code	Rcv Date
7/31/2014	78499	Nickel, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	VALUE (table #)	Vio Code	Rcv Date
7/31/2014	84367	Pollutant table from 503.13	S	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	SINGSAMP (mg/kg)	Vio Code	Rcv Date	100 MAXIMUM (mg/kg)	Vio Code	Rcv Date	89 MX VALUE (lb/act)	Vio Code	Rcv Date
7/31/2014	101148	Selenium, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	VALUE (alt #)	Vio Code	Rcv Date
7/31/2014	84370	Vector attraction reduction alternative	SL	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	SINGSAMP (mg/kg)	Vio Code	Rcv Date	7500 MAXIMUM (mg/kg)	Vio Code	Rcv Date	2500 MX VALUE (lb/act)	Vio Code	Rcv Date
7/31/2014	78487	Zinc, dry weight	R	NODI=C		8/13/2014	NODI=C		8/13/2014	NODI=C		8/13/2014

SECTION I, C - SLLY 4/109 2/112

Monitoring Period	Param. Cd	Parameter	MLO	MAXIMUM (MPN/g)	Vio Code	Rcv Date
7/31/2014	31641	Fecal coliform	R	NODI=C		8/13/2014

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Monitoring Period	Param. Cd	Parameter	MLO	MAXIMUM (MPN/kg)	Vio Code	Rcv Date
7/31/2014	71204	Salmonella	R	NODI=C		8/13/2014

Initial No. 416533 Monitoring Station Name: SURFACE DISPOSAL-SLSA 4/1/09 2/1/12

Monitoring Period	Param. Cd	Parameter	MLO	ALLWCONC (mg/kg)	Vio Code	Rcv Date	SINGSAMP (mg/kg)	Vio Code	Rcv Date
7/31/2014	01003	Arsenic, dry weight	SL	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	VALUE (acr)	Vio Code	Rcv Date
7/31/2014	51004	Boundary areas	SL	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	ALLWCONC (mg/kg)	Vio Code	Rcv Date	SINGSAMP (mg/kg)	Vio Code	Rcv Date
7/31/2014	76473	Chromium, dry weight	SL	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	VALUE (alt #)	Vio Code	Rcv Date
7/31/2014	84389	Description of pathogen option used	SL	NODI=C		8/13/2014

Monitoring Period	Param. Cd	Parameter	MLO	SINGSAMP (state class)	Vio Code	Rcv Date
7/31/2014	84388	Level of pathogen requirements achieved	T	NODI=C		8/13/2014

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Monitoring Period	Param Cd	Parameter	MLO	ALLWCONC (mg/kg)	Vio Code	Rcv Date	SINGSAMP (mg/kg)	Vio Code	Rcv Date
7/31/2014	C1087	Nickel, total [as Ni]	SL	NODI=C		8/13/2014	NODI=C		8/13/2014

Monitoring Period	Param Cd	Parameter	MLO	MINIMUM (SU)	Vio Code	Rcv Date
7/31/2014	00400	pH	SL	NODI=C		8/13/2014

Monitoring Period	Param Cd	Parameter	MLO	VALUE (Y=1,N=0)	Vio Code	Rcv Date
7/31/2014	49028	Unit w/liner/leachate collection system	SL	NODI=C		8/13/2014

Monitoring Period	Param Cd	Parameter	MLO	VALUE (alt #)	Vio Code	Rcv Date
7/31/2014	84370	Vector attraction reduction alternative	SL	NODI=C		8/13/2014

Outfall No. 1 Unit Survival Limit (Static) Limit End Date 2/1/12
TX1Q 7-DAY CHRONIC FRESHWATER - 001 4/1/09

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MIN (%)	Vio Code	Rcv Date
12/31/2013	TXP3B	LOEC Lethal Survival Static Renewal	1	NODI=Q		1/14/2014	NODI=Q		1/14/2014
3/31/2014	TXP3B	LOEC Lethal Survival Static Renewal	1	NODI=Q		4/4/2014	NODI=Q		4/4/2014
6/30/2014	TXP3B	LOEC Lethal Survival Static Renewal	1	NODI=Q		8/13/2014	NODI=Q		8/13/2014
9/30/2014	TXP3B	LOEC Lethal Survival Static Renewal	1	NODI=Q		10/8/2014	NODI=Q		10/8/2014
12/31/2014	TXP3B	LOEC Lethal Survival Static Renewal	1	NODI=Q		12/4/2014	NODI=Q		12/4/2014

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Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MN (%)	Vio Code	Rcv Date
12/31/2013	TXP6C	LOEC Lethal Survival Static Renewal	1	NODI=Q		1/14/2014	NODI=Q		1/14/2014
3/31/2014	TXP6C	LOEC Lethal Survival Static Renewal	1	NODI=Q		4/4/2014	NODI=Q		4/4/2014
6/30/2014	TXP6C	LOEC Lethal Survival Static Renewal	1	NODI=Q		8/13/2014	NODI=Q		8/13/2014
9/30/2014	TXP6C	LOEC Lethal Survival Static Renewal	1	NODI=Q		10/8/2014	NODI=Q		10/8/2014
12/31/2014	TXP6C	LOEC Lethal Survival Static Renewal	1	NODI=Q		12/4/2014	NODI=Q		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MN (%)	Vio Code	Rcv Date
12/31/2013	TYP3B	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		1/14/2014	NODI=Q		1/14/2014
3/31/2014	TYP3B	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		4/4/2014	NODI=Q		4/4/2014
6/30/2014	TYP3B	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		8/13/2014	NODI=Q		8/13/2014
9/30/2014	TYP3B	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		10/8/2014	NODI=Q		10/8/2014
12/31/2014	TYP3B	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		12/4/2014	NODI=Q		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MN (%)	Vio Code	Rcv Date
12/31/2013	TYP6C	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		1/14/2014	NODI=Q		1/14/2014
3/31/2014	TYP6C	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		4/4/2014	NODI=Q		4/4/2014
6/30/2014	TYP6C	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		8/13/2014	NODI=Q		8/13/2014
9/30/2014	TYP6C	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		10/8/2014	NODI=Q		10/8/2014
12/31/2014	TYP6C	LOEC Sub-Lethal Reproduction Static	1	NODI=Q		12/4/2014	NODI=Q		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rcv Date	MO AV MN (pass=0/fail=1)	Vio Code	Rcv Date
12/31/2013	TLP3B	Low Flow Pass/Fail Survival Test Stat	1	0		1/14/2014	0		1/14/2014
3/31/2014	TLP3B	Low Flow Pass/Fail Survival Test Stat	1	0		4/4/2014	0		4/4/2014
6/30/2014	TLP3B	Low Flow Pass/Fail Survival Test Stat	1	0		8/13/2014	0		8/13/2014
9/30/2014	TLP3B	Low Flow Pass/Fail Survival Test Stat	1	0		10/8/2014	0		10/8/2014
12/31/2014	TLP3B	Low Flow Pass/Fail Survival Test Stat	1	0		12/4/2014	0		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rcv Date	MO AV MN (pass=0/fail=1)	Vio Code	Rcv Date
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Monitoring Period	Param. Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rcv Date	MO AV MIN (pass=0/fail=1)	Vio Code	Rcv Date
12/31/2013	TLPeC	Low Flow Pass/Fail Survival Test Stat 1	0	0		1/14/2014	0		1/14/2014
3/31/2014	TLPeC	Low Flow Pass/Fail Survival Test Stat 1	0	0		4/4/2014	0		4/4/2014
6/30/2014	TLPeC	Low Flow Pass/Fail Survival Test Stat 1	0	0		8/13/2014	0		8/13/2014
9/30/2014	TLPeC	Low Flow Pass/Fail Survival Test Stat 1	0	0		10/8/2014	0		10/8/2014
12/31/2014	TLPeC	Low Flow Pass/Fail Survival Test Stat 1	0	0		12/4/2014	0		12/4/2014

Monitoring Period	Param. Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MIN (%)	Vio Code	Rcv Date
12/31/2013	TOP3B	NOEC Lethal Static Renewal 7 Day C1	81	81		1/14/2014	81		1/14/2014
3/31/2014	TOP3B	NOEC Lethal Static Renewal 7 Day C1	81	81		4/4/2014	81		4/4/2014
6/30/2014	TOP3B	NOEC Lethal Static Renewal 7 Day C1	81	81		8/13/2014	81		8/13/2014
9/30/2014	TOP3B	NOEC Lethal Static Renewal 7 Day C1	81	81		10/8/2014	81		10/8/2014
12/31/2014	TOP3B	NOEC Lethal Static Renewal 7 Day C1	81	81		12/4/2014	81		12/4/2014

Monitoring Period	Param. Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MIN (%)	Vio Code	Rcv Date
12/31/2013	TOP6C	NOEC Lethal Static Renewal 7 Day C1	81	81		1/14/2014	81		1/14/2014
3/31/2014	TOP6C	NOEC Lethal Static Renewal 7 Day C1	81	81		4/4/2014	81		4/4/2014
6/30/2014	TOP6C	NOEC Lethal Static Renewal 7 Day C1	81	81		8/13/2014	81		8/13/2014
9/30/2014	TOP6C	NOEC Lethal Static Renewal 7 Day C1	81	81		10/8/2014	81		10/8/2014
12/31/2014	TOP6C	NOEC Lethal Static Renewal 7 Day C1	81	81		12/4/2014	81		12/4/2014

Monitoring Period	Param. Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MIN (%)	Vio Code	Rcv Date
12/31/2013	TPP3B	NOEC Sub-Lethal Static Renewal 7 D1	81	81		1/14/2014	81		1/14/2014
3/31/2014	TPP3B	NOEC Sub-Lethal Static Renewal 7 D1	81	81		4/4/2014	81		4/4/2014
6/30/2014	TPP3B	NOEC Sub-Lethal Static Renewal 7 D1	81	81		8/13/2014	81		8/13/2014
9/30/2014	TPP3B	NOEC Sub-Lethal Static Renewal 7 D1	81	81		10/8/2014	81		10/8/2014
12/31/2014	TPP3B	NOEC Sub-Lethal Static Renewal 7 D1	81	81		12/4/2014	81		12/4/2014

Monitoring Period	Param. Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rcv Date	MO AV MIN (%)	Vio Code	Rcv Date
12/31/2013	TPP6C	NOEC Sub-Lethal Static Renewal 7 D1	81	81		1/14/2014	81		1/14/2014

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Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (%)	Vio Code	Rev Date	MO AV MN (pass=0/fail=1)	Vio Code	Rev Date
3/31/2014	TPP6C	NOEC Sub-Lethal Static Renewal 7 D1	1	81		4/4/2014	81		4/4/2014
6/30/2014	TPP6C	NOEC Sub-Lethal Static Renewal 7 D1	1	81		8/13/2014	81		8/13/2014
9/30/2014	TPP6C	NOEC Sub-Lethal Static Renewal 7 D1	1	81		10/8/2014	81		10/8/2014
12/31/2014	TPP6C	NOEC Sub-Lethal Static Renewal 7 D1	1	81		12/4/2014	81		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rev Date	MO AV MN (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	TWP3B	Pass/Fail Sub-Lethal Static Renewal 71	1	0		1/14/2014	0		1/14/2014
3/31/2014	TWP3B	Pass/Fail Sub-Lethal Static Renewal 71	1	0		4/4/2014	0		4/4/2014
6/30/2014	TWP3B	Pass/Fail Sub-Lethal Static Renewal 71	1	0		8/13/2014	0		8/13/2014
9/30/2014	TWP3B	Pass/Fail Sub-Lethal Static Renewal 71	1	0		10/8/2014	0		10/8/2014
12/31/2014	TWP3B	Pass/Fail Sub-Lethal Static Renewal 71	1	0		12/4/2014	0		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rev Date	MO AV MN (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	TWP6C	Pass/Fail Sub-Lethal Static Renewal 71	1	0		1/14/2014	0		1/14/2014
3/31/2014	TWP6C	Pass/Fail Sub-Lethal Static Renewal 71	1	0		4/4/2014	0		4/4/2014
6/30/2014	TWP6C	Pass/Fail Sub-Lethal Static Renewal 71	1	0		8/13/2014	0		8/13/2014
9/30/2014	TWP6C	Pass/Fail Sub-Lethal Static Renewal 71	1	0		10/8/2014	0		10/8/2014
12/31/2014	TWP6C	Pass/Fail Sub-Lethal Static Renewal 71	1	0		12/4/2014	0		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rev Date	MO AV MN (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	22415	Whole effluent toxicity - retest #1	1	NODI=9		1/14/2014	NODI=9		1/14/2014
3/31/2014	22415	Whole effluent toxicity - retest #1	1	NODI=9		4/4/2014	NODI=9		4/4/2014
6/30/2014	22415	Whole effluent toxicity - retest #1	1	NODI=9		8/13/2014	NODI=9		8/13/2014
9/30/2014	22415	Whole effluent toxicity - retest #1	1	NODI=9		10/8/2014	NODI=9		10/8/2014
12/31/2014	22415	Whole effluent toxicity - retest #1	1	NODI=9		12/4/2014	NODI=9		12/4/2014

Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rev Date	MO AV MN (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	22416	Whole effluent toxicity - retest #2	1	NODI=8		1/14/2014	NODI=8		1/14/2014
3/31/2014	22416	Whole effluent toxicity - retest #2	1	NODI=8		4/4/2014	NODI=8		4/4/2014

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Monitoring Period	Param Cd	Parameter	MLO	7 DA MIN (pass=0/fail=1)	Vio Code	Rev Date	MO AV MIN (pass=0/fail=1)	Vio Code	Rev Date
6/30/2014	22416	Whole effluent toxicity - retest #2	1	NODI=9		8/13/2014	NODI=9		8/13/2014
9/30/2014	22416	Whole effluent toxicity - retest #2	1	NODI=9		10/8/2014	NODI=9		10/8/2014
12/31/2014	22416	Whole effluent toxicity - retest #2	1	NODI=9		12/4/2014	NODI=9		12/4/2014

TXIS 24-HOUR ACUTE FRESHWATER - 001 4/1/09 2/1/12

Monitoring Period	Param Cd	Parameter	MLO	SINGSAMP (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	TIE3D	LC50 Pass/Fail Static 24Hr Acute D. F1	0			1/14/2014
6/30/2014	TIE3D	LC50 Pass/Fail Static 24Hr Acute D. F1	0			4/4/2014
12/31/2014	TIE3D	LC50 Pass/Fail Static 24Hr Acute D. F1	0			10/8/2014

Monitoring Period	Param Cd	Parameter	MLO	SINGSAMP (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	TIE6C	LC50 Pass/Fail Static 24Hr Acute Plm1	0			1/14/2014
6/30/2014	TIE6C	LC50 Pass/Fail Static 24Hr Acute Plm1	0			4/4/2014
12/31/2014	TIE6C	LC50 Pass/Fail Static 24Hr Acute Plm1	0			10/8/2014

Monitoring Period	Param Cd	Parameter	MLO	SINGSAMP (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	22416	Whole effluent toxicity - retest #1	1	NODI=9		1/14/2014
6/30/2014	22416	Whole effluent toxicity - retest #1	1	NODI=9		4/4/2014
12/31/2014	22416	Whole effluent toxicity - retest #1	1	NODI=9		10/8/2014

Monitoring Period	Param Cd	Parameter	MLO	SINGSAMP (pass=0/fail=1)	Vio Code	Rev Date
12/31/2013	22416	Whole effluent toxicity - retest #2	1	NODI=9		1/14/2014
6/30/2014	22416	Whole effluent toxicity - retest #2	1	NODI=9		4/4/2014
12/31/2014	22416	Whole effluent toxicity - retest #2	1	NODI=9		10/8/2014

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ATTACHMENT 6

**WATER SYSTEM INSPECTION REPORT, FINDINGS,
RESPONSES, AND CORRESPONDENCE**

(Reference 5.A)

Bryan W. Shaw, Ph D , P E , *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A Hyde, P E , *Executive Director*



PWS/2250001/CO/12-29-2014/CCI

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 27, 2015

**CERTIFIED MAIL 91 7199 9991 7031 8549 5820
RETURN RECEIPT REQUESTED**

The Honorable Paul O. Meriwether, Mayor
City of Mount Pleasant
501 N Madison
Mount Pleasant, TX 75455

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
City of Mount Pleasant Water System,
Located N side of IH 30 near Lakewood Drive in Mount Pleasant (Titus Co), TX
RN103728853; PWS ID No.: 2250001; Investigation No 1227630

Dear Mayor Meriwether:

Between December 15 and 29, 2014, Mr. Kevin Glanton of the Texas Commission on Environmental Quality (TCEQ) Tyler Region Office conducted an investigation of the above-referenced system to evaluate compliance with applicable requirements for public water 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.

Please submit to this office by the date listed a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violations by Track Numbers: **561710 by March 6, 2015 and also 561723 and 561724 by March 30, 2015**. Please note that if corrective action is not demonstrated by these dates, then the system may be referred for enforcement action.

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.texas.gov> 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.

Mayor Paul O. Meriwether
February 27, 2015
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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, Mr. Ross Morgan, Water Section 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 Kevin Glanton in the Tyler Region Office at (903) 535-5133

Sincerely,



Cara Fisher, Work Leader
Tyler Region Office

CCF/rkg

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

CITY OF MOUNT PLEASANT

, TITUS COUNTY,

Additional ID(s): 2250001

Investigation #
1227630
Investigation Date: 12/15/2014

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

Track No: 561710 Compliance Due Date: 03/06/2015
30 TAC Chapter 290.42(d)(2)(C)

Alleged Violation:

Investigation: 1227630

Comment Date: 02/16/2015

Failure to provide an air gap or other acceptable backflow prevention device for make-up water supply lines to chemical feeder solution mixing chambers

During the investigation conducted between 12/15/2014 and 12/29/2014, the investigator observed that the water system only provided a double check valve for the make-up water supply line for the chlorine solution that results from the feeding of chlorine gas into the make-up water. The regulation states that this supply must be protected from either an air gap or other acceptable backflow prevention device. Since the potable water is supplied from the distribution system, the distribution system could be at risk due to the cross-connection with the chlorine solution (if overfeeding could possibly occur) and from the cross-connection where the chlorine solution is injected prior to the filters into the settled water line between the clarifiers and the filters (which results in a cross-connection with pre- and post-filtered water). A cross-connection between unfiltered water and finished water is clearly a health risk, which requires a backflow prevention device that is acceptable for mitigating such health risks. The two options are either an air gap or a reduced pressure principal backflow prevention assembly (RPBA), which is tested upon installation and annually thereafter.

Furthermore, even if there were an RPBA that serves the whole plant, there would be a cross-connection between the chlorine solution line, which ties into the settled water line, and potable water serving the lab, restrooms, and water fountains, etc. It appears that an RPBA is needed for this cross-connection, as well. (Such RPBA on the supply side of the chemical injection point may provide protection for the lab, restrooms, water fountains, etc., and distribution).

Recommended Corrective Action: Please submit compliance documentation by 03/06/2015. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

Track No: 561723 Compliance Due Date: 03/30/2015
30 TAC Chapter 290.46(m)(4)

Alleged Violation:

Investigation: 1227630

Comment Date: 02/16/2015

Failure to maintain the raw water pumps in a watertight condition.

During the investigation conducted between 12/15/2014 and 12/29/2014, the investigator observed that the system failed to repair the leaking raw water pump.

Recommended Corrective Action: Please submit compliance documentation by 03/30/2015. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

Track No: 561724 Compliance Due Date: 03/30/2015

Alleged Violation:

Investigation: 1227630

Comment Date: 02/16/2015

Failure to maintain in a watertight condition all water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances

During the investigation conducted between 12/15/2014 and 12/29/2014, the investigator observed that the water system failed to maintain the walls of some of the filters. Some of the filter walls in the filter pipe gallery were leaking. (An engineer should certify that no pre-filtered water could bypass the filter media during the current state of the filters.)

Recommended Corrective Action: Please submit compliance documentation by 03/30/2015. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

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

Track No: 561711

30 TAC Chapter 290.42(d)(2)(B)

Alleged Violation:

Investigation: 1227630

Comment Date: 02/16/2015

Failure to provide an air gap or other acceptable backflow prevention device for make-up water supply lines to chemical feeder solution mixing chambers

During the investigation conducted between 12/15/2014 and 12/29/2014, the investigator observed that the water system failed to provide an air gap or other acceptable backflow prevention device for the chlorine solution feed lines between the post-filtered and the pre-filtered chlorine solution feed lines. The same rotameter and chlorine solution could supply both feed lines. Only a ball valve separated the two lines.

Resolution: On 01/21/2015, the system submitted pictures which indicated that the interconnection had been removed.

Track No: 561725

30 TAC Chapter 290.42(d)(13)

Alleged Violation:

Investigation: 1227630

Comment Date: 02/16/2015

Failure to identify the influent, effluent, waste backwash, and chemical feed lines by the use of labels or various colors of paint. Color coding must be by solid color or banding. Where labels or banding are used, they shall be placed along the pipe at no greater than five foot intervals.

During the investigation conducted between 12/15/2014 and 12/29/2014, the investigator observed that the water system failed to adequately label all chemical feed lines.

Resolution: On 01/21/2015, the system submitted pictures which indicated that the feed lines were labeled.

ADDITIONAL ISSUES

Description

Additional Comments

- | | |
|---------|---|
| Item 6 | This item has already been resolved, based on information submitted to TCEQ on 01/21/2015. It is included here as documentation to remind the system of this issue. The 15-minute max IFE Turbidity data for SWMOR was based on highest data from continuous readings, instead at the 15-minute marks. Also, a high was only considered if it is at the same level within 15 minutes. However, this only applies to levels at or above the trigger levels. For example, if 0.40 NTU (below a trigger level) is the high IFE for a 24 hour period from the 15-minute readings (e.g., at 8:15) then it should be listed regardless of the subsequent 15-minute reading (e.g., at 8:30). |
| Item 7 | The daily bench sheet at the I-30 Plant needs revising or re-typesetting so that it is easier to read. |
| Item 8 | More frequent jar tests should be considered, especially if floc starts floating up near the weirs in the clarifiers at the LBS plant. Filters should adequately ripen after backwash without floc carryover. |
| Item 9 | Supplies should be more readily available for maintaining the auto flushers, since one was dysfunctional during the investigation (i.e., the auto function). |
| Item 10 | The information on the special precautions flowchart field checklist that was provided to Mr. Williams must be maintained during line repairs. |
| Item 11 | Chlorine and ammonia injection points should include enough separation for adequate reaction times and space for a sampling tap between the points. The injection points prior to the clarifiers at the LBS plant appear to be only a little over one foot apart, and they don't have a sampling tap between them. (It is noted that neither are currently used.) |



Shane Townson Water Plant Foreman
City of Mount Pleasant
Water Treatment Plant
Mailing Address: 501 N. Madison
Mount Pleasant, TX 75455-3650
Telephone: 903-575-4132
Fax: 903-577-1828
E-mail: stownson@mpcity.org
Web Page: www.mpcity.net

March 27, 2015

Re: PWS ID No. 2250001
Corrective Action Report

Mr. Kevin Glanton
Texas Commission on Environmental Quality
Region 5
2916 Teague Dr. Tyler, TX 75701-3734

Mr. Glanton, this is the City of Mt. Pleasant, TX corrective action report for TCEQ inspection held in December 2014.

Track No. 561710

A 4 inch RPPA (Reduced Pressure Principle Assembly) has been installed and tested on the incoming water line that is the service line for the chemical feed solutions. I have emailed the pictures of the new RPPA which has been installed in the Fluoride room just ahead of the Chlorine make-up solution. This will protect the distribution system along with the lab/office bldg. Please omit the comments from the contracted engineer John Ringler on his response regarding this Track No. only.

Track No. 561723

Odessa pump has replaced and adjusted packing on the raw water pump. I have emailed pictures showing no spraying or leaking of water. Please see the attached letter from our contracted engineer John Ringler with KSA.

Track No. 561724

Please see the response from John Ringler with KSA.

Mr. Glanton I believe all potential violations have been corrected. As always we appreciate TCEQ and their efforts to protect the environment. We look forward to working together with any issues that may arise. If there is any questions or comments please let me know.

Sincerely,
Shane Townson

Water Plant Foreman

140 East Tyler Street
Suite 600
Longview, TX 75601
903.236.7700



March 9, 2015

Mr. Anthony Rasor
Director of Utilities
City of Mount Pleasant
501 N. Madison Ave.
Mount Pleasant, TX 75455

via email and mail delivery

Re: City of Mount Pleasant
Lake Bob Sandlin WTP / TWDB No. 61405
TCEQ NOV Response
RN1038728853; PWSID No. 2250001; Investigation No. 1227630

Dear Mr. Rasor:

The purpose of this letter is to provide the City with my responses to the TCEQ inspector's comments in a letter dated February 27, 2015.

Track No. 561710

30 TAC Chapter 290.42(d)(2)(C)

"Water system only provided a double check valve for the make-up water"

This statement by the TCEQ inspector is inaccurate. The chlorine system includes a double check backflow preventer, a normally closed solenoid valve for each feed (which closes on loss of chlorine feed and/or loss of power) and a check valve at the application point.

"Two options are either an air gap or reduced pressure principal backflow prevention"

This statement appears to be the inspector's opinion. This statement does not appear in the TCEQ rules. I respectfully request the inspector provide a reference to the TCEQ rules that limit the device to these two options.

While the TCEQ's rules specifically list an RPBA required for a wastewater plant, the rules also specifically omit a water plant from the list requiring an RPBA. It appears from the inspector's statements that the TCEQ inadvertently omitted water plants from their required RPBA list. It is my opinion that the TCEQ would not inadvertently omit such a significant portion of their regulated community from the such a list and that it was omitted on purpose.

"Cross-connection between the chlorine solution line, which ties into the settled water"

My understanding is the connection has been removed.

www.ksaeng.com

Track No. 561723

30 TAC Chapter 290.46(m)(4)

"Observed that the system failed to repair the leaking water raw pump"

The leak observed by the investigator is at the packing gland. Packing glands are designed to allow water to pass for lubrication and cooling. The packing gland in question was leaking due to work performed by an independent contractor. The contractor has been notified of the situation and he has stated the packing gland will be repaired the week on March 9th.

Track No. 561724

30 TAC Chapter 290.46(m)(4)

"An engineer should certify that no pre-filtered water could bypass the filter media during the current state of the filters"

The cracks in the filter walls were injected with a hydrophilic waterstop prior to commissioning the plant.

In addition, it is physically impossible for water to pass through the wall near the top and re-enter the wall at a lower point due to the pressure gradient on the wall. Water moves from high pressure to low pressure. The water near the top of the wall is at or near atmospheric pressure. As you move down the wall, the water pressure increases (atmospheric + the height of the water above). This means that as you move down the wall from top (clarified water) to the bottom (filtered water) the water on the opposite side of the wall is increasing in pressure (low pressure at the top, higher pressure at the bottom). In a gravity situation, it is impossible for water to pass through a crack at the top of the wall (low pressure area), travel down the wall and re-enter the wall near the bottom (higher pressure).


The lowest pressure area is the side of the wall exposed to the atmosphere. The pressure gradient of the water column dictates that any water entering a crack move to lower pressure which means the water is always moving to atmospheric pressure (the outside of the wall).

The time the pressure gradient does not force the water to the outside of the wall is when the filter is empty in which case there is no water moving through a crack.

If you have any questions or require additional information, please contact me at your convenience.

Sincerely,

KSA Engineers, Inc.


John C. Ringler, P.E.
Principal

JCR/ss

ATTACHMENT 7

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2014

(Reference 6.D)

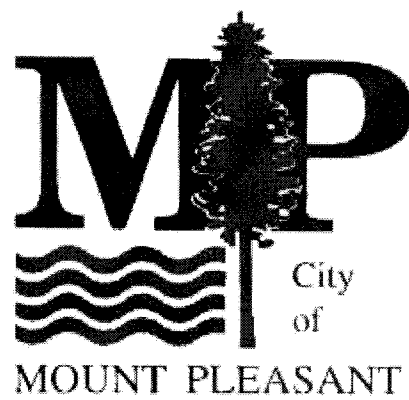
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2014

City of Mount Pleasant, Texas

City Manager
Mike Ahrens

Director of Finance and City Secretary
Brenda Reynolds



CITY OF MOUNT PLEASANT, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

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**CITY OF MOUNT PLEASANT, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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INTRODUCTORY SECTION





501 N. Madison
Mount Pleasant, Texas 75455

January 20, 2015

Honorable Mayor and City Council
City of Mount Pleasant
Mount Pleasant, Texas

Dear Mayor and Council Members:

The Comprehensive Annual Financial Report ("CAFR") of the City of Mount Pleasant, Texas, for the year ended September 30, 2014, is submitted herewith.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Conway Company CPAs, P.C. have issued an unqualified ("clean") opinion on the City of Mount Pleasant's financial statements for the year ended September 30, 2014. The independent auditor's report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to compliment Management's Discussion and Analysis ("MD&A") and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements.

GENERAL INFORMATION – CITY OF MOUNT PLEASANT

The City of Mount Pleasant is the seat of Titus County, which is located in the northeast corner of Texas. The City was incorporated on September 17, 1900, under the provisions of H.B. 901 of the Texas Legislature.

The City Council is comprised of a Mayor and five council members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors, and heads of departments, and the performance of functions within the municipal organization.

ECONOMIC CONDITIONS AND OUTLOOK

Mount Pleasant is the largest municipality in the County and serves as the regional economic center for a three county area. Major industries in the area include farming, poultry farming and processing, livestock, oil, lignite and manufacturing. According to the 2010 census, the City's population is 15,564.

The economy is once again in a growth mode as the area recovers from the recession. Sales tax receipts are showing significant improvement in the local economy. The City expects continued growth as the economy continues to strengthen.

Given Mount Pleasant's pro-business attitude, the City continues to prosper economically. Highlights include:

MAJOR INITIATIVES

The following are the activities and accomplishments of the City over the past year:

- City Council approved a bid of \$270,280 to Williams Painting and Sandblasting for painting of the Edwards Street Elevated Water Storage.
- Council awarded bid for the annual street improvement project to NeTex Construction, Ltd. for \$437,147. Project was completed last summer.
- Council awarded a bid for \$189,705 to the Parkson Corporation to supply a new aeration system - materials only – for the Southside Wastewater Treatment Plant. The system was installed by city personnel.
- Council accepted a bid from Insituform Technologies for \$142,300 for a slip-lining rehabilitation project for wastewater collection lines on East 3rd Street.
- The City completed its payment of \$3.66 million to Titus County to fulfill its share of the Titus County Loop Project (US 271).
- City Council awarded a bid of \$149,955 to East Texas Bridge for a drainage improvement project on Old Paris Road. Project has been completed.
- Council awarded a bid recommended by the Industrial Development Corporation for \$1,645,682 to LeeTex Construction for the construction of a 40,000 square feet industrial spec building in the Mount Pleasant Business Park.
- Council awarded a bid of \$141,800 to Crawford Electric Supply for the installation of sports field lighting at Old Sam Parker Field.
- Council approved the annexation of 300 acres on East 16th Street, County Road 3010 and I-30 East.
- City completed installation of an Automated Meter Reading (AMR) System for all water meters less than 2 inches in line diameter. The installation of the AMR's for the city's

remaining water meters (over 2" meters) has been budgeted and will be completed in fiscal 2014-15.

- Council accepted final completion of the Lake Bob Sandlin Water Treatment Plant. This new plant, at a cost of \$15.9 million, is now in operation and producing drinking water for the citizens of Mount Pleasant. The new plant, with a 5 MGD capacity, increases the City's treated water supply availability by 50%.

FINANCIAL INFORMATION

Accounting Procedures and Budgetary Controls

The City's accounting records for general government are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff, and expenditure estimates by each City department. Budgets are reviewed by the Director of Finance. The City Manager makes final decisions and submits a recommended budget to the City Council.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Director of Finance, the City Manager, and the City Council concurrent with review of the proposed budget. This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

General Governmental Functions

Tax Rates All eligible property within the City is subject to assessment, levy, and collection by the City of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. The tax rates adopted by the City Council are shown below:

<u>Tax Rate</u>	
2010-2011	\$0.3100
2011-2012	\$0.3165
2012-2014	\$0.3165
2014-2014	\$0.3433
2014-2015	\$0.3437

OTHER INFORMATION

Acknowledgements

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report.

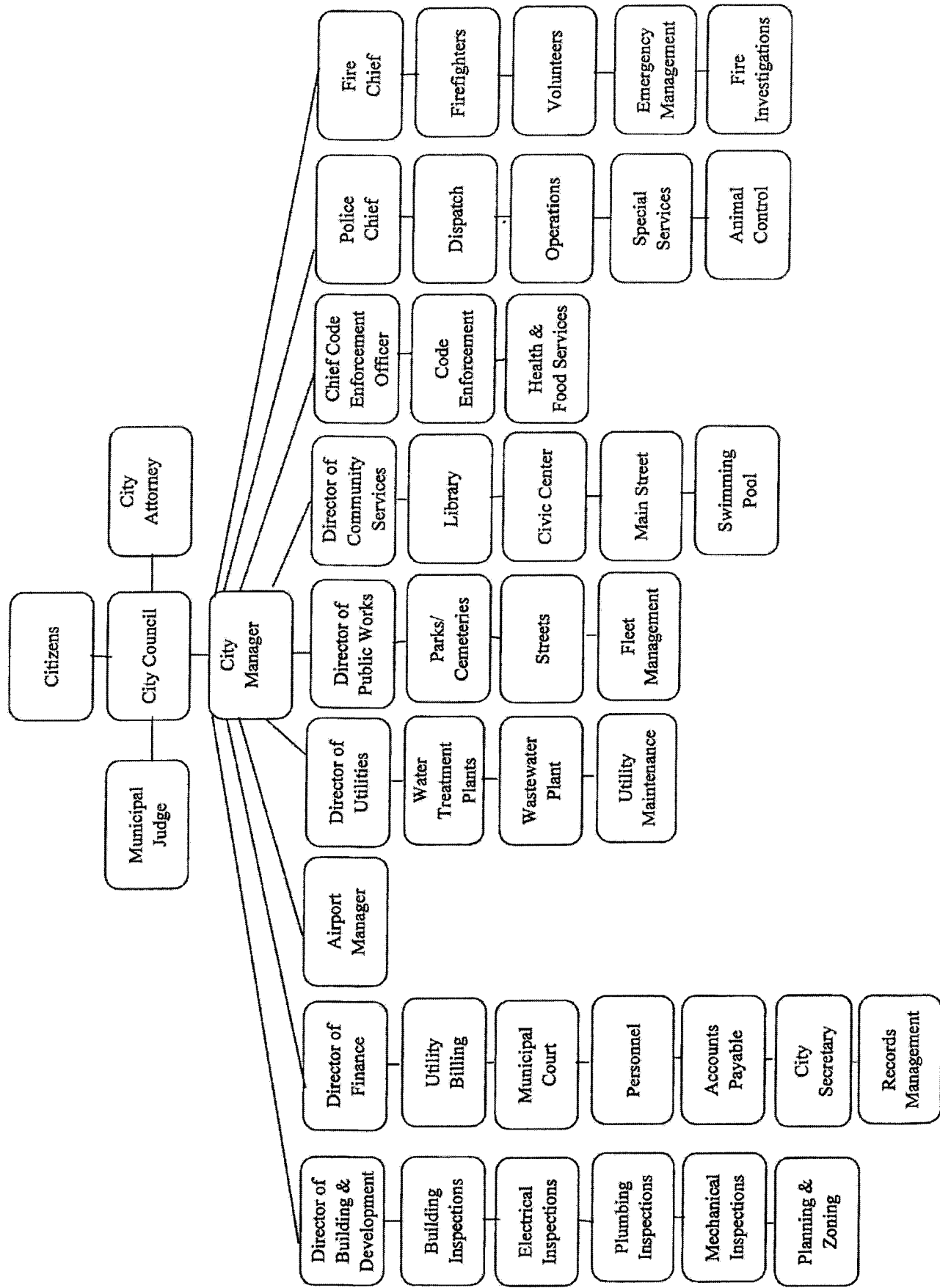
Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

Mike Ahrens
CITY MANAGER

Brenda Reynolds
DIRECTOR OF FINANCE

ORGANIZATION CHART



**CITY OF MOUNT PLEASANT, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

City Council

**Dr. Paul O. Meriwether, Mayor
Robert Nance, Mayor Pro-Tem
Erman Hensel, Council Member, Place 2
David Huffman, Council Member, Place 3
Tim Dale, Council Member, Place 4
Dr. Sue Hawkins, Council Member, Place 5**

Administrative Staff

**Mike Ahrens, City Manager
Brenda Reynolds, Director of Finance and City Secretary**

FINANCIAL SECTION





Michael Conway, CPA
Neil Conway, CPA

Toll Free (800) 594-7951
Metro (903) 450-1200

CONWAY COMPANY CPAs PC
ACCOUNTANTS & ADVISORS

www.conwaycpas.com

PO Box 8234
Greenville, Texas 75404-8234

Member
American Institute of CPAs
Texas Society of CPAs

January 20, 2015

Independent Auditor's Report

Mayor and City Council
City of Mount Pleasant
501 North Madison Street
Mount Pleasant, Texas 75002

Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mount Pleasant, Texas ("City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

1021 Park Street
Commerce, Texas 75428
Office (903) 886-2123
Fax (903) 886-6580

8910 Wesley Street
Greenville, Texas 75402
Office (903) 455-9898
Fax (903) 454-3181

603 South Goliad Street
Rockwall, Texas 75087
Office (972) 771-1065
Fax (972) 771-1022

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mount Pleasant, Texas, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the TMRS Funding Progress and Contributions and Other Post-Employment Benefits Plan on pages 7 – 18 and 61 - 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mount Pleasant, Texas' basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 20, 2015, on our consideration of the City of Mount Pleasant, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Mount Pleasant, Texas' internal control over financial reporting and compliance.

Respectfully Submitted,

CONWAY COMPANY CPAs, P.C.

Conway Company CPAs, P.C.



CITY OF MOUNT PLEASANT, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

As management of the City of Mount Pleasant ("City"), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative:

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$69,137,744 (net position). Of this amount, \$2,778,987 is restricted for certain purposes. The remaining balance (unrestricted net position) of \$5,095,920 may be used to meet the City's ongoing obligations to its citizens and creditors in accordance with fund designation and fiscal practices.
- The City's total net position decreased by (\$1,986,459). This is due to the City's portion of street improvement expenditures for the State loop project in the governmental funds.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$8,665,382, a decrease of (\$4,600,732), or 35%, in comparison with the prior year. \$2,029,761, or 23% is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund of \$2,164,685 was 26% of total General Fund expenditures for the fiscal year.
- The City's total long-term debt decreased by (\$1,598,718), or (4%), during the current fiscal year due to principal payments of debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

**CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014**

Basic Financial Statements

The first two statements (pages 21-23) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 24-32) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental fund statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes** (pages 33-58). The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **required supplemental information** (pages 61-62) is provided to show details about the City's pension plan and post-employment benefits.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The Statement of Net Position presents information on all of the City of Mount Pleasant's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave, if material value). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component unit. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property taxes, sales taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system, airport, and civic center activity are reported as business-type activities. The final category is the component unit. The City includes one separate legal entity in its report – the Mount Pleasant Industrial Development Corporation. Although legally separate, this "component unit" is important because the City is financially accountable for them.

The government-wide financial statements are on pages 21 - 23 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The

**CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014**

City of Mount Pleasant, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Mount Pleasant adopts an annual budget for its General Fund and Debt Service Fund, as required by the General Statutes. The budgets are a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund and Debt Service Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The schedule shows four columns: 1) original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances; and 4) the difference or variance between the final budget and the actual resources and charges. The Governmental Fund financial statements can be found on pages 24-27 of this report. The General Fund Budgetary Comparison Schedule can be found on page 28.

Proprietary Funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's proprietary funds provide the same type of information as the government-wide financial statements, only in more detail, such as cash flows.

The City of Mount Pleasant maintains three individual proprietary funds: the Utility Fund, the Airport Fund, and the Civic Center Fund.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Fiduciary Funds – The City is the trustee, or fiduciary, for its police seizure funds. All funds acquired from seizures must be held until such time as the courts release the funds to the Mount Pleasant Police Department or until they are returned to the individual which funds were seized from. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. Activities of this fund are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose.

The basic fiduciary fund financial statement can be found on page 32 of this report.

**CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 33 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and post-employment benefits to its employees. This information is on pages 61-62 of this report.

Other Information

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information. Combining statements and individual fund statements can be found on pages 64-67 in this report. Budgetary comparison schedules for the Debt Service Fund and Street Fund can be found on pages 68-69 in this report and the Fiduciary Fund Statement of Changes in Assets and Liabilities can be found on page 70.

New GASB pronouncements

GASB Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statement No. 10 and No. 62", was implemented by the City as required by GASB during the fiscal year ending September 30, 2014. This statement improves financial reporting by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This statement amends Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", by removing the provision that limits fund-based reporting of an entity's risk financial activities to the general fund and the internal service fund type. This statement also amends Statement No. 62 by modifying the specific guidance on accounting and operating leases. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees" requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement was implemented as required by GASB for period beginning after June 15, 2013. The implementation of this statement did not result in any changes to the financial statements.

The GASB issued the following statements which will be effective in future years as described below:

GASB Statement No. 67, "Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25", will be implemented as required by GASB during the fiscal year ending September 30, 2015. The objective of this statement is to improve financial reporting by state and local government pension plans. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27", will be implemented as required by GASB during the fiscal year September 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local government pensions and improve the decision-usefulness of information contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and

**CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014**

expense/expenditures. Note disclosure and required supplementary information requirement about pensions also are addressed. This statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement will be implemented as required by GASB for period beginning after December 15, 2013. The implementation of this statement will not result in any changes to the financial statements.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment to GASB Statement No. 68) requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The City is currently evaluating potential changes to the financial statements as a result of the implementation of this statement.

CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 9,584,729	\$ 14,235,516	\$ 10,729,134	\$ 14,226,240	\$ 20,313,863	\$ 28,461,756
Capital assets	26,717,588	25,742,565	65,479,973	61,698,215	92,197,561	87,440,780
Total assets	36,302,317	39,978,081	76,209,107	75,924,455	112,511,424	115,902,536
Long-term liabilities	12,696,730	13,142,998	29,037,655	30,180,168	41,734,385	43,323,166
Other liabilities	769,476	933,463	869,819	521,703	1,639,295	1,455,166
Total liabilities	13,466,206	14,076,461	29,907,474	30,701,871	43,373,680	44,778,332
Net position:						
Investment in capital assets	18,381,690	21,729,842	42,881,147	39,616,390	61,262,837	61,346,232
Restricted	851,230	1,476,577	1,927,757	2,027,783	2,778,987	3,504,360
Unrestricted	3,603,191	2,695,201	1,492,729	3,578,410	5,095,920	6,273,611
Total net position	\$ 22,836,111	\$ 25,901,620	\$ 46,301,633	\$ 45,222,583	\$ 69,137,744	\$ 71,124,203

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the City exceeded liabilities by \$69,137,744 as of September 30, 2014. The City's net position decreased by (\$1,986,459) for the fiscal year ended September 30, 2014.

Net invested in capital assets:

The largest portion, 89%, reflects the City's investment in capital assets (i.e., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Restricted net position:

The restricted net position of \$2,778,987, or 4.02%, of total net position represents resources that are subject to external restrictions on their use or by enabling legislation. Restricted net position is comprised of state and contractually imposed restrictions which are: \$2,096,277, or 75%, for debt service requirements, \$115,753, or 4%, for court court use, \$187,686, or 7%, for tourism use, \$221,994, or 8%, for business incentives, and \$157,277, or 6%, for capital projects.

Unrestricted net position:

Unrestricted net position of \$5,095,920, or 7%, is available to fund City programs to citizens and debt to creditors. The significant decrease in unrestricted net position is due, in part, to the City's portion of the street improvements for the State's loop project in governmental activities.

CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014

CHANGES IN NET POSITION

	Governmental Activities		Business Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues.						
Program Revenues.						
Charges for services	\$ 1,134,196	\$ 877,711	\$ 10,909,988	\$ 12,268,144	\$ 12,044,184	\$ 13,145,855
Operating grants and contributions	551,299	455,778	15,432	2,497	566,731	458,275
Capital grants and contributions	35,000	115,798	1,264,583	670,989	1,299,583	786,787
General Revenues:						
Property taxes	2,825,580	2,521,965	-	-	2,825,580	2,521,965
Sales taxes	3,751,025	3,506,284	-	-	3,751,025	3,506,284
Franchise taxes	1,269,554	1,229,627	-	-	1,269,554	1,229,627
Other taxes	574,896	520,940	-	-	574,896	520,940
Investment income	8,892	22,489	8,058	13,394	16,950	35,883
Royalties	380,154	382,347	-	-	380,154	382,347
Miscellaneous	137,542	128,022	285,030	77,738	422,572	205,760
Total revenues	10,668,138	9,760,961	12,483,091	13,032,762	23,151,229	22,793,723
Expenses:						
General government	1,035,616	1,005,623	-	-	1,035,616	1,005,623
Public safety	5,918,178	5,949,251	-	-	5,918,178	5,949,251
Library	562,332	789,171	-	-	562,332	789,171
Public services and operations	711,463	644,860	-	-	711,463	644,860
Parks and recreation	699,388	635,751	-	-	699,388	635,751
Public works	5,366,980	1,986,283	-	-	5,366,980	1,986,283
Interest on long-term debt	278,887	193,767	-	-	278,887	193,767
Utility	-	-	8,637,099	7,967,467	8,637,099	7,967,467
Airport	-	-	1,426,482	1,448,971	1,426,482	1,448,971
Civic center	-	-	501,263	390,400	501,263	390,400
Total expenses	14,572,844	11,204,706	10,564,844	9,806,838	25,137,688	21,011,544
Change in net position before transfers	(3,904,706)	(1,443,745)	1,918,247	3,225,924	(1,986,459)	1,782,179
Transfers	839,197	843,608	(839,197)	(843,608)	-	-
Change in net position	(3,065,509)	(600,137)	1,079,050	2,382,316	(1,986,459)	1,782,179
Net position - beginning of year	25,901,620	22,599,118	45,222,583	43,552,499	71,124,203	66,151,617
Prior period adjustments	-	3,902,639	-	(712,232)	-	3,190,407
Net position - end of year	<u>\$ 22,836,111</u>	<u>\$ 25,901,620</u>	<u>\$ 46,301,633</u>	<u>\$ 45,222,583</u>	<u>\$ 69,137,744</u>	<u>\$ 71,124,203</u>

Governmental activities decreased net position by (\$3,065,509). This is due in large part to the City's portion of the State's Loop project. The City's cost of \$3,660,910 is not capitalized since this is the State's infrastructure. This cost is offset by an increase in collection of property taxes, sales taxes, and franchise taxes of \$588,283, or 7%.

Business-type activities increased net position by \$1,079,050. This is due to total expenditures being significantly less than total revenues including capital grants and contributions.

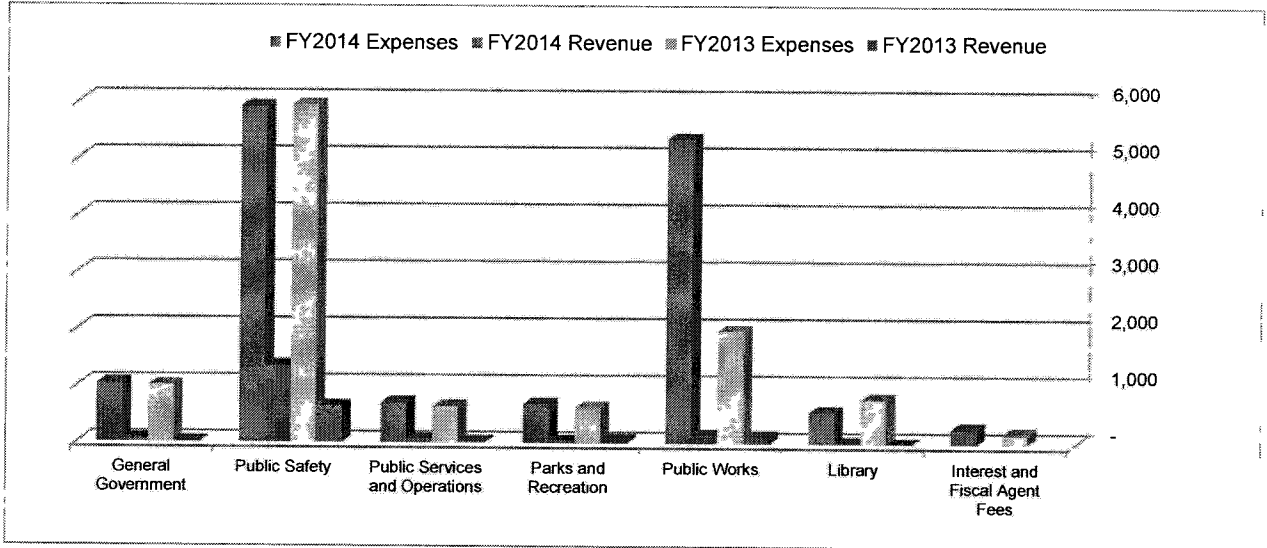
CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014

Governmental-type activities - Governmental-type activities decreased the City's net position by (\$3,065,509). Key elements of this decrease are as follows:

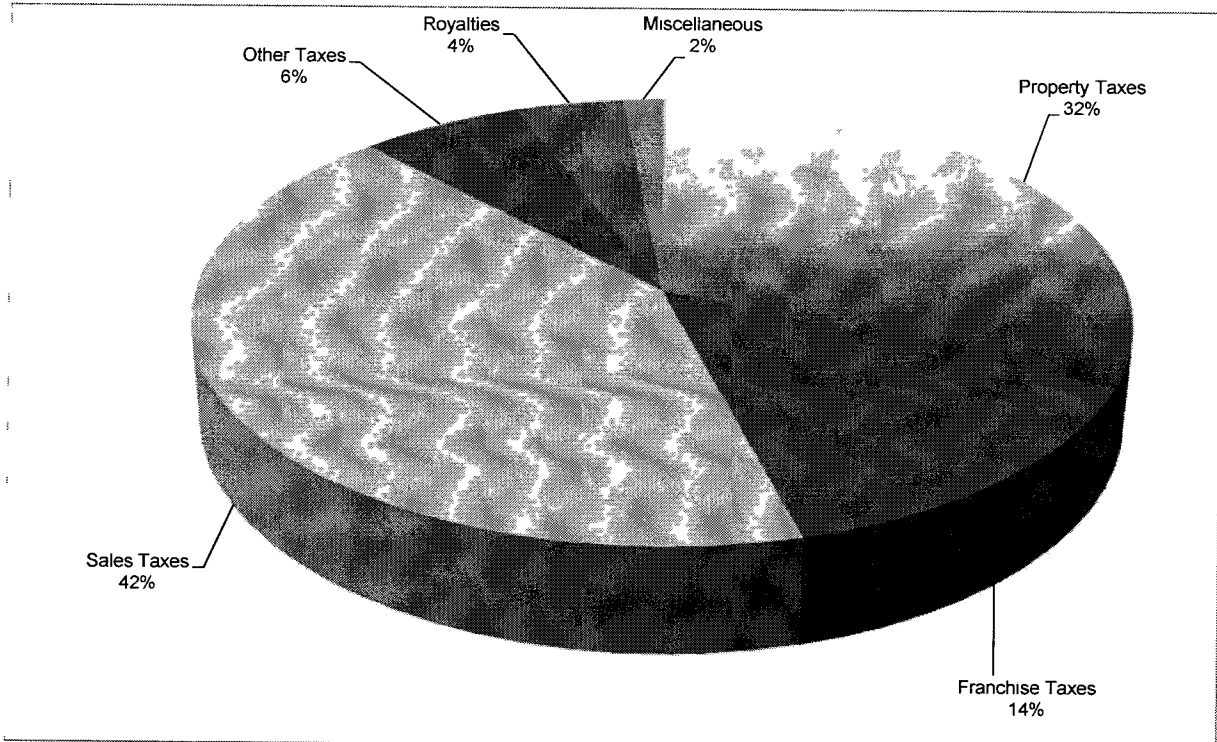
The City's portion of the State's Loop project was \$3,660,910, which is offset with an increase in property tax, sales tax and franchise tax revenues of \$588,283, or 7%.

Expenses and Program Revenues - Governmental Activities

(amounts expressed in thousands)



Revenues by Source - Governmental Activities



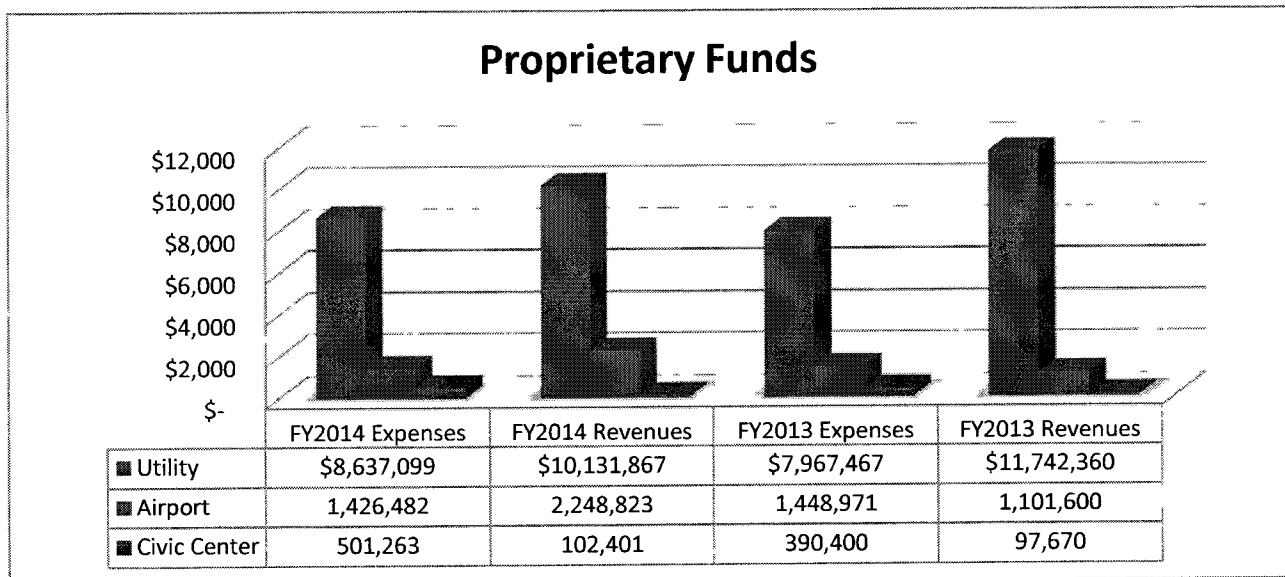
CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014

Business-type Activities - Business-type activities increased the City's net position by \$1,079,050. A key element for this increase is as follows:

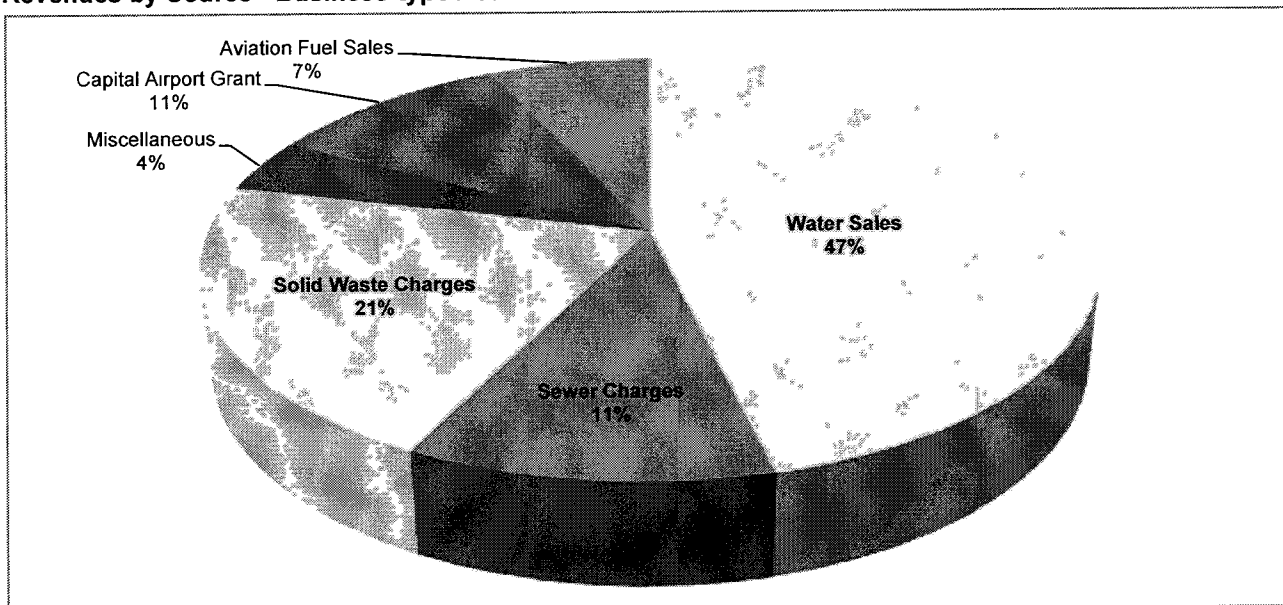
Although revenues decreased (\$549,671), or (4%), expenditures are significantly less than revenues which resulted in an increase in net position.

Expenditures and Program Revenues - Business-type Activities

(amounts expressed in thousands)



Revenues by Source - Business-type Activities



**CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014**

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance serves as a useful measure of the City's resources available for spending at the end of the fiscal year.

At September 30, 2014, the City's governmental funds reported total fund balances of \$8,665,382, a (35%) decrease in comparison with the prior year's total ending fund balances. The components of total fund balance are as follows.

- Nonspendable fund balance, \$7,202, consists of amounts that are not spendable in form and are contractually required to be maintained intact. These are prepaid expenses for worker's compensation insurance.
- Restricted fund balances totalling, \$2,972,443, consists of amounts restricted by external laws or contractual obligations as follows: \$221,994, or 7.5%, for business development, \$2,278,490, or 76.7%, for capital improvement projects, \$115,753, or 3.8%, for court use, \$187,686, or 6.3%, for tourism, and \$168,520, or 5.7%, for debt requirements.
- Assigned fund balances totalling, \$3,655,976, represents fund balances intended for use by special revenue funds including: \$67,380, or 1.8%, for public safety use, \$3,251,938, or 88.9%, for capital improvement projects, \$109,447, or 3%, for community improvement projects, \$2,560, or 0.2%, for cemetery, \$202,787, or 5.5%, for park projects, and \$21,864, or 0.6%, for library use.
- Unassigned fund balance, \$2,029,761, represents residual available fund balances that have not been restricted, committed or assigned by management, City Council, or otherwise.

General Fund - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,164,685, compared to \$2,412,482 at the end of the prior fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 26% of total General Fund expenditures.

Other Governmental Funds - As compared with the prior year, the total fund balances of the remaining governmental funds decreased (43%), or (\$4,640,210), to \$6,209,222 with the following significant changes:

- The fund balance of the Street Fund decreased (48%), or (\$4,713,874), primarily as a result of the City's portion of the State's loop project.
- The fund balance of the Other Governmental Funds increased 7%, or \$73,664, primarily as a result of increased collections in hotel tax revenues.

Proprietary Funds

The City's proprietary fund statements provide essentially the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to \$1,492,729, a (58%) decrease from the prior year. This is due to total charge for services decreasing (11%) in comparison to the prior year along with concurrent expenditure increases.

CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014

Capital Assets and Debt Administration

Capital assets - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, totals \$92,197,561 (net of accumulated depreciation). These assets include land, buildings, improvements, infrastructure, machinery & equipment, vehicles and construction in progress. The total increase in capital assets for the current fiscal year was approximately 5.44%.

Major capital asset events during the current fiscal year included the following.

- Construction is in progress for hangars at the airport.
- Construction continued for phase 1 of the NW 12 street construction.
- Project for the purchase and installation of radio read meters began
- Leftwich lift station project completed.

Capital Assets
(net of accumulated depreciation)
September 30,

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,436,233	\$ 1,436,233	\$ 8,772,848	\$ 8,772,848	\$ 10,209,081	\$ 10,209,081
Construction in Progress	1,937,156	822,347	22,165,505	18,021,359	24,102,661	18,843,706
Buildings & Improvements	7,154,874	7,326,392	15,661,467	16,027,563	22,816,341	23,353,955
Infrastructure	14,390,194	14,197,599	18,043,940	18,032,400	32,434,134	32,229,999
Machinery & Equipment	1,799,131	1,959,994	836,213	844,045	2,635,344	2,804,039
Total	\$ 26,717,588	\$ 25,742,565	\$ 65,479,973	\$ 61,698,215	\$ 92,197,561	\$ 87,440,780

More detailed information about the City's capital assets is presented in Note E to the financial statements.

Long-term Debt - As of September 30, 2014, the City had \$39,233,176 in revenue bonds and certificates of obligation. This represents a decrease of (\$1,598,718), or (4%), in comparison with the prior year. This is due to the normal activity of principal payments applied to long-term debt.

Outstanding Debt
General Obligation Bonds, Revenue Bonds and Certificates of Obligation
September 30,

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ -	\$ -	\$ 28,346,065	\$ 29,528,277	\$ 28,346,065	\$ 29,528,277
Certificates of Obligation	10,887,111	11,303,617	-	-	10,887,111	11,303,617
	\$ 10,887,111	\$ 11,303,617	\$ 28,346,065	\$ 29,528,277	\$ 39,233,176	\$ 40,831,894

More detailed information about the City's long-term obligations is presented in Note F to the financial statements.

**CITY OF MOUNT PLEASANT, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2014**

Budgetary Highlights

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget for several items. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

General Fund revenues collected were significantly more than budget projections. General Fund expenditures were 0.7% more than budgeted.

Economic Factors and Next Year's Budgets and Rates

The following known factors were considered in preparing the City's operating budget for FY 2014-2015:

- The budget for all funds totals \$33,016,435 and includes remaining funds for the completion of construction on the new water plant, completion of the rehabilitation of the I-30 water treatment plant, continuation of Phase II of NW 12 roadway and completion of the automated meter reading system throughout the City.
- The adopted property tax rate for FY2014-2015 increased to \$0.3437 per \$100 valuation.
- Property tax, sales tax, and franchise tax collections increased \$588,283, or 7%, over the previous year. There have been no proposed increases for water/wastewater fees. An increase of 1.6%, based on CPI has been budgeted for solid waste billings per contract with Republic Waste.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in the government's finances. Questions concerning the information found in this report or requests for additional financial information should be directed to the Director of Finance, 501 N. Madison, Mount Pleasant, Texas 75455-3650.

BASIC FINANCIAL STATEMENTS