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RAPIER, WILSON & WENDLAND, P.C. Attorneys at Law

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PUBLIC UTILITY COMMISSION
FILING CLERK

James W. Wilson
wilson@rapierwilson.com

April 22, 2009

Justin Taack, Technical Manager
Texas Commission on Environmental Quality
Districts Review Team, MC-152
P.O. Box 13087
Austin, TX 78711-3087

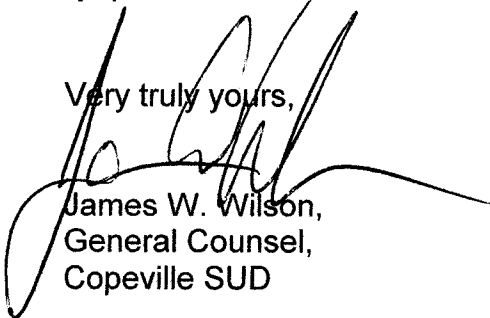
**RE: TCEQ Internal Control No. 05032006-D06; Conversion of
Copeville Water Supply Corporation to Copeville Special Utility District
CN: 603046285; RN: 104966270**

Dear Mr. Taack:

Enclosed please find a copy of the Certificate of Dissolution of Copeville Water Supply Corporation issued by the Secretary of State, effective March 31, 2008. We previously filed the Order Canvassing Returns of Confirmation and Directors Election with your office. Therefore, it appears Copeville SUD has satisfied all Commission requirements to effect the transfer of the CCN of the former water supply corporation to the new District.

Please forward the CCN transfer document to my office at your earliest convenience. Feel free to call me if you have any questions or concerns.

Very truly yours,


James W. Wilson,
General Counsel,
Copeville SUD

JW/ajk
Enclosure

F:\Water Districts\Copeville SUD\SUD Conversion 756901 SUD Conversion\20090422 Ltr to TCEQ with Certificate of Dissolution.wpd

c: Copeville SUD



Office of the Secretary of State

**CERTIFICATE OF DISSOLUTION
OF**

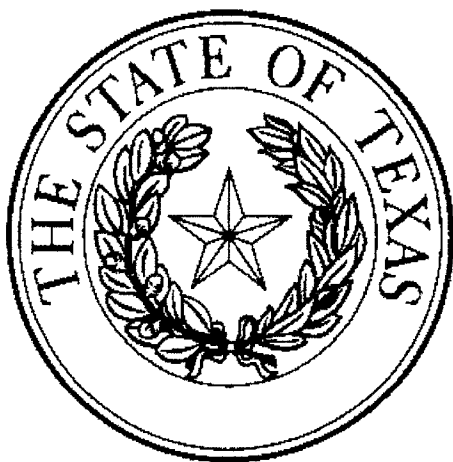
**COPEVILLE WATER SUPPLY CORPORATION
15643301**

The undersigned, as Secretary of State of Texas, hereby certifies that the Articles of Dissolution for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary of State by law, hereby issues this Certificate of Dissolution.

Dated: 03/31/2008

Effective: 03/31/2008



A handwritten signature in black ink that reads "Phil Wilson".

Phil Wilson
Secretary of State

FILE COPY

MAR 31 2008

**ARTICLES OF DISSOLUTION
OF
COPEVILLE WATER SUPPLY CORPORATION**

Corporations Section

Pursuant to the provisions of Article 6.05 of the Texas Non-Profit Corporation Act, and the statutes and order identified herein, Copeville Water Supply Corporation (the "Corporation") adopts the following articles of dissolution:

1. The name of the corporation is COPEVILLE WATER SUPPLY CORPORATION.

2. The file number of the Corporation is 15643301.

3. On December 15, 2005, a resolution to dissolve the Corporation and transfer all of its assets and liabilities to a special utility district was adopted at a meeting of the Corporation's members. A quorum was present at this meeting, and the resolution to dissolve the Corporation and transfer all of its assets and liabilities to a special utility district received at least two-thirds of the votes from members entitled to cast votes and who were either physically present at the meeting or represented by proxy.

4. On February 6, 2007, the Texas Commission on Environmental Quality (the "TCEQ") issued an order under TCEQ Internal Control No. 05032006-D06 (the "Order") granting the Corporation's application for conversion to a special utility district and creating the Copeville Special Utility District (the "District") under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapter 65 of the Texas Water Code.

5. On May 12, 2007, an election was held within the District boundaries in accordance with the Order confirming establishment of the District and providing for the election of permanent directors.

6. All debts, obligations and liabilities of the Corporation have been paid and discharged or adequate provision has been made therefor. All remaining property and assets of the Corporation have been transferred, conveyed, or distributed to the District pursuant to the Order and in accordance with the provisions of the Texas Non-Profit Corporation Act.

7. There are no suits pending against the Corporation in any court.

By: Robert Ritchie
Robert Ritchie, President

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FILED IN THE TEXAS
COUNTY OF TRAVIS



I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LoDonna Castanuela FEB 13 2007

LoDonna Castanuela, Chief Clerk
Texas Commission on Environmental Quality

**AN ORDER GRANTING THE REQUEST FOR CONVERSION
TO AND CREATION OF COPEVILLE SPECIAL UTILITY DISTRICT AND
APPOINTING TEMPORARY DIRECTORS**

A resolution by Copeville Water Supply Corporation (hereafter "WSC") was presented to the Executive Director of the Texas Commission on Environmental Quality ("Commission") for consideration of approval of the creation of Copeville Special Utility District (hereafter "District"), the appointment of directors for the District, and the transfer of the WSC's certificate of convenience and necessity ("CCN") to the District pursuant to TEX. WATER CODE, Chapters 13, 49 and 65.

The Commission, after having considered the resolution, application material, and memorandum from the Executive Director's staff dated January 18, 2007 regarding the resolution, a copy of which is attached as Exhibit "B", finds that the resolution for creation should be approved.

The conversion to and creation of the proposed District is feasible and practical, and each purpose for which the District is created is necessary and would be a benefit to the land proposed to be included in the District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for conversion of the WSC to the proposed District have been fulfilled in accordance with TEX. WATER CODE, Chapters 49 and 65 and 30 TEX. ADMIN. CODE §§ 293.11-13.

**NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY THAT:**

1. The petition for the conversion of the Copeville Water Supply Corporation to the Copeville Special Utility District is hereby granted for the purposes of providing water and wastewater services.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE, Chapter 65.

3. The District shall have all of the rights, powers, privileges, authority, and functions conferred and shall be subject to all duties imposed by the Commission on and the general laws of the State of Texas relating to special utility districts.
4. The District is directed that if fees to be assessed meet the definition of an impact fee as stated in 30 TEX. ADMIN. CODE § 293.171, then requirements spelled out in 30 TEX. ADMIN. CODE §§ 293.171 - 293.176 need to be satisfied prior to assessing the fee.
5. The District shall be composed of the area situated wholly within Collin County, Texas described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.
6. The Memorandum from the Executive Director's staff dated January 18, 2007 (hereafter "Memorandum") is hereby attached as Exhibit "B" and incorporated as a part of this Order.
7. The persons listed in Recommendation No.3 of the Memorandum are hereby named and appointed as temporary directors of the District, to serve until their successors are elected or have been appointed in accordance with applicable law; and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.
8. A confirmation and director election shall be held within the boundaries of the proposed District to determine if the proposed District shall be established and to elect permanent directors of the proposed District. The District's Board of Directors is directed to send to the Commission a certified copy of the order canvassing the confirmation election returns not later than 30 days after the election.
9. Upon a successful confirmation election, the assets and debts of Copeville Water Supply Corporation are to be transferred to Copeville Special Utility District as expeditiously as practicable and dissolution proceedings of Copeville Water Supply Corporation are to be commenced immediately after such transfer.
10. Certificate of Convenience and Necessity No. 11376 will be issued by the Commission in the name of Copeville Special Utility District, contingent upon a successful confirmation election and Commission receipt of evidence that the WSC has been dissolved in order to ensure continued service for all customers currently served by the WSC.
11. This order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the conversion petition, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration.
12. The Chief Clerk of the Commission shall forward a copy of this Order to all affected persons.

13. If any provision, sentence, clause or phrase of this Order is, for any reason, held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: FEB 06 2007

A handwritten signature in cursive script, appearing to read "R. A. [unclear]", written in black ink.

For the Commission

EXHIBIT A
PROPOSED COPEVILLE SPECIAL UTILITY DISTRICT
METES & BOUNDS BOUNDARY DESCRIPTION

BEGINNING at the a point in the center of State Highway 78 located 2229 feet southwest of the intersection of State Highway 78 and US Highway 380 in Farmersville and located on the northeastern point of the Copeville Water Supply Corporation (WSC) Certificate of Convenience and Necessity (CCN # 11376);

THENCE south 28 degrees 27 minutes east along a line approximately 1302 feet to a point for a corner;

THENCE south 52 degrees 17 minutes east along a line approximately 2985 feet to its intersection with the center of the Topeka and Santa Fe Railroad to a point for a corner;

THENCE southwesterly along the center of the Topeka and Santa Fe Railroad approximately 10,661 feet to a point for a corner;

THENCE north 89 degrees 52 minutes east along a line approximately 2,950 feet to a point for a corner;

THENCE south 0 degrees 58 minutes west along a line approximately 6,539 feet to a point for a corner;

THENCE north 89 degrees 58 minutes east along a line approximately 2,276 feet to a point for a corner;

THENCE south 0 degrees 1 minute east along a line approximately 1,588 feet to a point for a corner;

THENCE south 89 degrees 53 minutes west along a line approximately 434 feet to a point for a corner;

THENCE south 1 degree 45 minutes west along a line approximately 3,798 feet to a point for a corner;

THENCE north 89 degrees 23 minutes east along a line approximately 1,469 feet to a point for a corner;

THENCE south 1 degree 59 minutes west along a line approximately 3,989 feet to its intersection with the center of Farm to Market Road 1778 to a point for a corner;

THENCE easterly along the center of Farm to Market 1778 approximately 1,647 feet to a point for a corner;

THENCE south 0 degrees 5 minutes west along a line approximately 2,591 feet to a point for a corner;

THENCE north 89 degrees 37 minutes west along a line approximately 363 feet to a point for a corner;

THENCE south 61 degrees 44 minutes west along a line approximately 202 feet to a point for a corner;

THENCE south 6 degrees 14 minutes west along a line approximately 144 feet to a point for a corner;

THENCE south 88 degrees 47 minutes west along a line approximately 92 feet to a point for a corner;

THENCE south 1 degree 52 minutes west along a line approximately 548 feet to a point for a corner;

THENCE south 89 degrees 30 minutes west along a line approximately 423 feet to a point for a corner;

THENCE south 0 degrees 53 minutes west along a line approximately 2,265 feet to a point for a corner;

THENCE north 89 degrees 55 minutes west along a line approximately 715 feet to a point for a corner;

THENCE south 1 degrees 47 minutes west along a line approximately 375 feet to a point for a corner;

THENCE north 89 degrees 38 minutes west along a line approximately 8,796 feet to a point for a corner;

THENCE south 40 degrees 36 minutes west along a line approximately 3,485 feet to its intersection with the eastern shore of Lake Lavon to a point for a corner;

THENCE northerly along the meandering eastern shore of Lake Lavon approximately 62,546 feet to its intersection with the west right of way of State Highway 78 north of the City of Copeville to a point for a corner,

THENCE northeasterly along the west right of way of State Highway 78 approximately 1,083 feet to a point for a corner;

THENCE northerly along the meandering eastern shore of Lake Lavon approximately 60,296 feet to a point for a corner;

THENCE south 87 degrees 20 minutes east along a line approximately 9,333 feet to a point for a corner;

THENCE south 0 degrees 5 minutes west along a line approximately 2,591 feet to a point for a corner;

THENCE south 28 degrees 27 minutes east along a line approximately 698 feet and back to the place of beginning.

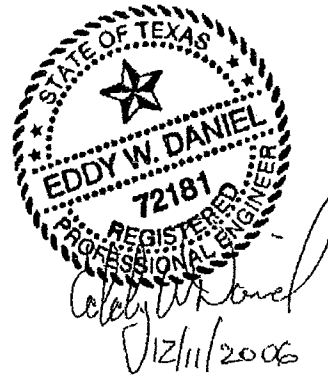



EXHIBIT B

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Glenn Shankle, Executive Director
Texas Commission on Environmental Quality

Date: January 18, 2007

Thru:  Robert Cummins, P.E., Leader, Districts Review Team

From: Districts Review Team

Subject: Petition for the Conversion of Copeville Water Supply Corporation to Copeville Special Utility District; Pursuant to Texas Water Code, Sections 65.014 and 65.021, and 30 TAC Section 293.11.
TCEQ Internal Control No. 05032006-D06 (TC)
CN: 603046285 RN: 104966270

A. GENERAL INFORMATION

The captioned application was declared administratively complete on May 8, 2006. The petition from Copeville Water Supply Corporation ("CWSC") requests Commission approval for conversion to Copeville Special Utility District ("District").

CWSC is a non-profit, member owned and controlled water supply corporation as defined by Section 65.001(10)(B) of the Texas Water Code. CWSC provides water service under Certificate of Convenience and Necessity ("CCN") No. 11376 to approximately 1,374 active customer connections as of April 2006.

A two-page boundary description of the proposed District was provided with the preliminary engineering report. The proposed District would contain approximately 23.3 square miles located in Collin County.

The proposed District is a predominately rural area. It is generally bounded on the north by U.S. Highway 380; on the west by Lake Lavon. The east is bounded by Collin County Roads 599 and 601 and by Caddo Basin Special Utility District. The south is bounded by Lake Lavon and Collin County Road 543. A map of the proposed District area was provided and reviewed and appears to generally reflect the existing CCN No. 11376 boundary, including the area dully certificated with Caddo Basin Special Utility District. By separate affidavit, Caddo Basin Special Utility District consented to the inclusion of the dully certified area into the Copeville Special Utility District boundary. The proposed District does not propose to change the CCN boundary with this application.

Pursuant to 30 TEX. ADMIN. CODE (TAC) § 293.11(h)(9), the proposed District has provided an acceptable order dated December 15, 2005, canvassing the vote of CWSC's membership, which indicates an affirmative vote to authorize conversion to a Special

Glenn Shankle, Executive Director
Page 2
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Utility District (104 in favor, 16 against and 0 abstained).

According to the application materials received, the proposed District's initial Board of Directors will consist of the following persons:

Stephen R. Crouse
James C. Rice
J. T. Wakefield

Russell Johnson
C. Windell Rice

Frank Powell
Robert Ritchie

An executed affidavit for each of the proposed directors is on file. Each of the persons named is qualified, as under 30 TAC § 293.32 to serve as a temporary director of the proposed District as each (1) is at least 18 years old, (2) is a resident of the State of Texas, (3) either owns land subject to taxation within the proposed District, is a user of the facilities of the proposed District, or is a qualified voter of the proposed District, and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the Rules of the Commission.

The petition further states that the assets and debts of CWSC and related CCN will be transferred to the proposed District, and that CWSC will be dissolved immediately upon said transfer.

B. SPECIAL CONSIDERATIONS

History and Boundary

Copeville Water Supply Corporation was formed to provide water supply to the members of the corporation. The Texas Water Commission issued the Corporation CCN No. 11376 on November 1, 1979. Upon creation of the proposed District the CCN boundary held by CWSC will remain unchanged.

Notice Requirements

Proper notice of the application was published on October 5, 2006 and October 12, 2006, in The Farmersville Times and The Princeton Herald, and on October 4, 2006 and October 11, 2006, in The Wylie News, newspapers regularly published or generally circulated in Collin County, the county in which the proposed District is to be located.

Proper notice of the application was posted on September 28, 2006 on the bulletin boards used for posting legal notices in Collin County, Texas.

30 TAC § 293.12(d) states: "For a petition for the creation of a Special Utility District in accordance with TWC, Chapter 65, which includes transfer of the certificate of convenience and necessity, the applicant shall also, unless waived by executive director, mail copies of the notice to customers of the water supply corporation and other affected

parties at least 120 days prior to approval.” The CWSC has requested a waiver to 30 TAC § 293.12(d). The waiver was requested by the CWSC because its customers, landowners and other affected parties were informed about the conversion through written information, notices, and public meetings. Therefore, on behalf of the Executive Director, the Districts Review Team granted a waiver to 30 TAC § 293.12(d) by letter dated November 22, 2006.

30 TAC § 293.12(e) states: “If a petition for the creation of a Special Utility District in accordance with TWC, Chapter 65, contains a request for approval of an impact fee, the applicant shall comply with the notice provisions of § 293.173 of this title.” The resolution provided does not request approval of an impact fee.

C. GENERAL EFFECTS OF CONVERSION

Some general effects of conversion from a Water Supply Corporation (WSC) to a Special Utility District (SUD) include the following:

1. A SUD is a political subdivision and can issue tax exempt revenue bonds on the open market or for purchase by the Texas Water Development Board (TWDB). See Tex. Water Code (TWC) Section 65.503.
2. A SUD is exempt from ad valorem taxes (usually county and school district) on its personal property, utility lines, and plant facilities. See Local Government Code (LGC) Section 422.014.
3. A SUD is exempt from sales taxes on supplies and services. See LGC Section 422.014.
4. A SUD is subject to the Open Meetings and Open Records Act. See TWC Sections 49.064 & 49.065.
5. A SUD must have an annual audit conducted and file the audit with the Commission. See TWC Section 49.194.
6. A SUD must follow statutory bid advertisement and contract provisions for districts. See TWC Section 49.273.
7. A SUD is subject to the continuing right of supervision by the TCEQ. See TWC Section 5.013.

D. CONCLUSIONS

1. Based on Commission policy, compliance with Commission rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, and would be necessary as a means to finance utilities and

to provide utility service to current and future customers, and the proposed purposes (water and wastewater) are considered practicable and would be a benefit to the land within the proposed District.

2. Based on a review of the preliminary engineering report and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC § 293.59.

E. RECOMMENDATIONS

1. Grant the petition for conversion of Copeville Water Supply Corporation to Copeville Special Utility District, with the boundary of the District in accordance with the two-page boundary description received with the application, for the purposes of providing water and wastewater service in accordance with TWC Section 65.012(1) and (3).

2. The order granting the petition should include the following statements:

"This order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the conversion petition, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration."

"Upon a successful confirmation election, the assets and debts of Copeville Water Supply Corporation are to be transferred to Copeville Special Utility District as expeditiously as practicable and dissolution proceedings of Copeville Water Supply Corporation are to be commenced immediately after such transfer."

3. Appoint the following to serve as temporary directors of the District:

Stephen R. Crouse	Russell Johnson	Frank Powell
James C. Rice	C. Windell Rice	Robert Ritchie
J. T. Wakefield		

4. Direct the Board of Directors to canvass the confirmation election returns and submit such canvassing to the Utilities and Districts Section of the Texas Commission on Environmental Quality within thirty (30) days of the board meeting at which such returns are canvassed.
5. Direct the Board of Directors, that upon a vote of the populace confirming the creation of the district, to take action necessary to dissolve the WSC and submit documentation evidencing such to the Commission's Utilities and Districts Section when available.

6. Contingent upon a successful confirmation election and dissolution of Copeville Water Supply Corporation, water CCN No. 11376 will be issued by the Commission in the name of Copeville Special Utility District in order to ensure continued service for all customers currently served by Copeville Water Supply Corporation.
7. Direct the District that if fees to be assessed meet the definition of an impact fee as stated in 30 TAC § 293.171, then requirements spelled out in 30 TAC §§ 293.171 through 293.176 need to be satisfied prior to assessing the fee.

F. FEASIBILITY

The engineering report dated April 28, 2006 indicates that CWSC serves potable water to approximately 1,374 active customer connections (estimated population of 4,259). The number of CWSC's connections is expected to increase by 86% to a total of 2,556 (estimated population of 7,921) by the year 2010. Future growth is not expected to alter the present use of the land. No specific development plan is assumed in examining the feasibility of the proposed District.

According to the engineering report, the proposed District will adopt a water utility ordinance with rates, fees, and rules and regulations remaining unchanged for the most part. The rates are detailed as follows:

Water Rates

As provided in the engineering report, the current water rates the corporation charges for standard service are as follows:

Minimum Monthly Charge (0 – 3,000 Gallons)	\$19.60	5/8" & 3/4" Meter
	\$29.40	3/4" Meter
	\$49.00	1" Meter
	\$98.00	1-1/2" Meter
	\$156.00	2" Meter
	\$176.00	3" Disp.
	\$313.60	CMPD.
	\$343.00	3" TURB.
	\$490.00	4" CMPD.
	\$588.00	4" TURB.
	\$980.00	6" CMPD.
	\$1,225.00	6" TURB.
	\$1,568.00	8" CMPD.

Usage Rate: \$4.10 per 1,000 gallons exceeding
3,000 gallons

Glenn Shankle, Executive Director

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Based on 10,000 gallons usage, the water rate would be \$48.30 per month. The corporation's other rates, fees, operation rules and regulations, are outlined in its approved tariff.

G. PURPOSE

According to the Engineer, the purpose of converting to a SUD is to become a public entity and a political subdivision of the State of Texas thereby having tax-exempt status. Subsequent to conversion, the WSC's intent is to initially provide water service only but would like to have the authority to provide wastewater service as allowed by Chapters 49 & 65 of the Texas Water Code in accordance with Chapter 293 of the Texas Commission on Environmental Quality (TCEQ) rules.

According to the engineering report, the District will continue to provide the same services as CWSC, and CWSC desires to convert due to added benefits of being a special utility district. Some of the benefits have been outlined in Section C of this memorandum. Additionally, the proposed District's engineer states that CWSC desires to convert to have tax exempt status, to save money by paying a lower interest rate on debt for future improvements, have a better ability to obtain additional quantities and sources of water, and be in a better position to participate in regional projects.

Availability of Comparable Services

The engineering report indicates that there is no other entity providing, or capable of providing, the capacity to serve the same area with comparable services. Additionally, since CWSC is the certificated water supplier for the area, no other entity other than the proposed District presently has the ability to serve the proposed District area. Conversion to a SUD should not affect service as currently provided by CWSC.

Water Supply Facilities

CWSC's water supply is surface water from North Texas Municipal Water District and the City of Farmersville. The CWSC existing facilities consist of a 200,000 gallon ground storage tank, pump station, two 750 gpm booster pumps, a 350 gpm booster pump, and a 150,000 gallon elevated storage tank.

Wastewater Facilities

The service area for CWSC is predominantly rural residential, and agricultural. Currently there is no wastewater service provided. The proposed District does not plan to provide wastewater service at this time.

Glenn Shankle, Executive Director
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January 18, 2007

Drainage

CWSC does not provide drainage services. The area is rural in nature and streams and rivers handle drainage for the area.

H. DESCRIPTION AND IMPACT ON NATURAL RESOURCES

The impact on natural resources information was obtained from the engineering report. Future development is expected to be same whether CWSC converts to a SUD or not. Creation of the proposed District would have a negligible effect on land elevation, subsidence, run-off rates and drainage, and water quality on land within the proposed District. In a subsequent letter dated October 6, 2006, the proposed District's engineer stated that the proposed District will have no effect on groundwater levels or groundwater recharge rates.

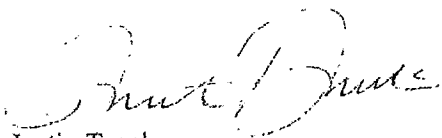
Floodplain

According to the engineer's report, the CWSC service area experiences flooding mainly on land adjacent to existing creeks. The 100-year flood levels vary greatly depending on elevation and proximity to creeks and rivers. The CWSC does not have any facilities located within the 100-year flood plain, nor does it plan any facilities that would alter drainage or flooding patterns.

I. ADDITIONAL INFORMATION

The petitioner's professional representatives are:

Attorney: Mr. James W. Wilson – Rapier, Wilson & Wendland, P.C.
Engineer: Mr. Eddy W. Daniel, P.E. - Daniel & Brown Inc.



Justin Taack
Districts Review Team



COPY

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF CONFIRMATION AND DIRECTORS ELECTION

WHEREAS, the Copeville Special Utility District (the "District") has been duly created by order of the Texas Commission Environmental Quality, and the following five (5) temporary directors of the District appointed by the Commission have met and organized and have qualified to serve as temporary directors of the District by taking the oath required by law, to wit: Robert Ritchie, Russell Johnson, James Wakefield, Frank Powell, James Rice, Windell Rice, and Steve Crouse (the "Board of Directors"); and

WHEREAS, the Board of Directors of the District ordered that an election be held for and within the District on May 12, 2007, to determine if the District shall be established and to elect seven (7) permanent directors; and

WHEREAS, notice of such election, stating the day and place for holding such election, the proposition to be voted on and the candidates for director, was given to the qualified voters of the District and all other interested persons by posted notice at Collin County, Texas; and

WHEREAS, the presiding judge at such election has made returns of the results of such election to the President of the Board of Directors.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF COPEVILLE SPECIAL UTILITY DISTRICT AFFIRMATIVELY FINDS AND DECLARES THAT:

1. The matters and facts recited in the preamble to this Order are hereby found and determined to be true and correct and are hereby adopted as a part of this Order.
2. The above-described election was duly called, notice thereof was duly given, and such election was duly conducted on May 12, 2007, all in accordance with the Texas Election Code, as amended, Chapter 65, Texas Water Code, as amended, and the Federal Voting Rights Act of 1965, as amended.
3. Only duly qualified resident voters of the District voted at such election.
4. The returns of such election were regularly made to the Board of Directors by the presiding judge at such election as provided by the Texas Election Code, as amended.
5. Such election resulted in the following votes for and against the following proposition:

SHALL THE CREATION OF COPEVILLE SPECIAL UTILITY DISTRICT BE CONFIRMED?

Votes For: 27

Votes Against: 1

6. The following persons received the number of votes for director set out opposite their names, respectively, and no other person received a vote:

Windell Rice	26 Votes
James Wakefield	24 Votes
Steve Crouse	22 Votes
Russell Johnson	25 Votes
Robert Ritchie	22 Votes
Frank Powell	25 Votes
James Rice	23 Votes

IT IS, THEREFORE, ORDERED AND DECLARED BY THE BOARD OF DIRECTORS OF COPEVILLE SPECIAL UTILITY DISTRICT THAT:

1. The results of the above-described election is confirmation of the establishment of the District pursuant to the Texas Commission on Environmental Quality as a special utility district operating under Article 16, Section 59, of the Texas Constitution and Chapter 65 of the Texas Water Code, together with all amendments and additions thereto. The District is legally created with the boundaries described in Exhibit "A" attached hereto and incorporated herein.
2. The following persons received the highest number of votes for director and have been elected permanent directors of the District to serve for terms which expire in the year set opposite their names:

Windell Rice	1 year
James Wakefield	1 year
Steve Crouse	2 year
Russell Johnson	2 year
Robert Ritchie	3 year
Frank Powell	3 year
James Rice	3 year

Pursuant to Section 65.103 of the Texas Water Code, the permanent directors shall serve until the first Saturday in May of the year set opposite their names or until successors have been selected and qualified according to law.

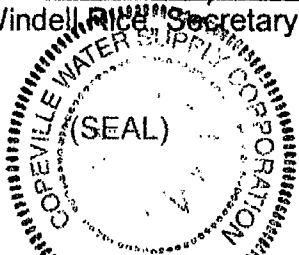
3. Each of said persons shall enter into the duties of his or her office and shall begin to serve his or her term of office upon taking the constitutional oath of office.
4. The President or Vice President and the Secretary of the Board are authorized to evidence adoption of this Order on behalf of the Board and to do any and all things necessary or proper to carry out the intent hereof.

PASSED AND APPROVED on the 15th day of May 2007.

By: Robert Ritchie
Robert Ritchie, President

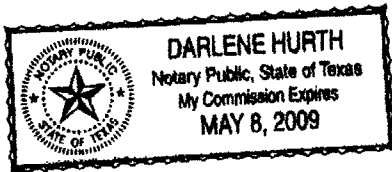
ATTEST:

Windell Rice
Windell Rice, Secretary



STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on ^{May} ~~September~~ 15, 2007, by Robert Ritchie as President and Windell Rice as Secretary of the Board of Directors of Copeville Special Utility District, Collin County, Texas.



Darlene Hurth
Notary Public, State of Texas

EXHIBIT A

COPEVILLE SPECIAL UTILITY DISTRICT
BOUNDARY DESCRIPTION

(_____, 20__)

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Phil Wilson
Secretary of State

Office of the Secretary of State

**CERTIFICATE OF DISSOLUTION
OF**

**COPEVILLE WATER SUPPLY CORPORATION
15643301**

The undersigned, as Secretary of State of Texas, hereby certifies that the Articles of Dissolution for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary of State by law, hereby issues this Certificate of Dissolution.

Dated: 03/31/2008

Effective: 03/31/2008



A handwritten signature in cursive script that reads "Phil Wilson".

Phil Wilson
Secretary of State

FILE COPY

MAR 31 2008

Corporations Section

**ARTICLES OF DISSOLUTION
OF
COPEVILLE WATER SUPPLY CORPORATION**

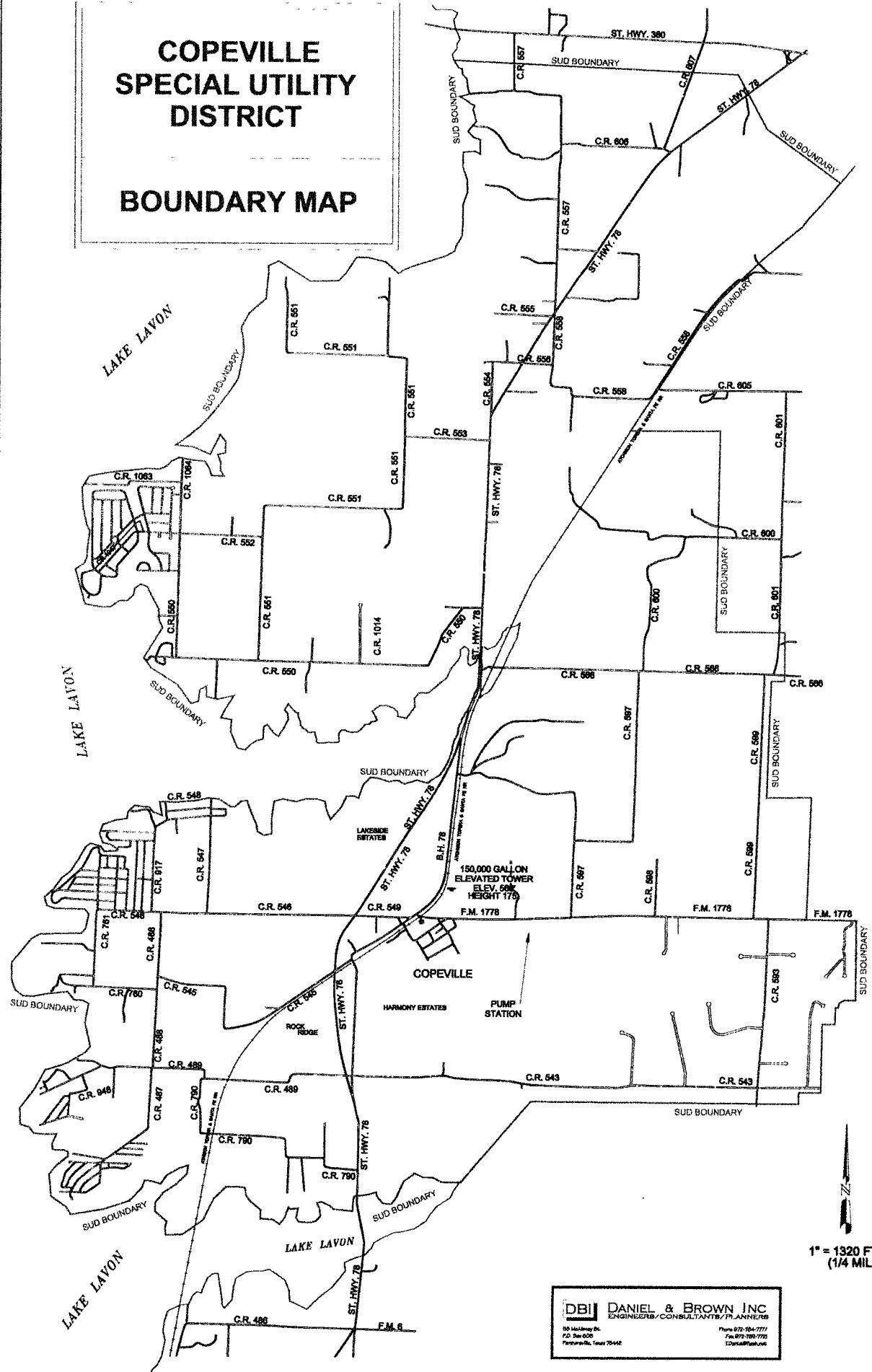
Pursuant to the provisions of Article 6.05 of the Texas Non-Profit Corporation Act, and the statues and order Identified herein, Copeville Water Supply Corporation (the "Corporation") adopts the following articles of dissolution:

1. The name of the corporation is COPEVILLE WATER SUPPLY CORPORATION.
2. The file number of the Corporation is 15643301.
3. On December 15, 2005, a resolution to dissolve the Corporation and transfer all of its assets and liabilities to a special utility district was adopted at a meeting of the Corporation's members. A quorum was present at this meeting, and the resolution to dissolve the Corporation and transfer all of its assets and liabilities to a special utility district received at least two-thirds of the votes from members entitled to cast votes and who were either physically present at the meeting or represented by proxy.
4. On February 6, 2007, the Texas Commission on Environmental Quality (the "TCEQ") issued an order under TCEQ Internal Control No. 05032006-D06 (the "Order") granting the Corporation's application for conversion to a special utility district and creating the Copeville Special Utility District (the "District") under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapter 65 of the Texas Water Code.
5. On May 12, 2007, an election was held within the District boundaries in accordance with the Order confirming establishment of the District and providing for the election of permanent directors.
6. All debts, obligations and liabilities of the Corporation have been paid and discharged or adequate provision has been made therefor. All remaining property and assets of the Corporation have been transferred, conveyed, or distributed to the District pursuant to the Order and in accordance with the provisions of the Texas Non-Profit Corporation Act.
7. There are no suits pending against the Corporation in any court.

By: 
Robert Ritchie, President

COPEVILLE SPECIAL UTILITY DISTRICT

BOUNDARY MAP

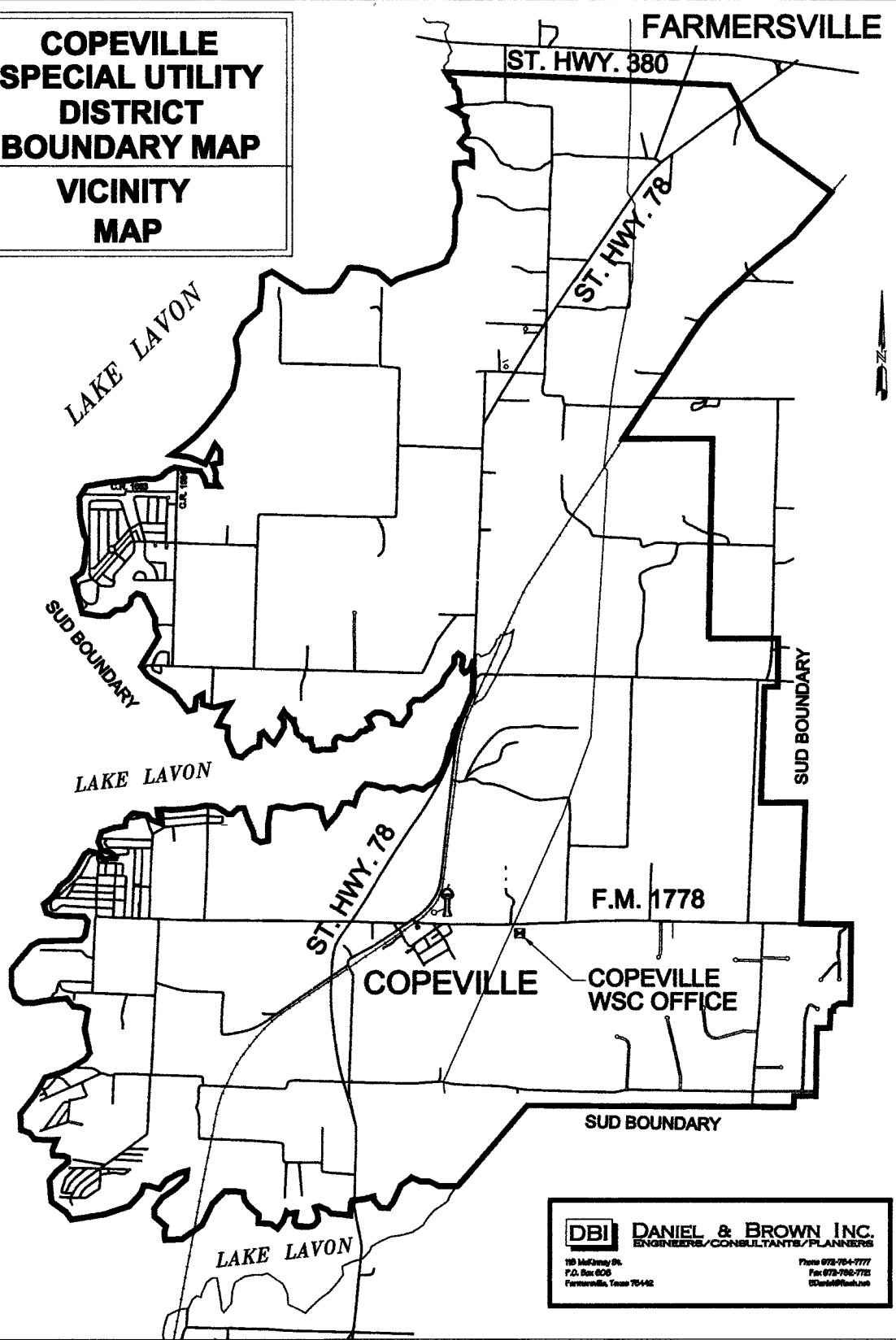


1" = 1320 FT.
(1/4 MILE)

DBI DANIEL & BROWN INC
 ENGINEERS/CONSULTANTS/PLANNERS
 80 Hockley St. P.O. Box 608 Pearsburg, Texas 75462
 Phone: 817-754-7771 Fax: 817-754-7772
 E-Mail: Dan@dbi.com

**COPEVILLE
SPECIAL UTILITY
DISTRICT
BOUNDARY MAP**

**VICINITY
MAP**



DBI DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS

110 McKinney St.
P.O. Box 626
Farmersville, Texas 76442

Phone 978-764-7777
Fax 978-762-7772
DBI@danielandbrown.com

THENCE northerly along the meandering eastern shore of Lake Lavon approximately 62,546 feet to its intersection with the west right of way of State Highway 78 north of the City of Copeville to a point for a corner,

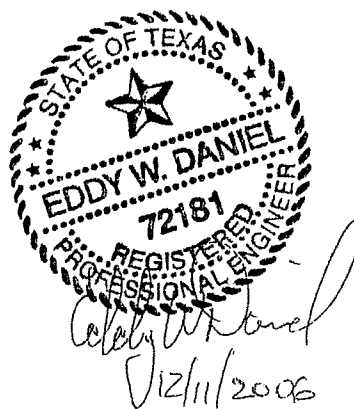
THENCE northeasterly along the west right of way of State Highway 78 approximately 1,083 feet to a point for a corner,

THENCE northerly along the meandering eastern shore of Lake Lavon approximately 60,296 feet to a point for a corner,

THENCE south 87 degrees 20 minutes east along a line approximately 9,333 feet to a point for a corner,

THENCE south 0 degrees 5 minutes west along a line approximately 2,591 feet to a point for a corner,

THENCE south 28 degrees 27 minutes east along a line approximately 698 feet and back to the place of beginning.



Utility District (104 in favor, 16 against and 0 abstained).

According to the application materials received, the proposed District's initial Board of Directors will consist of the following persons:

Stephen R. Crouse	Russell Johnson	Frank Powell
James C. Rice	C. Windell Rice	Robert Ritchie
J. T. Wakefield		

An executed affidavit for each of the proposed directors is on file. Each of the persons named is qualified, as under 30 TAC § 293.32 to serve as a temporary director of the proposed District as each (1) is at least 18 years old, (2) is a resident of the State of Texas, (3) either owns land subject to taxation within the proposed District, is a user of the facilities of the proposed District, or is a qualified voter of the proposed District, and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the Rules of the Commission.

The petition further states that the assets and debts of CWSC and related CCN will be transferred to the proposed District, and that CWSC will be dissolved immediately upon said transfer.

B. SPECIAL CONSIDERATIONS

History and Boundary

Copeville Water Supply Corporation was formed to provide water supply to the members of the corporation. The Texas Water Commission issued the Corporation CCN No. 11376 on November 1, 1979. Upon creation of the proposed District the CCN boundary held by CWSC will remain unchanged.

Notice Requirements

Proper notice of the application was published on October 5, 2006 and October 12, 2006, in The Farmersville Times and The Princeton Herald, and on October 4, 2006 and October 11, 2006, in The Wylie News, newspapers regularly published or generally circulated in Collin County, the county in which the proposed District is to be located.

Proper notice of the application was posted on September 28, 2006 on the bulletin boards used for posting legal notices in Collin County, Texas.

30 TAC § 293.12(d) states: "For a petition for the creation of a Special Utility District in accordance with TWC, Chapter 65, which includes transfer of the certificate of convenience and necessity, the applicant shall also, unless waived by executive director, mail copies of the notice to customers of the water supply corporation and other affected

parties at least 120 days prior to approval.” The CWSC has requested a waiver to 30 TAC § 293.12(d). The waiver was requested by the CWSC because its customers, landowners and other affected parties were informed about the conversion through written information, notices, and public meetings. Therefore, on behalf of the Executive Director, the Districts Review Team granted a waiver to 30 TAC § 293.12(d) by letter dated November 22, 2006.

30 TAC § 293.12(e) states: “If a petition for the creation of a Special Utility District in accordance with TWC, Chapter 65, contains a request for approval of an impact fee, the applicant shall comply with the notice provisions of § 293.173 of this title.” The resolution provided does not request approval of an impact fee.

C. GENERAL EFFECTS OF CONVERSION

Some general effects of conversion from a Water Supply Corporation (WSC) to a Special Utility District (SUD) include the following:

1. A SUD is a political subdivision and can issue tax exempt revenue bonds on the open market or for purchase by the Texas Water Development Board (TWDB). See Tex. Water Code (TWC) Section 65.503.
2. A SUD is exempt from ad valorem taxes (usually county and school district) on its personal property, utility lines, and plant facilities. See Local Government Code (LGC) Section 422.014.
3. A SUD is exempt from sales taxes on supplies and services. See LGC Section 422.014.
4. A SUD is subject to the Open Meetings and Open Records Act. See TWC Sections 49.064 & 49.065.
5. A SUD must have an annual audit conducted and file the audit with the Commission. See TWC Section 49.194.
6. A SUD must follow statutory bid advertisement and contract provisions for districts. See TWC Section 49.273.
7. A SUD is subject to the continuing right of supervision by the TCEQ. See TWC Section 5.013.

D. CONCLUSIONS

1. Based on Commission policy, compliance with Commission rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, and would be necessary as a means to finance utilities and

to provide utility service to current and future customers, and the proposed purposes (water and wastewater) are considered practicable and would be a benefit to the land within the proposed District.

2. Based on a review of the preliminary engineering report and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC § 293.59.

E. RECOMMENDATIONS

1. Grant the petition for conversion of Copeville Water Supply Corporation to Copeville Special Utility District, with the boundary of the District in accordance with the two-page boundary description received with the application, for the purposes of providing water and wastewater service in accordance with TWC Section 65.012(1) and (3).

2. The order granting the petition should include the following statements:

"This order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the conversion petition, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration."

"Upon a successful confirmation election, the assets and debts of Copeville Water Supply Corporation are to be transferred to Copeville Special Utility District as expeditiously as practicable and dissolution proceedings of Copeville Water Supply Corporation are to be commenced immediately after such transfer."

3. Appoint the following to serve as temporary directors of the District:

Stephen R. Crouse	Russell Johnson	Frank Powell
James C. Rice	C. Windell Rice	Robert Ritchie
J. T. Wakefield		

4. Direct the Board of Directors to canvass the confirmation election returns and submit such canvassing to the Utilities and Districts Section of the Texas Commission on Environmental Quality within thirty (30) days of the board meeting at which such returns are canvassed.
5. Direct the Board of Directors, that upon a vote of the populace confirming the creation of the district, to take action necessary to dissolve the WSC and submit documentation evidencing such to the Commission's Utilities and Districts Section when available.

6. Contingent upon a successful confirmation election and dissolution of Copeville Water Supply Corporation, water CCN No. 11376 will be issued by the Commission in the name of Copeville Special Utility District in order to ensure continued service for all customers currently served by Copeville Water Supply Corporation.
7. Direct the District that if fees to be assessed meet the definition of an impact fee as stated in 30 TAC § 293.171, then requirements spelled out in 30 TAC §§ 293.171 through 293.176 need to be satisfied prior to assessing the fee.

F. FEASIBILITY

The engineering report dated April 28, 2006 indicates that CWSC serves potable water to approximately 1,374 active customer connections (estimated population of 4,259). The number of CWSC's connections is expected to increase by 86% to a total of 2,556 (estimated population of 7,921) by the year 2010. Future growth is not expected to alter the present use of the land. No specific development plan is assumed in examining the feasibility of the proposed District.

According to the engineering report, the proposed District will adopt a water utility ordinance with rates, fees, and rules and regulations remaining unchanged for the most part. The rates are detailed as follows:

Water Rates

As provided in the engineering report, the current water rates the corporation charges for standard service are as follows:

Minimum Monthly Charge (0 – 3,000 Gallons)	\$19.60	5/8" & 3/4" Meter
	\$29.40	3/4" Meter
	\$49.00	1" Meter
	\$98.00	1-1/2" Meter
	\$156.00	2" Meter
	\$176.00	3" Disp.
	\$313.60	CMPD.
	\$343.00	3" TURB.
	\$490.00	4" CMPD.
	\$588.00	4" TURB.
	\$980.00	6" CMPD.
	\$1,225.00	6" TURB.
	\$1,568.00	8" CMPD.

Usage Rate: \$4.10 per 1,000 gallons exceeding
3,000 gallons

Based on 10,000 gallons usage, the water rate would be \$48.30 per month. The corporation's other rates, fees, operation rules and regulations, are outlined in its approved tariff.

G. PURPOSE

According to the Engineer, the purpose of converting to a SUD is to become a public entity and a political subdivision of the State of Texas thereby having tax-exempt status. Subsequent to conversion, the WSC's intent is to initially provide water service only but would like to have the authority to provide wastewater service as allowed by Chapters 49 & 65 of the Texas Water Code in accordance with Chapter 293 of the Texas Commission on Environmental Quality (TCEQ) rules.

According to the engineering report, the District will continue to provide the same services as CWSC, and CWSC desires to convert due to added benefits of being a special utility district. Some of the benefits have been outlined in Section C of this memorandum. Additionally, the proposed District's engineer states that CWSC desires to convert to have tax exempt status, to save money by paying a lower interest rate on debt for future improvements, have a better ability to obtain additional quantities and sources of water, and be in a better position to participate in regional projects.

Availability of Comparable Services

The engineering report indicates that there is no other entity providing, or capable of providing, the capacity to serve the same area with comparable services. Additionally, since CWSC is the certificated water supplier for the area, no other entity other than the proposed District presently has the ability to serve the proposed District area. Conversion to a SUD should not affect service as currently provided by CWSC.

Water Supply Facilities

CWSC's water supply is surface water from North Texas Municipal Water District and the City of Farmersville. The CWSC existing facilities consist of a 200,000 gallon ground storage tank, pump station, two 750 gpm booster pumps, a 350 gpm booster pump, and a 150,000 gallon elevated storage tank.

Wastewater Facilities

The service area for CWSC is predominantly rural residential, and agricultural. Currently there is no wastewater service provided. The proposed District does not plan to provide wastewater service at this time.

Drainage

CWSC does not provide drainage services. The area is rural in nature and streams and rivers handle drainage for the area.

II. DESCRIPTION AND IMPACT ON NATURAL RESOURCES

The impact on natural resources information was obtained from the engineering report. Future development is expected to be same whether CWSC converts to a SUD or not. Creation of the proposed District would have a negligible effect on land elevation, subsidence, run-off rates and drainage, and water quality on land within the proposed District. In a subsequent letter dated October 6, 2006, the proposed District's engineer stated that the proposed District will have no effect on groundwater levels or groundwater recharge rates.

Floodplain

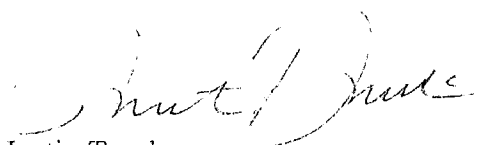
According to the engineer's report, the CWSC service area experiences flooding mainly on land adjacent to existing creeks. The 100-year flood levels vary greatly depending on elevation and proximity to creeks and rivers. The CWSC does not have any facilities located within the 100-year flood plain, nor does it plan any facilities that would alter drainage or flooding patterns.

I. ADDITIONAL INFORMATION

The petitioner's professional representatives are:

Attorney: Mr. James W. Wilson – Rapier, Wilson & Wendland, P.C.

Engineer: Mr. Eddy W. Daniel, P.E. - Daniel & Brown Inc.



Justin Taack
Districts Review Team

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
THE STATE OF TEXAS
COUNTY OF TRAVIS



I hereby certify that this is a true and correct copy of a Texas Commission on Environmental Quality document, which is filed in the permanent records of the Commission. Given under my hand and the seal of office on

LeDonna Castanuela FEB 13 2007

LeDonna Castanuela, Chief Clerk
Texas Commission on Environmental Quality

**AN ORDER GRANTING THE REQUEST FOR CONVERSION
TO AND CREATION OF COPEVILLE SPECIAL UTILITY DISTRICT AND
APPOINTING TEMPORARY DIRECTORS**

A resolution by Copeville Water Supply Corporation (hereafter "WSC") was presented to the Executive Director of the Texas Commission on Environmental Quality ("Commission") for consideration of approval of the creation of Copeville Special Utility District (hereafter "District"), the appointment of directors for the District, and the transfer of the WSC's certificate of convenience and necessity ("CCN") to the District pursuant to TEX. WATER CODE, Chapters 13, 49 and 65.

The Commission, after having considered the resolution, application material, and memorandum from the Executive Director's staff dated January 18, 2007 regarding the resolution, a copy of which is attached as Exhibit "B", finds that the resolution for creation should be approved.

The conversion to and creation of the proposed District is feasible and practical, and each purpose for which the District is created is necessary and would be a benefit to the land proposed to be included in the District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for conversion of the WSC to the proposed District have been fulfilled in accordance with TEX. WATER CODE, Chapters 49 and 65 and 30 TEX. ADMIN. CODE §§ 293.11-13.

**NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY THAT:**

1. The petition for the conversion of the Copeville Water Supply Corporation to the Copeville Special Utility District is hereby granted for the purposes of providing water and wastewater services.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE, Chapter 65.

13. If any provision, sentence, clause or phrase of this Order is, for any reason, held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: FEB 06 2007



For the Commission

THENCE northerly along the meandering eastern shore of Lake Lavon approximately 62,546 feet to its intersection with the west right of way of State Highway 78 north of the City of Copeville to a point for a corner,

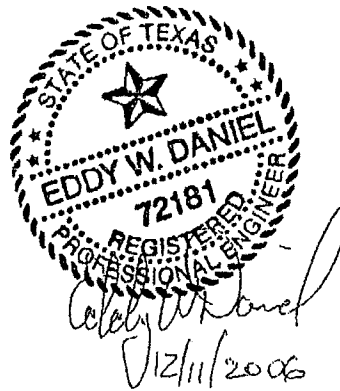
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Glenn Shankle, Executive Director

Page 2

January 18, 2007

Utility District (104 in favor, 16 against and 0 abstained).

According to the application materials received, the proposed District's initial Board of Directors will consist of the following persons:

Stephen R. Crouse
James C. Rice
J. T. Wakefield

Russell Johnson
C. Windell Rice

Frank Powell
Robert Ritchie

An executed affidavit for each of the proposed directors is on file. Each of the persons named is qualified, as under 30 TAC § 293.32 to serve as a temporary director of the proposed District as each (1) is at least 18 years old, (2) is a resident of the State of Texas, (3) either owns land subject to taxation within the proposed District, is a user of the facilities of the proposed District, or is a qualified voter of the proposed District, and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the Rules of the Commission.

The petition further states that the assets and debts of CWSC and related CCN will be transferred to the proposed District, and that CWSC will be dissolved immediately upon said transfer.

B. SPECIAL CONSIDERATIONS

History and Boundary

Copeville Water Supply Corporation was formed to provide water supply to the members of the corporation. The Texas Water Commission issued the Corporation CCN No. 11376 on November 1, 1979. Upon creation of the proposed District the CCN boundary held by CWSC will remain unchanged.

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to provide utility service to current and future customers, and the proposed purposes (water and wastewater) are considered practicable and would be a benefit to the land within the proposed District.

2. Based on a review of the preliminary engineering report and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC § 293.59.

E. RECOMMENDATIONS

1. Grant the petition for conversion of Copeville Water Supply Corporation to Copeville Special Utility District, with the boundary of the District in accordance with the two-page boundary description received with the application, for the purposes of providing water and wastewater service in accordance with TWC Section 65.012(1) and (3).
2. The order granting the petition should include the following statements:

"This order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the conversion petition, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration."

"Upon a successful confirmation election, the assets and debts of Copeville Water Supply Corporation are to be transferred to Copeville Special Utility District as expeditiously as practicable and dissolution proceedings of Copeville Water Supply Corporation are to be commenced immediately after such transfer."

3. Appoint the following to serve as temporary directors of the District:

Stephen R. Crouse	Russell Johnson	Frank Powell
James C. Rice	C. Windell Rice	Robert Ritchie
J. T. Wakefield		

4. Direct the Board of Directors to canvass the confirmation election returns and submit such canvassing to the Utilities and Districts Section of the Texas Commission on Environmental Quality within thirty (30) days of the board meeting at which such returns are canvassed.
5. Direct the Board of Directors, that upon a vote of the populace confirming the creation of the district, to take action necessary to dissolve the WSC and submit documentation evidencing such to the Commission's Utilities and Districts Section when available.

Glenn Shankle, Executive Director

Page 6

January 18, 2007

Based on 10,000 gallons usage, the water rate would be \$48.30 per month. The corporation's other rates, fees, operation rules and regulations, are outlined in its approved tariff.

G. PURPOSE

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Wastewater Facilities

The service area for CWSC is predominantly rural residential, and agricultural. Currently there is no wastewater service provided. The proposed District does not plan to provide wastewater service at this time.



COPY

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF CONFIRMATION AND DIRECTORS ELECTION

WHEREAS, the Copeville Special Utility District (the "District") has been duly created by order of the Texas Commission Environmental Quality, and the following five (5) temporary directors of the District appointed by the Commission have met and organized and have qualified to serve as temporary directors of the District by taking the oath required by law, to wit: Robert Ritchie, Russell Johnson, James Wakefield, Frank Powell, James Rice, Windell Rice, and Steve Crouse (the "Board of Directors"); and

WHEREAS, the Board of Directors of the District ordered that an election be held for and within the District on May 12, 2007, to determine if the District shall be established and to elect seven (7) permanent directors; and

WHEREAS, notice of such election, stating the day and place for holding such election, the proposition to be voted on and the candidates for director, was given to the qualified voters of the District and all other interested persons by posted notice at Collin County, Texas; and

WHEREAS, the presiding judge at such election has made returns of the results of such election to the President of the Board of Directors.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF COPEVILLE SPECIAL UTILITY DISTRICT AFFIRMATIVELY FINDS AND DECLARES THAT:

1. The matters and facts recited in the preamble to this Order are hereby found and determined to be true and correct and are hereby adopted as a part of this Order.
2. The above-described election was duly called, notice thereof was duly given, and such election was duly conducted on May 12, 2007, all in accordance with the Texas Election Code, as amended, Chapter 65, Texas Water Code, as amended, and the Federal Voting Rights Act of 1965, as amended.
3. Only duly qualified resident voters of the District voted at such election.
4. The returns of such election were regularly made to the Board of Directors by the presiding judge at such election as provided by the Texas Election Code, as amended.
5. Such election resulted in the following votes for and against the following proposition:

SHALL THE CREATION OF COPEVILLE SPECIAL UTILITY DISTRICT BE CONFIRMED?

Votes For: 27

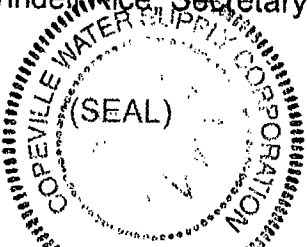
Votes Against: 1

PASSED AND APPROVED on the 15th day of May 2007.

By: Robert Ritchie
Robert Ritchie, President

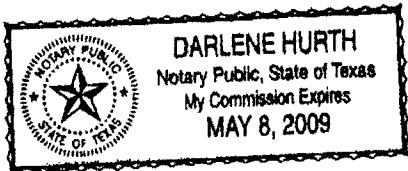
ATTEST:

C. Windell Rice
Windell Rice, Secretary



STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on May 15, 2007, by Robert Ritchie as President and Windell Rice as Secretary of the Board of Directors of Copeville Special Utility District, Collin County, Texas.



Darlene Hurth
Notary Public, State of Texas

EXHIBIT A

COPEVILLE SPECIAL UTILITY DISTRICT
BOUNDARY DESCRIPTION

(_____, 20__)

MAR 31 2008

Corporations Section

ARTICLES OF DISSOLUTION
OF
COPEVILLE WATER SUPPLY CORPORATION

Pursuant to the provisions of Article 6.05 of the Texas Non-Profit Corporation Act, and the statutes and order identified herein, Copeville Water Supply Corporation (the "Corporation") adopts the following articles of dissolution:

1. The name of the corporation is COPEVILLE WATER SUPPLY CORPORATION.

2. The file number of the Corporation is 15643301.

3. On December 15, 2005, a resolution to dissolve the Corporation and transfer all of its assets and liabilities to a special utility district was adopted at a meeting of the Corporation's members. A quorum was present at this meeting, and the resolution to dissolve the Corporation and transfer all of its assets and liabilities to a special utility district received at least two-thirds of the votes from members entitled to cast votes and who were either physically present at the meeting or represented by proxy.

4. On February 6, 2007, the Texas Commission on Environmental Quality (the "TCEQ") issued an order under TCEQ Internal Control No. 05032006-D06 (the "Order") granting the Corporation's application for conversion to a special utility district and creating the Copeville Special Utility District (the "District") under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and Chapter 65 of the Texas Water Code.

5. On May 12, 2007, an election was held within the District boundaries in accordance with the Order confirming establishment of the District and providing for the election of permanent directors.

6. All debts, obligations and liabilities of the Corporation have been paid and discharged or adequate provision has been made therefor. All remaining property and assets of the Corporation have been transferred, conveyed, or distributed to the District pursuant to the Order and in accordance with the provisions of the Texas Non-Profit Corporation Act.

7. There are no suits pending against the Corporation in any court.

By: Robert Ritchie
Robert Ritchie, President



DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS

36505 - other

A-106-9

October 23, 2007

Tammy
Mr. Greg Charles
Utilities and Districts Section
Water Utilities Division (MC 152)
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

RE: Copeville Water Supply Corporation
Collin County, Texas
Special Utility District Application
TCEQ Control # 05032006-D06

Dear Greg:

The Order Canvassing Returns and Declaring Results of Confirmation and Directors Election and the Election Return Sheet are enclosed for the conversion of Copeville Water Supply Corporation to Copeville Special Utility District.

If you should have any questions, please feel free to contact me.

Sincerely,

Eddy Daniel, P.E.
Daniel & Brown, Inc.

05 21 2007

**ORDER CANVASSING RETURNS AND DECLARING
RESULTS OF CONFIRMATION AND DIRECTORS ELECTION**

WHEREAS, the Copeville Special Utility District (the "District") has been duly created by order of the Texas Commission Environmental Quality, and the following five (5) temporary directors of the District appointed by the Commission have met and organized and have qualified to serve as temporary directors of the District by taking the oath required by law, to wit: Robert Ritchie, Russell Johnson, James Wakefield, Frank Powell, James Rice, Windell Rice, and Steve Crouse (the "Board of Directors"); and

WHEREAS, the Board of Directors of the District ordered that an election be held for and within the District on May 12, 2007, to determine if the District shall be established and to elect seven (7) permanent directors; and

WHEREAS, notice of such election, stating the day and place for holding such election, the proposition to be voted on and the candidates for director, was given to the qualified voters of the District and all other interested persons by posted notice at Collin County, Texas; and

WHEREAS, the presiding judge at such election has made returns of the results of such election to the President of the Board of Directors.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF COPEVILLE SPECIAL UTILITY DISTRICT AFFIRMATIVELY FINDS AND DECLARES THAT:

1. The matters and facts recited in the preamble to this Order are hereby found and determined to be true and correct and are hereby adopted as a part of this Order.
2. The above-described election was duly called, notice thereof was duly given, and such election was duly conducted on May 12, 2007, all in accordance with the Texas Election Code, as amended, Chapter 65, Texas Water Code, as amended, and the Federal Voting Rights Act of 1965, as amended.
3. Only duly qualified resident voters of the District voted at such election.
4. The returns of such election were regularly made to the Board of Directors by the presiding judge at such election as provided by the Texas Election Code, as amended.
5. Such election resulted in the following votes for and against the following proposition:

SHALL THE CREATION OF COPEVILLE SPECIAL UTILITY DISTRICT BE CONFIRMED?

Votes For: 27

Votes Against: 1

6. The following persons received the number of votes for director set out opposite their names, respectively, and no other person received a vote:

Windell Rice	26 Votes
James Wakefield	24 Votes
Steve Crouse	22 Votes
Russell Johnson	25 Votes
Robert Ritchie	22 Votes
Frank Powell	25 Votes
James Rice	23 Votes

IT IS, THEREFORE, ORDERED AND DECLARED BY THE BOARD OF DIRECTORS OF COPEVILLE SPECIAL UTILITY DISTRICT THAT:

1. The results of the above-described election is confirmation of the establishment of the District pursuant to the Texas Commission on Environmental Quality as a special utility district operating under Article 16, Section 59, of the Texas Constitution and Chapter 65 of the Texas Water Code, together with all amendments and additions thereto. The District is legally created with the boundaries described in Exhibit "A" attached hereto and incorporated herein.
2. The following persons received the highest number of votes for director and have been elected permanent directors of the District to serve for terms which expire in the year set opposite their names:

Windell Rice	1 year
James Wakefield	1 year
Steve Crouse	2 year
Russell Johnson	2 year
Robert Ritchie	3 year
Frank Powell	3 year
James Rice	3 year

Pursuant to Section 65.103 of the Texas Water Code, the permanent directors shall serve until the first Saturday in May of the year set opposite their names or until successors have been selected and qualified according to law.

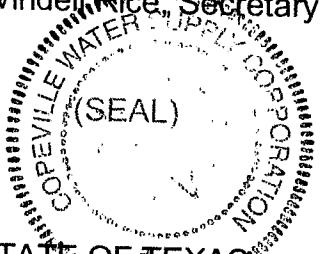
3. Each of said persons shall enter into the duties of his or her office and shall begin to serve his or her term of office upon taking the constitutional oath of office.
4. The President or Vice President and the Secretary of the Board are authorized to evidence adoption of this Order on behalf of the Board and to do any and all things necessary or proper to carry out the intent hereof.

PASSED AND APPROVED on the 15th day of May 2007.

By: Robert Ritchie
Robert Ritchie, President

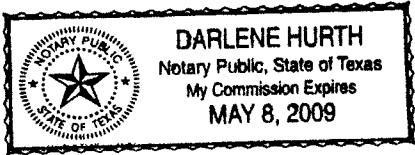
ATTEST:

Windell Rice
Windell Rice, Secretary



STATE OF TEXAS §
COUNTY OF COLLIN §

This instrument was acknowledged before me on May 15 2007, ~~September 15, 2005~~, by Robert Ritchie as President and Windell Rice as Secretary of the Board of Directors of Copeville Special Utility District, Collin County, Texas.

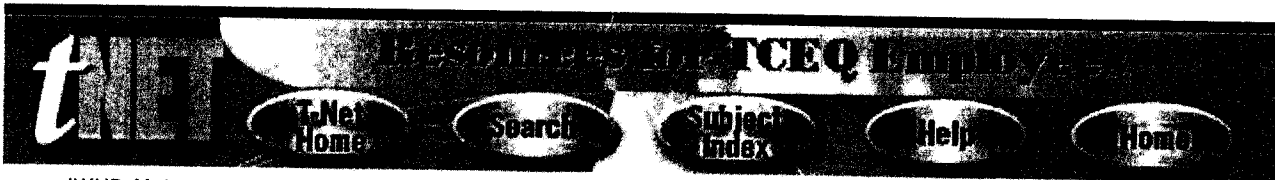


Darlene Hurth
Notary Public, State of Texas

EXHIBIT A

COPEVILLE SPECIAL UTILITY DISTRICT
BOUNDARY DESCRIPTION

(_____, 20__)



[iWUD Main](#) [Districts](#) [Utilities](#) [PWS](#) [Reports](#) [Documents](#) [Maps](#)

? Utility details for COPEVILLE WSC (11376)

[Affiliations](#) [Documents](#) [Site Visits](#) [Schedules](#)

Properties

36505-00
A-1069

CR Regulated Entity Number: **RN101439180**
 CCEDS Status: **NO ACTIVE NOE EXISTS**
 Utility Type: **WATER UTILITY**
 Ownership Type: **WATER SUPPLY CORPORATION**
 Primary County: **COLLIN**
 County Code: **43**

Customers

Reference Number	Name	Role
CN600670814	COPEVILLE WSC	RESPONSIBLE PARTY

Official Address / Phone

Address: **PO BOX 135**
COPEVILLE, TEXAS 75121-0000
 Telephone: **(972) 853-4630**

PWS for this Utility

PWS Name	PWS ID	Status	District(Number)
<u>COPEVILLE SUD</u>	0430029	A	<u>COPEVILLE SUD(2403768)</u>

Water System occurrences retrieved.

Counties

Code	County Name	Primary
43	COLLIN	Y

Activity

Activity Status: **ACTIVE**
 End Date: **12/31/9999**

[Run Utility Cases Report](#)
[Run Utility Summary Report](#)

RETURN SHEET
(PAGINA DE DATOS SOBRE
EL RESULTADO DE LA ELECCION)

Pct. No (Num de Pct.) 35	Authority conducting election (Autoridad administrando la eleccion)
Date of Election (Fecha de la Eleccion) May 12, 2007	Type of Election (Tipo de Eleccion) Copeville SUP non firmated + Director Election

Name of candidate (or "For" and "Against") (Nombre del candidato) (o "A favor de" y "En contra de")	Office Sought or Proposition (Puesto oficial solicitado o Proposicion)	No. of votes received (Num. de votos recibidos)
Proposition For		27
Proposition Against		1
Woodell Rice	DIRECTOR	26
James Wakefield	DIRECTOR	24
Steve Crause	DIRECTOR	22
Russell Johnson	DIRECTOR	35
Robert Ritchie	DIRECTOR	22
Frank Powell	DIRECTOR	25
James Rice	DIRECTOR	23

Total number of voters who voted as indicated by poll list.
(Numero total de votantes que votaron segun la lista de votantes)

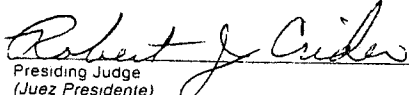
28

I, the undersigned, the presiding judge for the above described election held at the above designated election precinct, do hereby certify that the above return is a true and correct return for said election.

(Yo, el abajo firmado juez presidente de la eleccion senalada arriba que se llevo a cabo en el precinto electoral designado arriba, por lo presente certifico que los datos de arriba son los resultados verdaderos y correctos de dicha eleccion.)

DATED this the 17 day of May, 2007

(FECHADA este dia _____ de _____, 20____)


 Presiding Judge
(Juez Presidente)

OVERSIZED MAP(S)

*COPEVILLE Special Utility District
Boundary Map (Vicinity)*

**TO VIEW OVERSIZED MAP(S)
PLEASE GO TO
CENTRAL RECORDS**

**FOR ANY QUESTIONS
PLEASE CALL CR MAIN LINE
(512) 936-7180**