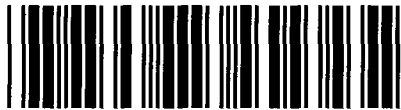


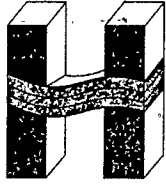


Control Number: 47200



Item Number: 1

Addendum StartPage: 0



HAYES ENGINEERING, INC.

Texas Registered Engineering Firm F-1465 www.hayesengineering.net

2126 ALPINE ST. LONGVIEW, TX 75601-3401

V 903.758.2010 F 903.758.2099 2017 MAY 23 PM 1:20

47200

PUBLIC UTILITY COMMISSION
FILING CLERK

May 19, 2017

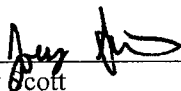
Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

RE: Union Grove W.S.C.
Application to Amend Water CCN (10514)
PWS ID# 2300008
Upshur County, Texas

Dear Sirs:

Please find enclosed one original and seven copies of the water CCN amendment for the above referenced system. Union Grove W.S.C. desires to extend service of their existing service area. Two copies of the proposed CCN boundary in digital format (CD) are enclosed. The drawing is projectable on state plane coordinate system. If you require any additional information, please advise.

Sincerely,
HAYES ENGINEERING, INC.


Joey Scott
Project Designer

Cc:
Union Grove WSC

1000



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

RECEIVED

2017 MAY 25 PM 1:20

PUBLIC UTILITY COMMISSION
FILING CLERK

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

Docket Number: **47200**

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

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

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

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

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

Purpose of Application		
<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s) <u>10514</u>	
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s) _____	

1. Applicant Information

Applicant	
Utility name: Union Grove Water Supply Corporation	
Certificate number: CN600625073	
Street address (City/ST/ZIP/Code): 11015 Union Grove Rd. / Gladewater, TX 75647	
Mailing address(City/ST/ZIP/Code): 11015 Union Grove Rd. / Gladewater, TX 75647	
Utility Phone Number and Fax: (903) 845-2834	
Contact information	
Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator; engineer, attorney, accountant manager, or other title related to the applicant.	
Name: Joey Scott	Title: Project Designer
Mailing address: 2126 Alpine St. Longview TX 75601	
Email: Joey@hayesengineering.net	Phone and Fax: (903) 758-2010
List all counties in which service is proposed: Upshur	

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

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

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

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

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

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

2. Location Information

- A. Are there people already living in the proposed area? ☒ Yes ☐ No
- If YES, are any currently receiving utility service? ☐ Yes ☒ No
- If YES, from WHOM? Some being served by City of East Mountain & others on well systems.

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

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

☒ Yes ☐ No

If YES, provide the following: (ATTACHMENT D)

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

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

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

☒ Yes ☐ No

If YES, within the corporate limits of: City of East Mountain

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

SEE ATTACHMENT E

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

☒ Yes ☐ No

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

(NO)

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

City of East Mountain have agree to dual certify from Highway 1844 on Bob-O-Link road to Pheasant Trail and west to the existing Union Grove water supply facility. The dual certification will benefit the public in this area due to providing water connections on this road. The City of East Mountain does not currently have any facilities in this area.

3. Map Requirements

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

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

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

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

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

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

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

- i. If yes, please provide documentation of the denial of service and go to c.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:
- D. Date of plat approval, if required: _____
 Approved by: _____
- E. Date Plans & Specifications submitted to the TCEQ for approval: _____
 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.
- F. Date construction is scheduled to commence: _____
- G. Date service is scheduled to commence: _____

5. Existing System Information

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

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

2	3	0	0	0	0	8												

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

iii. Date of last TCEQ water and/or sewer system inspection(s): 6/22/2015

iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). (ATTACHMENT J)

v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. (ATTACHMENT J)

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

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

Union Grove WSC does not provide sewer to its customers.

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

G. Effect of Granting a Certificate Amendment. (ATTACHMENT K)

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

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

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

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

ii. ☐ Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

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

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

I. Ability to Provide Adequate Service.

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

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

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

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

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

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

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

B. For existing water and/or sewer systems: (ATTACHMENT L)

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

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

C. Identify any funds you are required to accumulate and restrict by lenders or capital providers. (N/A)

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

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

7. Notice Requirements

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

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

H. Notice to Customers:

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

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

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

OATH

STATE OF TEXAS
COUNTY OF UPSHUR.

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

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

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

David L. Beavers

AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 12th of May 20 17



Cathy Harris
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Cathy Harris
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES August 19, 2018

Notice for Publication

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

Upshur COUNTY(IES), TEXAS

Name of Applicant Union Grove WSC has filed an application for a CCN to obtain or amend CCN No. (s) 10514 and to decertify a portion(s) of City of East Mountain with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide Water
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Upshur County
(ies):

PROPOSED SERVICE AREA #1

The proposed utility service area is located approximately 3 miles North
[direction] of downtown Gladewater, [City or Town] Texas, and is generally bounded on the north by Fir Rd.; on the east by Union Grove Rd.; on the south by Willow Oak Rd.; and on the west by East Lake Drive.

The total area being requested includes approximately 2,212 acres and 35 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 11015 Union Grove Rd. Gladewater, TX 75647.

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

PROPOSED SERVICE AREA #2

3.96 Miles North of downtown Gladewater, Texas, and is generally bounded on the north by FM 1844; on the east by Seaguil Rd.; on the south by North Oak Rd.; and on the west by North Pt. Pleasant Rd.

PROPOSED SERVICE AREA #3

4 Miles North of downtown Gladewater, Texas, and is generally bounded on the north by Pheasant Rd.; on the east by Bob-O- Link Rd.; on the south by F.M. 1844; and on the west by Hwy. 271

Persons who wish to intervene or comment should file with the PUC at the following address:

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

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

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

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

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

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

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

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

Notice to Neighboring Systems, Landowners and Cities

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

Upshur COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 ____
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant Union Grove WSC has filed an application for a
CCN to obtain or amend CCN No. (s) 10514 and to
decertify a portion(s) of City of East Mountain with the
(Name of Decertified Utility)

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

The proposed utility service area is located approximately 3 miles North
[direction] of downtown Gladewater, [City or Town] Texas, and is
generally bounded on the north by Fir Rd.; on the east by
Union Grove Rd.; on the south by Willow Oak Rd.; and on the west by East Lake Drive.

See enclosed map of the proposed service area.

The total area being requested includes approximately 2,212 acres and 35
current customers.

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

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

Notice to Customers of IOUs in Proposed Area

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

Upshur COUNTY(IES), TEXAS

Dear Customer: Date Notice Mailed 20 17

Name of Applicant Union Grove WSC has filed an application for a CCN to obtain or amend CCN No. (s) 10514 and to decertify a portion(s) of City of East Mountain with the (Name of Decertified Utility)

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

The proposed utility service area is located approximately 3 miles North [direction] of downtown Gladewater, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 11015 Union Grove Rd. Gladewater, TX 75647

The current utility rates which were first effective on 20

Monthly Flat Rate of \$ 950.00 Per connection

-OR-

Monthly Base Rate Including per gallons connection for:

5/8" meter	\$ 18.00
1" meter	\$ 45.00
1 1/2" meter	\$ 90.00
2" meter	\$ 144.00

Other\$

Gallonage charge of \$ 3.50 Per 1,000 Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

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

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%
\$
\$
\$
\$
\$
\$5.00 or 10%
\$
\$
\$
\$

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

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

Persons who wish to intervene or comment should write the:

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P.O. Box 13326
Austin, Texas 78711-3326

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

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

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

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

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

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

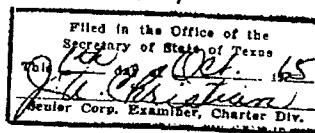
A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

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

ATTACHMENT A

1.C.i.

ARTICLES OF INCORPORATION AND BY LAWS



ARTICLES OF INCORPORATION

OF

UNION GROVE WATER SUPPLY CORPORATION

STATE OF TEXAS X
COUNTY OF UPSHUR X

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least three of whom are citizens of the State of Texas, acting as incorporators of a Corporation, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I.

The name of the Corporation is UNION GROVE WATER SUPPLY CORPORATION.

ARTICLE II.

The Corporation is a non-profit Corporation organized under Article 1434a of the Revised Civil Statutes of Texas of 1925, as amended, supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq., as amended, and is authorized to exercise all powers, privileges and rights conferred on a Corporation by these Acts, and all powers and rights incidental in carrying out the purposes for which the Corporation is formed, except such as are inconsistent with the express provisions of these Acts.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The Corporation is formed for the purpose of furnishing a water supply for general farm use and domestic purposes to individuals residing in the rural community of Union Grove, Texas, and the surrounding rural areas. The places where the business of

the Corporation is to be transacted shall be the Union Grove community in Upshur County, Texas and the surrounding rural areas.

ARTICLE V.

The street address of the initial registered office of the Corporation is 216 W. Pacific, Gladewater, Texas, and the name of its registered agent at such address is Neil Cooper.

ARTICLE VI.

The number of directors constituting the initial Board of Directors of the Corporation is five (5), and the names and addresses of the persons who are to serve as the initial directors are:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY</u>
Mason Phillips	P. O. Box 1184	Gladewater, Tex.
Raymond D. Morris	Route 2	Gladewater, Tex.
Jerry Smith	Route 2	Gladewater, Tex.
Neil Cooper	P. O. Box 1427	Gladewater, Tex.
Joe Smith	Route 2	Gladewater, Tex.

ARTICLE VII.

The name and street address of each incorporator is:

<u>NAME</u>	<u>ADDRESS</u>	<u>CITY</u>
Mason Phillips	P. O. Box 1184	Gladewater, Tex.
Raymond D. Morris	Route 2	Gladewater, Tex.
Jerry Smith	Route 2	Gladewater, Tex.
Neil Cooper	P. O. Box 1427	Gladewater, Tex.
Joe Smith	Route 2	Gladewater, Tex.

Each incorporator shall be a member of the Board of Directors who are to serve as directors until the first annual meeting of the members, or until their successors are elected and qualified.

ARTICLE VIII.

The Corporation is and shall continue to be a Corporation without capital stock, and membership in the Corporation shall be

deemed personal estate and shall be transferable only on the books
of the Corporation in such manner as the By-Laws may prescribe.

IN WITNESS WHEREOF, we have hereunto set our hands, this the
30th day of September, 1965.

Mason Phillips
MASON PHILLIPS

Raymond D. Morris
RAYMOND D. MORRIS

Jerry Smith
JERRY SMITH

Neil Cooper
NEIL COOPER

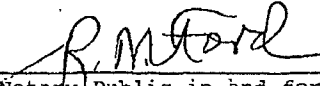
Joe Smith
JOE SMITH

THE STATE OF TEXAS X

COUNTY OF UPSHUR X

I, the undersigned, a Notary Public, do hereby certify that on this 30th day of September, 1965, personally appeared before me, MASON PHILLIPS, RAYMOND D. MORRIS, JERRY SMITH, NEIL COOPER, AND JOE SMITH, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.



Notary Public in and for
Upshur County, Texas

My commission expires June 1, 1967.

BY-LAWS

UNION GROVE WATER SUPPLY CORPORATION

By-Laws of UNION GROVE Water Supply Corporation,
having been presented to the Board of Directors of said Corporation
and duly adopted as follows:

ARTICLE I

The President shall preside at all Members' and Directors' meetings. The President may, and upon demand of one-third (1/3) of the Members, shall call a special meeting of the Members or Directors.. Such special meetings shall be held upon giving the notice required in Article XII of the By-Laws. The President shall perform all other duties that usually pertain to the office or are delegated to him by the Board of Directors.

ARTICLE II

The Vice-President shall, in case of the absence or disability of the President, perform the duties of the President.

ARTICLE III

The Secretary-Treasurer shall have the custody of all the monies and securities of the Corporation. The Secretary-Treasurer shall keep regular books and shall keep minutes of all meetings of Members and Directors. All monies of the Corporation shall be deposited by the Secretary-Treasurer in such depository as shall be selected by the Directors. Checks must be signed by the Secretary-Treasurer and the President or Vice-President, in the absence of the President. The Secretary-Treasurer shall have custody of the seal of the Corporation and affix it as directed hereby or by resolution passed by the Board of Directors or Members. The Board

of Directors may appoint an employee as assistant or deputy secretary to assist the Secretary-Treasurer in all official duties pertaining to the office of Secretary.

The position of the Secretary-Treasurer and other positions entrusted with receipt and disbursement of funds shall be placed under a fidelity bond in an amount which shall be set from time to time, but not less than once each year, by the Board of Directors. The fidelity bond coverage amount shall approximate the total annual debt service requirements for all FmHA loans and be evidenced by a position fidelity schedule bond as acceptable to the Farmers Home Administration.

ARTICLE IV

Section 1. The Board of Directors shall consist of FIVE (5) Directors, a majority of whom shall constitute a quorum. Upon issuance of the Charter and annually thereafter on 2ND SATURDAY, 1 OF APRIL, the Board of Directors shall elect a President, a Vice-President and a Secretary-Treasurer. The Directors shall be elected by the Members at the Members' regular meeting provided for in Article XI of the By-Laws. The Directors shall be divided into three (3) classes, each class to be as near as equal in number as possible. The terms of the Directors of the first class shall expire at the first annual meeting of the shareholders after their election, the terms of the Directors of the second class shall expire at the second annual meeting after their election and terms of the

This election shall be held prior to May 1, but after the Members' annual meeting. Insert day of week, week of month, nd month of year, i.e., second Tuesday of April.

Directors of the third class shall expire at the third annual meeting after their election. At each annual meeting after such classification, the number of Directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. The Directors shall serve without pay, but may be compensated for actual expenses by a majority vote of Directors.

Upon the death or resignation of a Director, a successor shall be elected by a majority of the existing Directors to serve until the next regular or special Membership meeting at which time the general Membership shall elect a successor for the remaining balance of the previously vacated term.

Section 2. Officers and Directors may be removed from office in the following manner except as otherwise provided in Article V: Any Member, Officer, or Director may present charges against a Director or Officer by filing such charges in writing with the Secretary-Treasurer of the Corporation. If presented by a Member, the charges must be accompanied by a petition signed by at least ten (10) percent of the Members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the Membership and shall be effective if approved by a vote of 2/3 majority of those voting if a quorum is present. The Director(s) or Officer(s) against whom such charges have been presented shall be informed in writing, of such charges at least twenty days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the

person or persons presenting such charges shall have the same opportunity. If the removal of a Director(s) is approved, such action shall also vacate any other office(s) held by the removed Director(s) in the Corporation. A vacancy in the Board thus created shall immediately be filled by a qualified person other than the removed Director upon a vote of a majority of the Members present and voting at such meeting. A vacancy in any office thus created shall be filled by the Board of Directors from among their number so constituted after the vacancy in the Board has been filled.

Section 3. The President of the Board or his designee shall preside at any meeting of the Members convened to consider removal of an Officer or Director as provided under Section 2, unless the President is the subject of charges, in which event the Vice-President shall preside. In the event both the President and the Vice-President are the subject of charges, those Directors who are not the subject of any charges shall appoint one of their number to preside over the meeting. Any meeting convened to consider the removal of an Officer or Director shall be conducted in accord with the procedures prescribed by the Credentials Committee established under the provisions of Article XI. The fact that President, Vice-President, or any other Officer or Director has been made the subject of charges does not otherwise prevent such Officer from continuing to act in his capacity as an Officer or Director of the Corporation. Any Director that has been removed under the provisions of this Article shall not be precluded from subsequent

election to a position on the Board of Directors.

Section 4. The Board of Directors shall adopt and maintain a conflict of interest policy designed to promote the business of the Corporation and serve the interests of the Membership.

ARTICLE V

Section 1. Regular meetings of the Board of Directors shall be held at such time and place as the Board may determine at the next previous regular meeting, and shall include posting of the meeting as required by the Texas Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., by furnishing the notice to the _____

Upshur County Clerk

and by posting such notice in a place readily convenient to the public in its administrative office at all times for at least seventy-two (72) hours preceding the scheduled time of the meeting. Such notice shall specify the date, hour, place and subject of each meeting held by the Board of Directors.

Section 2. Any Director failing to attend two (2) consecutive regular monthly meetings shall be given written notice by the balance of the Board of Directors that failure by said Director to attend a third consecutive monthly meeting, without justifiable cause acceptable to the balance of the Board of Directors, shall give rise to removal of said Director from the Board. A successor

² For Water Supply Corporations serving in three or fewer counties, insert: County clerk or clerks of the county or counties in which the Corporation provides service. For Water Supply Corporations serving in four or more counties, insert: the Secretary of State and to the county clerk of the county in which the administrative office of the Corporation is located.

shall be elected by a majority vote of the Directors remaining to serve until the next regular or special Membership meeting, at which time the general Membership shall elect a successor for the balance of the term. If the removal of a Director pursuant to this Section 2 occurs at an annual Membership meeting, then the successor shall be elected by a majority vote of the Membership in attendance at the meeting.

Section 3. The Board of Directors shall provide access for the public, new service applicants, or Members to the regular monthly meetings of the Board of Directors by setting aside a time for hearing of suggestions, proposals, or grievances. The Board of Directors shall establish reasonable rules for access to such meetings.

Section 4. The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., including any subsequent amendment thereto. In the event of any conflict between the provisions of these By-Laws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail.

Section 5. In conducting their duties as members of the Board, each Director (1) shall be entitled to rely, in good faith and with ordinary care, on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or the Corporation's affairs, that have been prepared or presented by one or more Officers or

employees of the Corporation; or by legal counsel, public accountants, or other persons retained by the Corporation for the development of professional advice and information falling within such person's professional or expert competence; (2) may believe, in good faith and with ordinary care, that the assets of the Corporation are at least that of their book value; and (3) in determining whether the Corporation has made adequate provision for the discharge of its liabilities and obligations; and may rely in good faith and with ordinary care on the financial statements of, or other information concerning, any person or entity obligated to pay, satisfy or discharge some or all of the Corporation's liabilities or obligations; and may rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more Officers or employees of the Corporation; legal counsel, public accountants, or other persons provided the Director reasonably believes such matters to fall within such person's professional or expert competence. Nevertheless, a Director must disclose any knowledge he or she may have concerning a matter in question that makes reliance otherwise provided herein to be unwarranted.

ARTICLE VI

The Corporation shall conduct its business on a non-profit basis, and no dividends shall ever be paid upon the Memberships of such Corporation. All profits arising from the operation of such business shall be annually paid out to the persons who have, during

the past year, transacted business with the Corporation, in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid.

ARTICLE VII

The Directors of the Corporation shall establish and maintain, so long as the Corporation is indebted to the Government, in an institution insured by the State or Federal Government, or invested in readily marketable securities backed by the full faith and credit of the United States of America, a reserve account separate and apart from other fund accounts of the Corporation. There shall be deposited in such fund the sum as required by a total of all loan resolutions executed by the Corporation. Such deposits shall be made monthly and shall continue until the total amount deposited equals the sum as required by the executed loan resolutions provided, however that after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to the sum as required by the executed loan resolutions.

Withdrawals may be made from this fund only upon prior written approval from Farmers Home Administration. Approval shall be made only for emergency repairs, obsolescence of equipment, improvements to facility, and for making up any deficiencies in revenue for loan payments.

The Directors shall invest all sums in this fund not required to be expended within the year in which the same are deposited in bonds or other evidence of indebtedness of the United States of

America, or in readily marketable securities backed by the full faith and credit of the United States of America. Securities so purchased shall be deemed at all times to be part of the reserve fund account.

ARTICLE VIII

Section 1. Every person (which includes any legal entity) owning or having a legal right to the control, possession or occupancy of property served or which may reasonable be served by the Corporation, shall have the right to become a Member of the Corporation upon payment of the Membership fee hereinafter provided and upon compliance with the Corporation's conditions of water and/or sewer service as provided for in its published charges, rates and conditions of service. Membership shall not be denied because of the applicant's race, color, creed, citizenship, or national origin. It is the intent of the Corporation to provide service on a nondiscriminatory basis to all persons desiring service to the extent that the capabilities of the system will reasonably permit.

Section 2. The Membership fee shall be \$ 100.00. Payment of Membership fee or transfer of Membership shall entitle an applicant to further qualify for one (1) connection to the system or shall entitle a transferee of Membership to continue to qualify for service to an existing connection to the system by meeting the conditions for water and/or sewer as provided in the Corporation's published rates, charges, and conditions of service. A person may own more than one Membership but each Member shall be entitled to

only one vote regardless of the number of Memberships owned. Membership certificates shall be in such form as shall be determined by the Board of Directors.

Section 3. The Membership fee may be revised by the Board of Directors as the Board may determine to be appropriate. In determining the amount of the Membership fee, however, the Board shall ensure that the fee is sufficient to establish the potential Member as being legitimately interested in securing water service from the Corporation for such potential Members' own needs. Furthermore, the Board shall determine and administer such fee in a manner or in an amount which does not unreasonably deny service to financially deprived potential Members. In no event, however, shall the Membership fee exceed an amount equal to the sum of twelve (12) charges of the Corporation's minimum monthly water rate unless previously approved by Farmers Home Administration.

ARTICLE IX

Where necessary for determining those Members entitled to notice of, or those Members entitled to vote at any meeting or any adjournment thereof, or where necessary to make a determination of Members for any other proper purpose, ownership of Memberships shall be deemed to be vested in those persons who are the record owners of Memberships as evidenced by the Membership transfer book on the 15th day of the month preceding the month of the date upon which the action requiring such determination is to be taken. Nothing herein shall preclude the holder of a Membership from mortgaging such Membership, or, upon notification of the

Corporation, preclude the holder of such mortgages from exercising legal rights pursuant to such mortgages upon proper notice to the Corporation.

ARTICLE X

Section 1. In order to ensure that business done by the Corporation shall continue within the capacity of its facilities and to prevent undue financial burden on the Members of the Corporation, Membership in the Corporation shall be transferred in accordance with the following:

(a) Except as herein provided, Membership in the Corporation shall be deemed personal estate and a person or entity that owns any stock of, is a Member of, or has some other right of participation in the Corporation may not sell or transfer that stock, Membership, or other right of participation to another person or entity except: (1) by will to a transferee who is a person related to the testator within the second degree by consanguinity; (2) by transfer without compensation to a transferee who is a person related to the owner of the stock or other interest within the second degree by consanguinity; or (3) by transfer without compensation or by sale to the Corporation.

(b) Subsection (a) of this section does not apply to a person or entity that transfers the Membership or other right of participation to another person or entity as part of the conveyance of real estate from which the Membership or other right of participation arose.

(c) The transfer of stock, a Membership, or another right of

participation under this section does not entitle the transferee to water or sewer service unless each condition for water or sewer service is met as provided in the Corporation's published rates, charges, and conditions of service. Water or sewer service provided by the Corporation as a result of stock, Membership, or other right of participation may be conditioned on ownership of the real estate designated to receive service and from which the Membership or other right of participation arose.

(d) The Corporation may cancel a person's or other entity's stock, Membership, or other right of participation if the person or other entity fails to meet the conditions for water or sewer service prescribed by the Corporation's published rates, charges, and conditions of service, or fails to comply with any other condition placed on the receipt of water or sewer service under the stock, Membership, or other right of participation authorized under Subsection (c) of this section. The Corporation may, consistent with the limitations prescribed by Subsection (a) of this section and as provided in the Corporation's tariff, reassign canceled stock, or a canceled Membership, or other right of participation to any person or entity that has legal title to the real estate from which the canceled Membership or other right of participation arose and for which water or sewer service is requested, subject to compliance with the conditions for water or sewer service prescribed by the Corporation's published rates, charges, and conditions of service.

Section 2. Notwithstanding anything to the contrary

hereinabove provided, the consideration for the transfer of any Membership in the Corporation from the original Members, their transferees, pledges, administrators or executors, or other persons, shall never exceed the amount of the original costs of such Membership. No gain or profit shall ever be realized from the sale or transfer of a Membership.

ARTICLE XI

Section 1. There shall be a regular meeting of the Members annually, on 4TH SATURDAY¹ to transact all business that may be properly brought before it. OF MARCH The Secretary-Treasurer shall give at least fifteen (15) days written notice of such annual meeting to the Membership indicating the time, place and purpose of such meeting, and shall address and mail the notice to each Member at the address last known to the Corporation. Failure to hold or call an annual or special meeting in accordance with these By-Laws shall give each member rights to compel the Board of Directors to properly hold an annual or special meeting of the Membership. Voting by proxy shall be permitted. Members holding ten percent (10%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for the transaction of business.

Section 2. After fixing a date for the notice of a meeting, the Board of Directors shall prepare an alphabetical list of the names of all voting members who are entitled to vote as of the record date of the meeting. The list must show the address of each

¹ This meeting shall be held between January 1 and May 1. Insert the day of week, week of month and month of year.

voting member. Not later than two (2) business days after the date notice is given of the meeting, and continuing through the meeting, the list of voting members must be available for inspection by any member entitled to vote at the meeting for the purpose of communication with other members concerning the meeting at the Corporation's principal office or at a reasonable place identified in the meeting notice in the city where the meeting will be held. Any voting member, or voting member's agent or attorney, shall be allowed, on written demand, to inspect and, at a reasonable time and at his expense, copy the list. Further, the Board shall make the list of voting members available at the meeting, and shall allow inspection of such list by any voting member or voting member's agent or attorney at any time during the meeting, including any adjournments thereof.

Section 3. The Board of Directors shall establish a standing Credentials Committee of three (3) Members, of which the Secretary-Treasurer shall be the chairperson. This committee shall adopt proper procedures for conducting an annual or special Membership meeting adopt a specific proxy form to be used in conducting an annual or special Membership meeting; adopt procedures for proper notification of the Membership of such meetings and delivery of the Corporation's proxy forms to the Membership; determine, qualify, and register the eligible voters for such meeting; validate proxies, determine presence of quorum for conducting the meeting, design ballots, canvass all votes, and institute proper recording of the results of such elections.

ARTICLE XII

Special meetings of the Directors may be held upon the posting of notice of such special meeting, in the manner provided under Article V of these By-Laws, at least two hours before the meeting is convened. It shall be the responsibility of the President or his designee to ensure that proper notice is posted. In no event shall any special meeting of the Directors be convened where the business of such meeting could be considered at a regular meeting of the Directors receiving at least seventy-two (72) hours notice as provided under Article V of these By-Laws.

Prior to convening any special meeting of the Members, the President shall request in writing that the Secretary-Treasurer give at least ten (10) days prior notice to the Members, and that such special meeting is otherwise noticed as provided under Article V of these By-Laws. Such notice shall specify the time, place, and purpose of the meeting, and shall be addressed and mailed to each of the Members at their address last known to the Corporation.

ARTICLE XIII

The business of the Corporation shall be handled under the direction of the Board of Directors by a manager to be elected by majority vote of the Board. The manager shall serve with or without compensation. The manager, with the approval of the Board of Directors, may employ, with or without compensation, such supervisory, clerical or other employees as may be required to effectively operate the business of the Corporation.

ARTICLE XIV

Notwithstanding the ownership of a Membership certificate, all Members shall be billed, disconnected, or reconnected, and otherwise shall receive service in accordance with the written policies of the Corporation, including the tariff of the Corporation. In the event a Member should surrender his Membership certificate properly endorsed to the Secretary-Treasurer of the Corporation, the water service shall be discontinued and the obligation to pay for water service shall terminate except as for the minimum charge for the current month and the charge for water used during the current month, and except as for any prior unpaid amounts due the Corporation. In the event Membership is terminated, cancelled, withdrawn, or surrendered, whether voluntarily or involuntarily, the former Member's rights and interest in the assets of the Corporation will not be forfeited.

ARTICLE XV

Upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation remaining after payment of the indebtedness of the Corporation shall be distributed among the Members and former Members in direct proportion to the amount of their patronage with the Corporation insofar as practicable. Any indebtedness due the Corporation by a Member for water service or otherwise shall be deducted from such Member's share prior to final distribution. By application for and acceptance of Membership in the Corporation, each Member agrees that, upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the

Corporation transferred to that Member shall be in turn immediately transferred by the individual Member to an entity that provides a water supply or wastewater service, or both, that is exempt from ad valorem taxation.

ARTICLE XVI

The fiscal year of the Corporation shall be JANUARY 1
to DECEMBER 31.

ARTICLE XVII

For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the Farmers Home Administration, the Corporation shall insure with a reputable insurance company such of its properties and in such amounts as is required by the State Director of the Farmers Home Administration for the State of Texas.

ARTICLE XVIII

Section 1. If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Farmers Home Administration, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of operation, maintenance, replacement and repayment on indebtedness for the year's

operations, but this provision shall not operate for the benefit of any third party creditor other than Farmers Home Administration without a favorable vote of the majority of the Members. Any assessments levied to make up operational deficits in any year shall be levied against Members in proportion to their patronage with the Corporation.

Section 2. In the event a Member should surrender his Membership certificate properly endorsed to the Secretary-Treasurer of the Corporation, the obligation to pay such assessments shall be limited to assessments made and levied prior to the date of surrender of the Membership certificate, provided, however, that this paragraph and the second sentence of Article XIV shall not apply to relieve a Member of his obligation under special agreements covering Multiple-Membership certificates held by one Member which may have been required or approved by the Farmers Home Administration.

ARTICLE XIX

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors, and committees, and shall keep a record of the name and addresses of its Members entitled to vote at its registered office or principle office in Texas.

Annually, the Board of Directors shall prepare or cause to be prepared a report of the financial activity of the Corporation for the preceding year including a statement of support, revenue, and expenses and changes in fund balances, a statement of functional

expenses, and balance sheets for all funds or such financial reports as required by Farmers Home Administration. Such report shall be approved by the Board of Directors.

With prior written request, corporate records, books, and annual reports, subject to exceptions provided by the Open Records Act, Article 6252-17a, Tex. Rev. Civ. Stat., including any amendments thereto, shall be available for public inspection and copying by the public or their duly authorized representatives during normal business hours subject to a reasonable charge for the preparation of copies.

In the event of any conflict between the provisions of the Open Records Act and the provisions of these By-Laws, the provisions of the Open Records Act shall prevail.

ARTICLE XX

These By-Laws may be altered, amended, or repealed by a vote of a majority of the Members present at any regular meeting of the Corporation, or at any special meeting of the Corporation called for that purpose, except that the Members shall not have the power to change the purpose of the Corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provisions for the safety and security of the property and funds of the Corporation or its Members, or to deprive any Member of rights and privileges then existing, or so to amend the By-Laws as to effect a fundamental change in the policies of the Corporation. Notice of any amendment to be made at a special meeting of the Members must be given at

least ten (10) days before such meeting and must set forth the amendments to be considered. For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the Farmers Home Administration, these By-Laws shall not be altered, amended, or repealed without the prior written consent of the State Director of the Farmers Home Administration for the State of Texas.

ARTICLE XXI

The seal of the Corporation shall consist of a circle within which shall be inscribed "UNION GROVE WATER SUPPLY CORPORATION".

ARTICLE XXII

The Corporation pledges its assets for use in performing the organization's charitable functions.

ARTICLE XXIII.

The above By-Laws and regulations were unanimously adopted by the Membership of the UNION GROVE WATER SUPPLY CORPORATION, at a meeting in the UGISD CAFETERIA on the 25TH day of MARCH, 1995.

Sam Simcox
Secretary-Treasurer

ATTACHMENT B

1.C.iii.

BOARD MEMBER NAMES, TITLES,
ADDRESSES, PHONE NUMBERS

Union Grove Water Supply Corporation

11015 Union Grove Road
Gladewater, TX 75647
903.845.2834 • Fax 903.844.2604

2017 BOARD OF DIRECTORS

Bruce Ogilvie – President (Member 2015)

222 PR 1019
Gladewater, TX 75647
Home: 903/845-1484
Cell: 903/736-1851
Email: BLOLandman@aol.com

Jerry Warthan – Vice-President (Member 2016)

1578 N Willow Oak Rd.
Gladewater, TX 75647
Home: 817/528-2270
Cell: 903/374-1286
Email: jgwarthan@yahoo.com

Steven Wood – Secretary of Treasurer (Member 2014)

6845 FM 1844
Gladewater, TX 75647
Home: 903/845-4694
Cell: 903/738-2415
Email: sfwood@eastman.com

Garry Boyd – Director (Member 2015)

123 Dearing Creek Rd.
Gladewater, TX 75647
Home: 903/845-2643
Cell: 903/374-1286
Email: boyd@ugisd.org

James Hall – Director (Member 2017)

145 PR 1013
Gladewater, TX 75647
Home:
Cell: 903/923-6847
Email: james@resoluteccs.com

ATTACHMENT C

1.C.iv.

CERTIFICATE OF ACCOUNT STATUS



Franchise Tax Account Status

As of : 05/15/2017 14:48:18

This Page is Not Sufficient for Filings with the Secretary of State

UNION GROVE WATER SUPPLY CORPORATION

Texas Taxpayer Number 32020715200

Mailing Address 11015 UNION GROVE RD GLADEWATER, TX 75647-3664

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 10/06/1965

Texas SOS File Number 0021703301

Registered Agent Name CATHY HARRIS

Registered Office Street Address 11015 UNION GROVE RD. GLADEWATER, TX 75647

ATTACHMENT D

2.B.i. & 2.B.iv.

SERVICE AREA DESCRIPTION,
CIRCUMSTANCES DRIVING NEED FOR SERVICE
& COPIES OF WRITTEN REQUEST FOR SERVICE IN
REQUESTED AREA

2.B.i. Describe service area and circumstances driving the need for service in the requested area:

Union Grove WSC desires to amend its CCN area description that will include its current customer base as well as extend its services into the existing CCN boundaries of City of East Mountain CCN and expand their existing service area. City of East Mountain currently does not serve along Bob-O-Link road and has agreed to dual certify this area. (See "Attachment E")

Most households in the community now have dry or underperforming wells due to the ongoing drought in East Texas. Residents are seeking for a safe and reliable water source and have been wanting to be served by Union Grove W.S.C. for some time.

2.B.iv. Provide copies of any written application(s) or request(s) for service in the requested area:

A copy of a list of names of people who have requested service in the proposed service area are seen on the next page.

Possible connections on Bob-o-link

	Judy O'Conner	9267	Bob-o-link
	Kyle Hood	9168	" "
	Robert Klein	9151	" "
	Glenn Gipson	9142	" "
	Bernard Haynes	9130	" "
*	Larry Spears	9077	" "
*	James Noble	9020	" "
*	Leslie Spears	9025	" "
	Robert Stanley	8815	" "
*	Justin Delaney	8782	" "
	Winston Kelly	8696	" "
	Teresa Whittington	8631	" "

*	Jeff Russell -	145 Bailey / corner of BoboLink
*	Jason Langley.	TBD-BoboLink.

Possible connections on Seagull

Keith Sanford 165 Seagull |

AL. Kennimer 341 "

Brandon Sheedy 429 "

Michael Sheedy 501 "

Donnie Wacasey 667 "

Richard Wacasey 701 "

Ray Combie plans to purchase 100 ac.
at corner of Seagull and White Oak Rd.

ATTACHMENT E

2.C.

CONSENT GRANTED BY CITY

**MEMORANDUM OF AGREEMENT
CONCERNING AMENDMENT TO CCN AND JOINT CCN**

WHEREAS, the Union Grove Water Supply Corporation, hereinafter referred to as "Union Grove," is a duly incorporated entity providing water services to southern Upshur County, Texas; and

WHEREAS, the City of East Mountain is a duly incorporated municipality, hereinafter referred to as "East Mountain," which operates and maintains a water supply facility; and

WHEREAS, Union Grove maintains a Certificate of Convenience and Necessity (CCN) authorized by the Texas Water Commission; and

WHEREAS, East Mountain maintains a Certificate of Convenience and Necessity (CCN) authorized by the Texas Water Commission; and

WHEREAS, Union Grove has requested to dual certify a portion of Bob-O-Link Road in the CCN of East Mountain in Upshur County, Texas; and

WHEREAS, East Mountain has agreed to dual certification of the CCN for a portion of Bob-O-Link Road; and

WHEREAS, East Mountain currently holds the CCN for the portion of Bob-O-Link Road requested by Union Grove; and

WHEREAS, the parties have agreed that Union Grove will seek and East Mountain will agree to dual certification for that certain portion of Bob-O-Link Road which will be hereinafter described; and

WHEREAS, the parties agree that the portion of Bob-O-Link Road sought by Union Grove contains areas where no water service is provided by East Mountain and residents of that section of Bob-O-Link Road are requesting new water service; and

WHEREAS, the approximate description of the requested dual certification areas are as follows:

From Highway 1844 north on Bob-O-Link Road to Pheasant Trail and west to the existing Union Grove water supply facility; and

WHEREAS, the requested certification includes approximately 8,750 feet, more or less.

IT IS THEREFORE agreed by and between the parties as follows:

That Union Grove Water Supply Corporation will seek dual certification of that limited portion of Bob-O-Link Road as described above, and the City of East Mountain will not oppose, and will join in as necessary, the application for dual certification of the Certificates of Convenience and Necessity (CCN) of Union Grove Water Supply Corporation and the City of East Mountain, and it is further agreed that Union Grove will seek such dual certification, applications and amendments as may be necessary to allow them to proceed with dual certification before the Texas Water Commission; and

It is further agreed by and between the parties that Union Grove may perform construction on water facilities, lay waterlines and such pertinent structures as may be necessary to provide water services within the affected areas; and

It is further agreed that Union Grove may supply water service to the residents within the dual certification area or the area held by the City of East Mountain if allowed by law, and that East Mountain has agreed to this dual certification, supply of water by Union Grove Water Supply Corporation and the construction of water facilities within the dual certification area as evidenced by the signature of the Mayor and City Secretary attached hereto, along with the signature of the President of Union Grove Water Supply Corporation, Bruce Ogilvie and Secretary Jeff Webb.

The parties further agree and certify that this Agreement was properly posted, voted upon and passed by the Board of Union Grove Water Supply Corporation on the 22 day of September, 2014; and

The City of East Mountain certifies that this Agreement was considered and voted upon by the City of East Mountain on the 8 day of September, 2014.

SIGNED on this 22 day of October, 2014.

UNION GROVE WATER SUPPLY CORPORATION

By: Bruce Ogilvie
Bruce Ogilvie, President

By: Jeff Webb
Jeff Webb, Secretary

CITY OF EAST MOUNTAIN

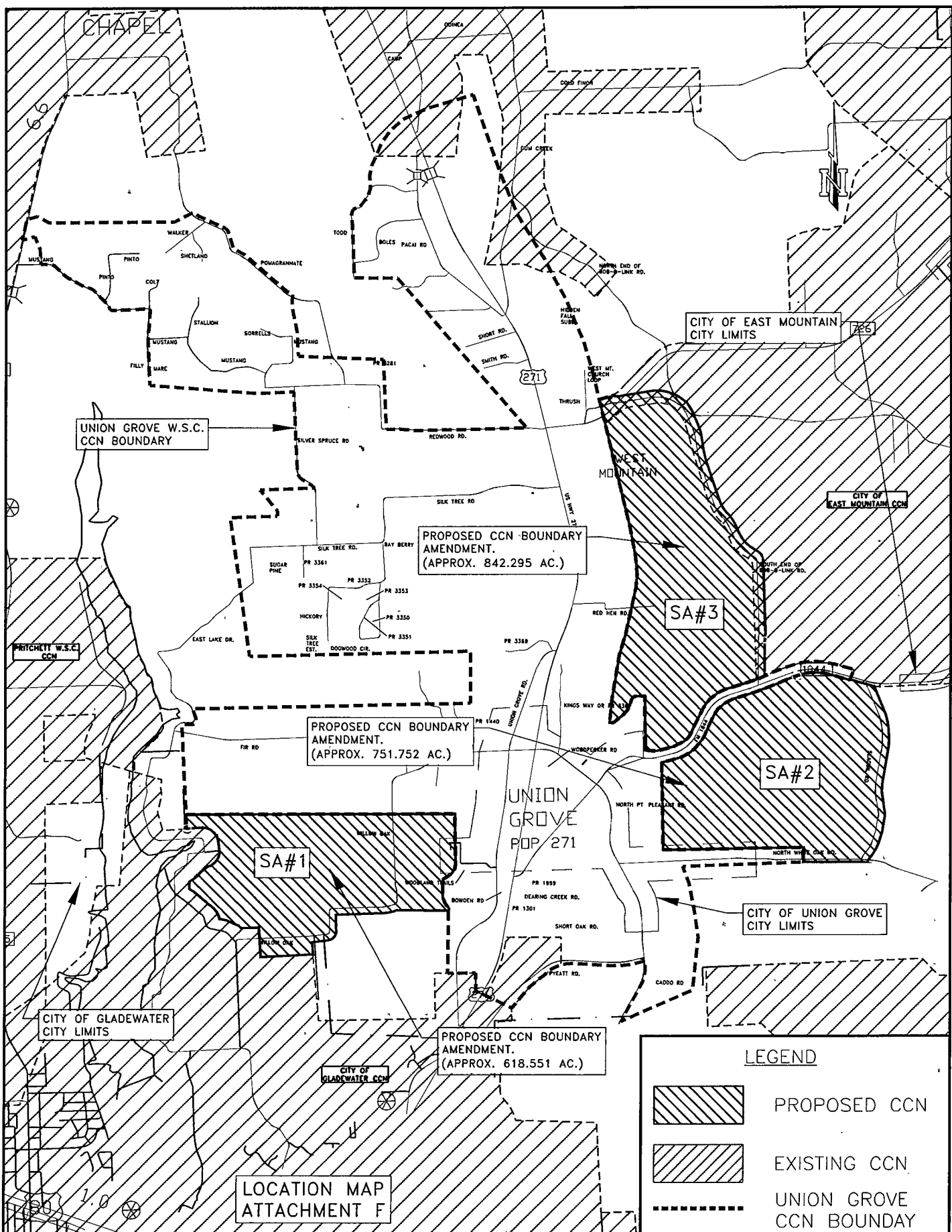
By: Neal Coulter
Neal Coulter, Mayor

By: Lanora Hathcock
Lanora Hathcock, City Secretary

ATTACHMENT F

3.A.

LOCATION MAP



HAYES ENGINEERING, INC.
 TEXAS REGISTERED ENGINEERING FIRM F-1465
 2126 Alpine St. Longview, TX 75601-3401
 Tel.: (903) 758-2010 • Fax: (903) 758-2099

UNION GROVE W.S.C.
CCN AMENDMENT APPLICATION
UPSHUR COUNTY, TEXAS

DATE : MAY 2017
 SCALE : 1"=10,000'
 JOB NO. : UNGR1701

ATTACHMENT G

• 3.B.

PROPOSED AREA CCN BOUNDARY MAP

SEE DIGITAL DATA ON-CD PROVIDED

ATTACHMENT H

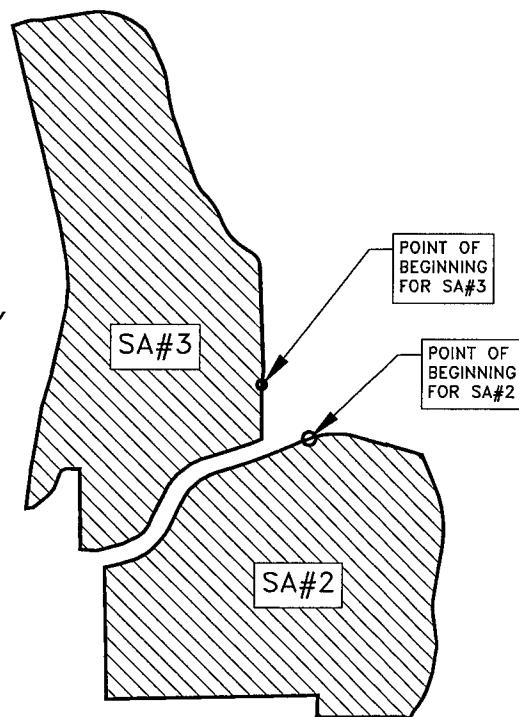
3.C.

WRITTEN DESCRIPTION OF PROPOSED AREA



UNION GROVE W.S.C.
PROPOSED CCN AMENDED BOUNDARY

TEXAS STATE PLANE
NAD 83
NORTH CENTRAL (FOOT)



POINT OF
BEGINNING
FOR SA#1

SA#1

SA#3

POINT OF
BEGINNING
FOR SA#3

POINT OF
BEGINNING
FOR SA#2

SA#2

ATTACHMENT H



HAYES ENGINEERING, INC.
TEXAS REGISTERED ENGINEERING FIRM F-1465
2126 Alpine St. Longview, TX 75601-3401
Tel.: (903) 758-2010 • Fax: (903) 758-2099

*UNION GROVE W.S.C.
CCN AMENDMENT APPLICATION
UPSHUR COUNTY, TEXAS*

DATE : MAY 2017
SCALE : 1"=10,000'
JOB NO. : UNGR1701

Metes and Bounds description of Union Grove Water Supply System for

Proposed Service Area#1

Beginning at a point whose Northing is 691156.9007 and whose Easting is 3060778.8260 in the NAD 83 North Central Texas State Plane (foot);

Thence, North 03degrees 59minutes 45seconds West for a distance of 434.96 feet to a point on a line.

Thence, North 89degrees 47minutes 41seconds East for a distance of 8431.16 feet to a point on a line.

Thence, South 01degrees 01minutes 52seconds East for a distance of 1556.06 feet to a point on a line.

Thence, South 09degrees 21minutes 16seconds West for a distance of 152.52 feet to a point on a line.

Thence, South 33degrees 47minutes 45seconds West for a distance of 159.41 feet to a point on a line.

Thence, South 51degrees 26minutes 20seconds West for a distance of 164.96 feet to a point on a line.

Thence, South 60degrees 39minutes 56seconds West for a distance of 174.12 feet to a point on a line.

Thence, South 01degrees 15minutes 28seconds West for a distance of 565.32 feet to a point on a line.

Thence, South 25degrees 31minutes 52seconds East for a distance of 110.46 feet to a point on a line.

Thence, South 24degrees 02minutes 57seconds East for a distance of 105.51 feet to a point on a line.

Thence, South 37degrees 59minutes 08seconds East for a distance of 100.52 feet to a point on a line.

Thence, South 37degrees 53minutes 09seconds East for a distance of 50.18 feet to a point on a line.

Thence, South 26degrees 40minutes 27seconds East for a distance of 45.41 feet to a point on a line.

Thence, South 01degrees 15minutes 21seconds East for a distance of 22.54 feet to a point on a line.

Thence, South 23degrees 52minutes 08seconds West for a distance of 38.63 feet to a point on a line.

Thence, North 89degrees 39minutes 21seconds West for a distance of 1639.59 feet to a point on a line.

Thence, South 68degrees 45minutes 14seconds West for a distance of 119.11 feet to the beginning of a non-tangential curve,

Said curve turning to the right through an angle of 15° 16' 45.8", having a radius of 2303.14 feet,

and whose long chord bears South 84degrees 38minutes 42seconds West for a distance of 612.37 feet to a point of intersection with a non-tangential line.

Thence, South 87degrees 54minutes 48seconds West for a distance of 1191.35 feet to a point on a line.

Thence, South 01degrees 36minutes 58seconds East for a distance of 498.86 feet to the beginning of a curve,

Said curve turning to the right through an angle of $84^{\circ} 36' 41.0''$, having a radius of 290.80 feet, and whose long chord bears South 40degrees 41minutes 37seconds West for a distance of 391.46 feet to a point of intersection with a non-tangential line.

Thence, South 83degrees 01minutes 15seconds West for a distance of 497.55 feet to a point on a line.

Thence, South 04degrees 11minutes 38seconds East for a distance of 376.72 feet to a point on a line.

Thence, South 86degrees 52minutes 39seconds West for a distance of 1651.65 feet to a point on a line.

Thence, North 03degrees 43minutes 10seconds West for a distance of 919.98 feet to a point on a line.

Thence, South 88degrees 53minutes 21seconds West for a distance of 564.75 feet to a point on a line.

Thence, North 45degrees 35minutes 53seconds West for a distance of 99.90 feet to a point on a line.

Thence, North 65degrees 42minutes 39seconds West for a distance of 405.74 feet to a point on a line.

Thence, North 79degrees 00minutes 51seconds West for a distance of 224.47 feet to a point on a line.

Thence, North 16degrees 38minutes 39seconds West for a distance of 82.80 feet to a point on a line.

Thence, North 19degrees 14minutes 00seconds West for a distance of 31.43 feet to a point on a line.

Thence, North 10degrees 12minutes 01seconds West for a distance of 0.92 feet to a point on a line.

Thence, North 21degrees 19minutes 06seconds West for a distance of 31.83 feet to a point on a line.

Thence, North 32degrees 47minutes 22seconds West for a distance of 1.76 feet to a point on a line.

Thence, North 10degrees 33minutes 35seconds West for a distance of 1.80 feet to a point on a line.

Thence, North 26degrees 46minutes 38seconds West for a distance of 68.55 feet to a point on a line.

Thence, North 31degrees 44minutes 13seconds West for a distance of 39.66 feet to a point on a line.

Thence, North 38degrees 01minutes 34seconds West for a distance of 72.34 feet to a point on a line.

Thence, North 32degrees 34minutes 13seconds West for a distance of 7.55 feet to a point on a line.

Thence, North 43degrees 17minutes 10seconds West for a distance of 39.66 feet to a point on a line.

Thence, North 55degrees 04minutes 47seconds West for a distance of 3.56 feet to a point on a line.

Thence, North 33degrees 05minutes 12seconds West for a distance of 3.73 feet to a point on a line.

Thence, North 49degrees 35minutes 17seconds West for a distance of 72.87 feet to a point on a line.

Thence, North 54degrees 51minutes 44seconds West for a distance of 39.66 feet to a point on a line.

Thence, North 60degrees 51minutes 44seconds West for a distance of 4.64 feet to a point on a line.

Thence, North 50degrees 14minutes 09seconds West for a distance of 4.68 feet to a point on a line.

Thence, North 56degrees 12minutes 02seconds West for a distance of 69.02 feet to a point on a line.

Thence, North 51degrees 14minutes 31seconds West for a distance of 55.58 feet to a point on a line.

Thence, North 46degrees 09minutes 30seconds West for a distance of 58.98 feet to a point on a line.

Thence, North 46degrees 08minutes 13seconds West for a distance of 13.56 feet to a point on a line.

Thence, North 56degrees 28minutes 37seconds West for a distance of 3.16 feet to a point on a line.

Thence, North 47degrees 28minutes 59seconds West for a distance of 28.10 feet to a point on a line.

Thence, North 50degrees 38minutes 52seconds West for a distance of 12.78 feet to a point on a line.

Thence, North 50degrees 36minutes 25seconds West for a distance of 179.59 feet to a point on a line.

Thence, North 45degrees 51minutes 24seconds West for a distance of 3.83 feet to a point on a line.

Thence, North 56degrees 21minutes 07seconds West for a distance of 3.20 feet to a point on a line.

Thence, North 50degrees 38minutes 40seconds West for a distance of 9.70 feet to a point on a line.

Thence, North 58degrees 34minutes 47seconds West for a distance of 0.41 feet to a point on a line.

Thence, North 35degrees 11minutes 58seconds West for a distance of 5.62 feet to a point on a line.

Thence, North 48degrees 33minutes 47seconds West for a distance of 102.07 feet to a point on a line.

Thence, North 57degrees 41minutes 31seconds West for a distance of 7.37 feet to a point on a line.

Thence, North 48degrees 41minutes 39seconds West for a distance of 23.84 feet to a point on a line.

Thence, North 53degrees 03minutes 47seconds West for a distance of 102.07 feet to a point on a line.

Thence, North 59degrees 56minutes 28seconds West for a distance of 15.16 feet to a point on a line.

Thence, North 50degrees 56minutes 10seconds West for a distance of 16.06 feet to a point on a line.

Thence, North 57degrees 33minutes 33seconds West for a distance of 90.29 feet to a point on a line.

Thence, South 88degrees 03minutes 56seconds West for a distance of 0.00 feet to a point on a line.

Thence, North 57degrees 33minutes 18seconds West for a distance of 12.06 feet to a point on a line.

Thence, North 62degrees 11minutes 05seconds West for a distance of 6.66 feet to a point on a line.

Thence, North 56degrees 04minutes 08seconds West for a distance of 2.57 feet to a point on a line.

Thence, North 51degrees 47minutes 30seconds West for a distance of 2.87 feet to a point on a line.

Thence, North 59degrees 18minutes 59seconds West for a distance of 3.74 feet to a point on a line.

Thence, North 56degrees 02minutes 54seconds West for a distance of 16.54 feet to a point on a line.

Thence, North 01degrees 22minutes 55seconds West for a distance of 230.57 feet to a point on a line.

Thence, North 56degrees 27minutes 57seconds East for a distance of 217.04 feet to a point on a line.

Thence, North 51degrees 04minutes 25seconds East for a distance of 52.75 feet to a point on a line.

Thence, North 57degrees 52minutes 55seconds East for a distance of 8.65 feet to a point on a line.

Thence, North 47degrees 36minutes 11seconds East for a distance of 25.83 feet to a point on a line.

Thence, North 35degrees 22minutes 15seconds East for a distance of 6.46 feet to a point on a line.

Thence, North 56degrees 56minutes 04seconds East for a distance of 7.06 feet to a point on a line.

Thence, North 37degrees 46minutes 09seconds East for a distance of 109.18 feet to a point on a line.

Thence, North 50degrees 55minutes 52seconds East for a distance of 310.27 feet to a point on a line.

Thence, North 72degrees 15minutes 44seconds East for a distance of 56.51 feet to a point on a line.

Thence, North 56degrees 58minutes 58seconds East for a distance of 3.31 feet to a point on a line.

Thence, North 78degrees 55minutes 35seconds East for a distance of 3.18 feet to a point on a line.

Thence, North 67degrees 15minutes 49seconds East for a distance of 25.23 feet to a point on a line.

Thence, North 56degrees 27minutes 51seconds East for a distance of 26.59 feet to a point on a line.

Thence, North 58degrees 38minutes 14seconds East for a distance of 98.68 feet to a point on a line.

Thence, North 49degrees 05minutes 41seconds East for a distance of 25.22 feet to a point on a line.

Thence, North 36degrees 07minutes 32seconds East for a distance of 11.04 feet to a point on a line.

Thence, North 56degrees 56minutes 04seconds East for a distance of 12.99 feet to a point on a line.

Thence, North 38degrees 18minutes 39seconds East for a distance of 101.76 feet to a point on a line.

Thence, North 30degrees 56minutes 31seconds East for a distance of 25.23 feet to a point on a line.

Thence, North 27degrees 03minutes 28seconds East for a distance of 53.70 feet to a point on a line.

Thence, North 17degrees 58minutes 03seconds East for a distance of 72.06 feet to a point on a line.

Thence, North 12degrees 45minutes 30seconds East for a distance of 25.23 feet to a point on a line.

Thence, North 06degrees 43minutes 08seconds East for a distance of 83.47 feet to a point on a line.

Thence, North 10degrees 35minutes 16seconds West for a distance of 6.78 feet to a point on a line.

Thence, North 11degrees 00minutes 27seconds East for a distance of 6.24 feet to a point on a line.

Thence, North 01degrees 08minutes 27seconds West for a distance of 3.24 feet to a point on a line.

Thence, North 01degrees 07minutes 29seconds West for a distance of 9.73 feet to a point on a line.

Thence, North 11degrees 26minutes 40seconds West for a distance of 3.39 feet to a point on a line.

Thence, North 02degrees 37minutes 16seconds West for a distance of 29.86 feet to a point on a line.

Thence, North 05degrees 54minutes 35seconds West for a distance of 10.06 feet to a point on a line.

Thence, North 05degrees 51minutes 15seconds West for a distance of 2.84 feet to a point on a line.

Thence, North 13degrees 53minutes 17seconds West for a distance of 0.18 feet to a point on a line.

Thence, North 02degrees 41minutes 17seconds West for a distance of 0.43 feet to a point on a line.

Thence, North 05degrees 57minutes 38seconds West for a distance of 235.04 feet to a point on a line.

Thence, North 13degrees 53minutes 16seconds West for a distance of 23.95 feet to a point on a line.

Thence, North 06degrees 29minutes 36seconds West for a distance of 29.43 feet to a point on a line.

Thence, North 13degrees 39minutes 32seconds West for a distance of 29.77 feet to a point on a line.

Thence, North 17degrees 44minutes 27seconds West for a distance of 56.45 feet to a point on a line.

Thence, North 25degrees 26minutes 33seconds West for a distance of 50.10 feet to a point on a line.

Thence, North 29degrees 03minutes 27seconds West for a distance of 29.77 feet to a point on a line.

Thence, North 36degrees 41minutes 29seconds West for a distance of 105.34 feet to a point on a line.

Thence, North 55degrees 37minutes 28seconds West for a distance of 0.63 feet to a point on a line.

Thence, North 33degrees 06minutes 03seconds West for a distance of 0.62 feet to a point on a line.

Thence, North 44degrees 29minutes 51seconds West for a distance of 9.06 feet to a point on a line.

Thence, North 44degrees 27minutes 32seconds West for a distance of 20.43 feet to a point on a line.

Thence, North 55degrees 37minutes 51seconds West for a distance of 2.09 feet to a point on a line.

Thence, North 52degrees 05minutes 52seconds West for a distance of 104.33 feet to a point on a line.

Thence, North 59degrees 52minutes 43seconds West for a distance of 29.77 feet to a point on a line.

Thence, North 63degrees 20minutes 58seconds West for a distance of 48.06 feet to a point on a line.

Thence, North 71degrees 02minutes 52seconds West for a distance of 58.49 feet to a point on a line.

Thence, North 75degrees 16minutes 15seconds West for a distance of 29.76 feet to a point on a line.

Thence, North 82degrees 17minutes 55seconds West for a distance of 83.09 feet to a point on a line.

Thence, North 77degrees 39minutes 55seconds West for a distance of 8.20 feet to a point on a line.

Thence, North 88degrees 28minutes 51seconds West for a distance of 21.32 feet to a point on a line.

Thence, South 79degrees 47minutes 50seconds West for a distance of 2.89 feet to a point on a line.

Thence, North 78degrees 01minutes 38seconds West for a distance of 3.00 feet to a point on a line.

Thence, South 88degrees 20minutes 28seconds West for a distance of 32.36 feet to a point on a line.

thence South 86degrees 00minutes 15seconds West a distance of 435.81 feet to the POINT OF BEGINNING

Metes and Bounds description of Union Grove Water Supply System for

Proposed Service Area#2

Beginning at a point whose Northing is 6916306.4174 and whose Easting is 3079871.1786 in the NAD 83 North Central Texas State Plane (foot);

Thence, North 73degrees 19minutes 56seconds East for a distance of 170.86 feet to a point on a line.

Thence, North 76degrees 54minutes 47seconds East for a distance of 146.77 feet to a point on a line.

Thence, North 85degrees 34minutes 24seconds East for a distance of 166.22 feet to a point on a line.

Thence, North 89degrees 21minutes 22seconds East for a distance of 196.02 feet to a point on a line.

Thence, South 85degrees 03minutes 21seconds East for a distance of 176.73 feet to a point on a line.

Thence, South 78degrees 40minutes 44seconds East for a distance of 117.88 feet to a point on a line.

Thence, South 73degrees 53minutes 09seconds East for a distance of 114.22 feet to a point on a line.

Thence, South 75degrees 26minutes 34seconds East for a distance of 109.60 feet to a point on a line.

Thence, South 73degrees 46minutes 10seconds East for a distance of 478.03 feet to a point on a line.

Thence, North 20degrees 00minutes 55seconds East for a distance of 24.82 feet to a point on a line.

Thence, South 72degrees 20minutes 33seconds East for a distance of 240.54 feet to a point on a line.

Thence, South 74degrees 33minutes 38seconds East for a distance of 297.73 feet to a point on a line.

Thence, South 74degrees 33minutes 38seconds East for a distance of 32.80 feet to a point on a line.

Thence, South 73degrees 35minutes 07seconds East for a distance of 171.15 feet to a point on a line.

Thence, South 82degrees 26minutes 11seconds East for a distance of 37.66 feet to a point on a line.

Thence, South 22degrees 36minutes 47seconds East for a distance of 940.96 feet to the beginning of a non-tangential curve,

Said curve turning to the right through an angle of 30° 03' 20.2", having a radius of 2357.71 feet, and whose long chord bears South 02degrees 07minutes 52seconds East for a distance of 1222.65 feet to a point of intersection with a non-tangential line,

Thence, South 09degrees 36minutes 48seconds West for a distance of 947.59 feet to the beginning of a non-tangential curve,

Said curve turning to the left through an angle of 17° 47' 49.0", having a radius of 1619.80 feet, and whose long chord bears South 03degrees 47minutes 47seconds East for a distance of 501.11 feet to a point of intersection with a non-tangential line.

Thence, South 07degrees 19minutes 57seconds East for a distance of 247.52 feet to the beginning of a non-tangential curve,

Said curve turning to the right through an angle of 36° 54' 34.0", having a radius of 588.57 feet, and whose long chord bears South 00degrees 31minutes 32seconds West for a distance of 372.63 feet to a point of intersection with a non-tangential line.

Thence, South 08degrees 46minutes 19seconds West for a distance of 379.88 feet to a point on a line.

Thence, South 18degrees 24minutes 06seconds West for a distance of 365.26 feet to the beginning of a non-tangential curve,

Said curve turning to the right through an angle of 19° 30' 20.9", having a radius of 1226.65 feet, and whose long chord bears South 28degrees 10minutes 16seconds West for a distance of 415.59 feet.

Thence, South 37degrees 55minutes 58seconds West for a distance of 162.38 feet to the beginning of a non-tangential curve,

Said curve turning to the left through an angle of 22° 17' 53.5", having a radius of 239.72 feet, and whose long chord bears South 26degrees 45minutes 17seconds West for a distance of 92.70 feet to a point of intersection with a non-tangential line.

Thence, South 89degrees 42minutes 15seconds West for a distance of 1991.68 feet to a point on a line.

Thence, North 01degrees 27minutes 10seconds East for a distance of 455.64 feet to a point on a line.

Thence, South 89degrees 01minutes 06seconds West for a distance of 4397.64 feet to a point on a line.

Thence, North 01degrees 06minutes 23seconds West for a distance of 2731.23 feet to a point on a line.

Thence, North 77degrees 56minutes 37seconds East for a distance of 223.65 feet to a point on a line.

Thence, North 74degrees 03minutes 45seconds East for a distance of 376.42 feet to a point on a line.

Thence, North 70degrees 14minutes 19seconds East for a distance of 118.81 feet to a point on a line.

Thence, North 59degrees 48minutes 23seconds East for a distance of 217.78 feet to a point on a line.

Thence, North 51degrees 22minutes 44seconds East for a distance of 160.86 feet to a point on a line.

Thence, North 43degrees 42minutes 35seconds East for a distance of 152.31 feet to a point on a line.

Thence, North 38degrees 24minutes 27seconds East for a distance of 241.02 feet to a point on a line.

Thence, North 32degrees 24minutes 41seconds East for a distance of 146.84 feet to a point on a line.

Thence, North 24degrees 36minutes 34seconds East for a distance of 463.84 feet to a point on a line.

Thence, North 28degrees 21minutes 00seconds East for a distance of 304.31 feet to a point on a line.

Thence, North 33degrees 41minutes 37seconds East for a distance of 116.11 feet to a point on a line.

Thence, North 48degrees 45minutes 23seconds East for a distance of 292.08 feet to a point on a line.

Thence, North 60degrees 17minutes 57seconds East for a distance of 193.34 feet to a point on a line.

Thence, North 67degrees 01minutes 58seconds East for a distance of 165.93 feet to a point on a line.

Thence, North 73degrees 41minutes 25seconds East for a distance of 359.97 feet to a point on a line.

Thence, North 72degrees 02minutes 44seconds East for a distance of 339.46 feet to a point on a line.

Thence, North 70degrees 20minutes 35seconds East for a distance of 286.09 feet to a point on a line.

Thence, North 68degrees 22minutes 33seconds East for a distance of 410.29 feet to a point on a line.

Thence, North 67degrees 31minutes 10seconds East for a distance of 454.42 feet to a point on a line.

thence North 70degrees 21minutes 42seconds East a distance of 229.55 feet to the POINT OF BEGINNING

Metes and Bounds description of Union Grove Water Supply System for

Proposed Service Area#3

Beginning at a point whose Northing is 6917426.5024 and whose Easting is 3078868.6025 in the NAD 83 North Central Texas State Plane (foot);

Thence, South 00degrees 21minutes 38seconds East for a distance of 1121.08 feet to a point on a line.

Thence, South 65degrees 28minutes 06seconds West for a distance of 178.42 feet to a point on a line.

Thence, South 71degrees 25minutes 46seconds West for a distance of 109.66 feet to a point on a line.

Thence, South 71degrees 28minutes 57seconds West for a distance of 411.08 feet to a point on a line.

Thence, South 73degrees 07minutes 31seconds West for a distance of 438.64 feet to a point on a line.

Thence, South 73degrees 48minutes 42seconds West for a distance of 189.75 feet to a point on a line.

Thence, South 64degrees 46minutes 28seconds West for a distance of 238.86 feet to a point on a line.

Thence, South 52degrees 06minutes 51seconds West for a distance of 344.66 feet to a point on a line.

Thence, South 39degrees 08minutes 25seconds West for a distance of 168.42 feet to a point on a line.

Thence, South 36degrees 09minutes 31seconds West for a distance of 142.27 feet to a point on a line.

Thence, South 26degrees 51minutes 24seconds West for a distance of 735.65 feet to a point on a line.

Thence, South 22degrees 30minutes 13seconds West for a distance of 177.90 feet to a point on a line.

Thence, South 35degrees 51minutes 40seconds West for a distance of 161.85 feet to a point on a line.

Thence, South 51degrees 50minutes 39seconds West for a distance of 148.72 feet to a point on a line.

Thence, South 64degrees 48minutes 57seconds West for a distance of 164.81 feet to a point on a line.

Thence, South 63degrees 28minutes 05seconds West for a distance of 179.69 feet to a point on a line.

Thence, South 75degrees 15minutes 52seconds West for a distance of 559.53 feet to a point on a line.

Thence, North 89degrees 19minutes 19seconds West for a distance of 115.44 feet to a point on a line.

Thence, North 82degrees 34minutes 12seconds West for a distance of 94.32 feet to a point on a line.

Thence, North 85degrees 02minutes 55seconds West for a distance of 143.36 feet to a point on a line.

Thence, North 00degrees 51minutes 49seconds West for a distance of 1664.42 feet to a point on a line.

Thence, North 89degrees 19minutes 18seconds West for a distance of 285.11 feet to a point on a line.

Thence, South 70degrees 08minutes 58seconds West for a distance of 99.58 feet to a point on a line.

Thence, South 28degrees 57minutes 33seconds West for a distance of 85.84 feet to a point on a line.

Thence, South 20degrees 25minutes 31seconds West for a distance of 68.09 feet to a point on a line.

Thence, South 18degrees 02minutes 49seconds West for a distance of 97.71 feet to a point on a line.

Thence, South 22degrees 32minutes 07seconds West for a distance of 156.69 feet to a point on a line.

Thence, South 39degrees 07minutes 57seconds West for a distance of 142.69 feet to a point on a line.

Thence, South 48degrees 23minutes 37seconds West for a distance of 159.37 feet to a point on a line.

Thence, South 51degrees 31minutes 17seconds West for a distance of 288.21 feet to a point on a line.

Thence, South 83degrees 56minutes 20seconds West for a distance of 143.55 feet to a point on a line.

Thence, North 06degrees 32minutes 53seconds East for a distance of 823.49 feet to a point on a line.

Thence, North 09degrees 48minutes 33seconds East for a distance of 572.12 feet to a point on a line.

Thence, North 09degrees 10minutes 19seconds East for a distance of 723.17 feet to a point on a line.

Thence, North 16degrees 42minutes 28seconds East for a distance of 690.31 feet to a point on a line.

Thence, North 12degrees 27minutes 38seconds East for a distance of 1162.88 feet to a point on a line.

Thence, North 11degrees 59minutes 17seconds East for a distance of 297.46 feet to a point on a line.

Thence, North 04degrees 49minutes 14seconds East for a distance of 204.71 feet to a point on a line.

Thence, North 06degrees 10minutes 56seconds East for a distance of 227.00 feet to a point on a line.

Thence, North 04degrees 27minutes 50seconds West for a distance of 490.43 feet to a point on a line.

Thence, North 10degrees 31minutes 42seconds West for a distance of 936.44 feet to a point on a line.

Thence, North 13degrees 51minutes 42seconds West for a distance of 3356.21 feet to a point on a line.

Thence, North 13degrees 53minutes 00seconds West for a distance of 250.00 feet to a point on a line.

Thence, North 13degrees 51minutes 17seconds West for a distance of 494.45 feet to a point on a line.

Thence, North 72degrees 27minutes 23seconds East for a distance of 291.97 feet to the beginning of a curve,

Said curve turning to the right through an angle of 22° 01' 27.7", having a radius of 632.47 feet, and whose long chord bears North 83degrees 28minutes 14seconds East for a distance of 241.63 feet.

Thence, South 85degrees 30minutes 46seconds East for a distance of 50.26 feet to a point on a line.

Thence, North 80degrees 47minutes 09seconds East for a distance of 37.03 feet to a point on a line.

Thence, North 80degrees 47minutes 09seconds East for a distance of 997.71 feet to the beginning of a curve,

Said curve turning to the right through an angle of 48° 02' 17.2", having a radius of 1340.21 feet, and whose long chord bears South 75degrees 11minutes 41seconds East for a distance of 1091.04 feet.

Thence, South 51degrees 10minutes 26seconds East for a distance of 149.91 feet to a point on a line.

Thence, South 32degrees 34minutes 39seconds East for a distance of 279.97 feet to a point on a line.

Thence, South 23degrees 30minutes 10seconds East for a distance of 516.09 feet to the beginning of a curve,

Said curve turning to the right through an angle of 13° 59' 22.5", having a radius of 1145.87 feet, and whose long chord bears South 16degrees 30minutes 38seconds East for a distance of 279.09 feet.

Thence, South 09degrees 31minutes 01seconds East for a distance of 561.84 feet to the beginning of a curve,

Said curve turning to the left through an angle of 09° 42' 20.9", having a radius of 1391.04 feet, and whose long chord bears South 14degrees 22minutes 02seconds East for a distance of 235.36 feet.

Thence, South 19degrees 13minutes 11seconds East for a distance of 1368.25 feet to the beginning of a curve,

Said curve turning to the left through an angle of 24° 56' 53.6", having a radius of 956.40 feet, and whose long chord bears South 31degrees 41minutes 37seconds East for a distance of 413.16 feet.

Thence, South 44degrees 10minutes 03seconds East for a distance of 90.82 feet to the beginning of a curve,

Said curve turning to the right through an angle of 19° 12' 44.4", having a radius of 1058.53 feet, and whose long chord bears South 34degrees 33minutes 42seconds East for a distance of 353.29 feet.

Thence, South 24degrees 57minutes 20seconds East for a distance of 280.58 feet to the beginning of a curve,

Said curve turning to the left through an angle of 34° 09' 47.5", having a radius of 1176.16 feet, and whose long chord bears South 42degrees 02minutes 13seconds East for a distance of 690.96 feet.

Thence, South 59degrees 07minutes 06seconds East for a distance of 158.48 feet to the beginning of a curve,

Said curve turning to the right through an angle of 57° 00' 48.6", having a radius of 340.49 feet, and whose long chord bears South 30degrees 36minutes 44seconds East for a distance of 325.01 feet.

Thence, South 02degrees 06minutes 25seconds East for a distance of 2189.97 feet to the beginning of a curve,

Said curve turning to the right through an angle of 14° 34' 48.7", having a radius of 640.63 feet, and whose long chord bears South 05degrees 10minutes 45seconds West for a distance of 162.58 feet.

Thence, South 12degrees 27minutes 57seconds West for a distance of 29.19 feet to a point on a line.

thence South 06degrees 03minutes 13seconds West a distance of 78.77 feet to the POINT OF BEGINNING

³
ATTACHMENT I

3.D.

FACILITIES MAP
₄

OVERSIZED MAP(S)

To View

OVERSIZED Map

Or

Documents

You can call CENTRAL RECORDS

Main Line

(512) 936-7180

ATTACHMENT J

5.A.iv & 5.A.v.

TCEQ INSPECTION REPORT &
ACTIONS TAKEN

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/ Site Name	Lyon House WSC		TCEQ Add. ID No. RN No. (optional)	2300008
Investigation Type	Contact Made In-House (Y/N)	Purpose of Investigation	Compliance	
Regulated Entity Contact	Mr. David Beavers	Telephone No.	903-845-2839	Date Contacted
Title	GM	Fax No.		Date Faxed

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

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.
No.	Type ¹	Rule Citation (if known)
1	AV	290.121 Failure to have complete Monitoring Plan

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

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
Jonathan S. Semicki	6/22/15	David L. Beavers	6-22-15

If you have questions about any information on this form, please contact your local TCEQ Regional Office. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

Union Grove Water Supply Corporation

11015 Union Grove Road

Gladewater, TX 75647

903.845.2834 • Fax 903.844.2604

July 30, 2015

Ms. Jennifer King
Texas Commission on Environmental Quality
Region 5
2916 Teague Drive
Tyler, Texas 75701-3734

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Union Grove WSC, 11015 Union Grove Rd., Gladewater, (Upshur County) TX 75647
RN101453058, TCEQ Additional ID: 2300008, Investigation No. 1260910, Violation:
574627

Dear Ms. King:

The monitoring plan for Union Grove WSC was found after your visit on June 22, 2015. The plan is old and needs to be updated. May I request from you a ninety day period of time starting and ending at your discretion to review this plan, update and return to you for approval.

Sincerely,

A handwritten signature in black ink that reads "David L. Beavers". The signature is written in a cursive style with a large, looped "D" and a long, sweeping underline.

David L. Beavers
Chief Operator

ATTACHMENT K

5.G.

EFFECT OF GRANTING CERTIFICATE AMENDMENT

5.G. Effect of Granting CCN Amendment:

- 5.G.i. Union Grove WSC will benefit by adding the proposed area and its customers.
- 5.G.ii. No other retail public utility is located in nor currently serving the proximate area other than Bob-O-Link road, The City of East Mountain have agreed to dual certify along this road. (See Attachment E)
- 5.G.iii. Landowners within the area description will benefit by receiving a safe and reliable water source and service.

ATTACHMENT L

6.B.

1) FINANCIAL STATEMENTS

2) RATE SCHEDULE

Union Grove Water Supply Corp.
Profit & Loss
January through December 2016

	Jan - Dec 16
Ordinary Income/Expense	
Income	
Other income	5,445.41
1060 · STEP Grant Reimbursement	3,831.70
4007 · Reimbursements	921.52
4009 · Restitution	273.00
4011 · Interest Income Op. Acct.	335.36
4015 · Income Water Revenue	513,426.13
Total Income	524,233.12
Gross Profit	524,233.12
Expense	
Contract Labor (nonemployee)	4,100.00
4000 · Contract Services	
Accounting Fees	975.00
Appraisal Fees	1,500.00
Legal Fees	250.00
4000 · Contract Services - Other	180.00
Total 4000 · Contract Services	2,905.00
4500 · Salaries and Wages	
Payroll Expenses	26,849.67
4500 · Salaries and Wages - Other	163,112.84
Total 4500 · Salaries and Wages	189,962.51
5000 · Travel & Education	
Conference	2,484.00
Continuing Education	996.00
Hotel	2,124.21
Meals	467.53
Mileage Expense	3,729.90
Total 5000 · Travel & Education	9,801.64
6000 · Other Types of Expense	
Advertisements	46.00
Annual Fees & Dues	6,656.81
Bad Debt Expense	860.31
Bank Service Fees	818.69
Drug /Alcohol/Physical Testing	217.50
Health Insurance	32,985.43
Insurance - WC & Liability	10,181.00
IRA Contributions	-816.38
Membership Fee Refund	257.75
Merchant Fees	5,714.20
Recording Fees	100.00
Reimbursement	3,159.29
Sampling Fees	1,133.03
Signage	97.43
TCEQ Fees	50.00
Water System (Reg Assess Fee)	4,989.48
6000 · Other Types of Expense - Other	86.58
Total 6000 · Other Types of Expense	66,537.12
7000 · Operations	
Cellular	2,850.00
Commercial Bldg Lease	12,500.00
Office Repairs	409.35
Office Supplies	11,081.11
Postage	5,879.72
Printing and Copying	1,705.33
Telephone & Internet	3,021.62
Trash	241.50
Uniforms	792.01

11:13 AM

01/25/17

Accrual Basis

Union Grove Water Supply Corp.

Profit & Loss

January through December 2016

	Jan - Dec 16
Utilities	35,058.31
Website Fees	357.50
Total 7000 - Operations	73,896.45
7500 - Vehicle Expense	
Fuel and Diesel	9,597.59
License & Registration	1,842.82
Repairs & Maintenance - Trucks	8,672.94
Total 7500 - Vehicle Expense	20,113.35
8000 - Facilities & Equipment	
Chemicals & Treatment	4,853.21
Equipment Rentals	5,170.00
Materials & Supplies	47,158.18
Repairs & Maint. System	19,909.75
Repairs/Maint - Equipment	690.68
STEP Grant Expense	1,373.51
Total 8000 - Facilities & Equipment	79,155.33
Total Expense	446,471.40
Net Ordinary Income	77,761.72
Other Income/Expense	
Other Income	
Gain on Sale of Asset	1,500.00
4016 - Income	
Interest Income MM Account	4,986.76
Total 4016 - Income	4,986.76
Total Other Income	6,486.76
Net Other Income	6,486.76
Net Income	84,248.48

Union Grove Water Supply Corp.
Balance Sheet
As of December 31, 2016

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
Deposit Clearing Account	-4,819.62
1015 - Gladewater Nat'l Bank MM	255,886.73
1016 - Texas Bank & Trust - Membership	87,881.65
1017 - TX Bank&Trust - Operating Acct	87,784.47
1018 - Texas Bank & Trust - CD Account	359,759.13
Total Checking/Savings	786,492.36
Other Current Assets	
1010 - Petty Cash	4,750.00
1052 - A/R NSF Checks	113.55
1055 - Office Equipment	1,275.00
2000 - Accrued Revenue	
Bank Interest	-2.67
Total 2000 - Accrued Revenue	-2.67
Total Other Current Assets	6,135.88
Total Current Assets	792,628.24
Fixed Assets	
1299 - Land, Buildings & Equipment	
Improvements	15,730.70
1300 - Accumulated Depreciation	-1,456,874.00
1299 - Land, Buildings & Equipment - Other	1,741,968.99
Total 1299 - Land, Buildings & Equipment	300,825.69
1308 - Furniture and Equipment	3,005.92
Total Fixed Assets	303,831.61
Other Assets	
1309 - Trucks & Vehicles	47,260.16
Total Other Assets	47,260.16
TOTAL ASSETS	1,143,720.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 - Accounts Payable	-3,530.24
Total Accounts Payable	-3,530.24
Other Current Liabilities	
2002 - Payroll Liabilities	
Payroll Tax Expenses	-1,404.36
2002 - Payroll Liabilities - Other	-1,873.02
Total 2002 - Payroll Liabilities	-3,277.38
2103 - Current Portion of Notes Payabl	9,641.36
Total Other Current Liabilities	6,363.98
Total Current Liabilities	2,833.74
Long Term Liabilities	
2200 - USDA Loan	3,847.79
Total Long Term Liabilities	3,847.79
Total Liabilities	6,681.53
Equity	

11:13 AM

Union Grove Water Supply Corp.

Balance Sheet

01/25/17

As of December 31, 2016

Accrual Basis

	Dec 31, 16
30000 · Opening Balance Equity	255,886.73
3002 · Paid In Capital	24,274.00
3004 · Capital Stock	80,900.00
3200 · Unrestricted Net Assets	401,821.69
32000 · Retained Earnings	289,907.58
Net Income	84,248.48
Total Equity	1,137,038.48
TOTAL LIABILITIES & EQUITY	1,143,720.01

5. **Equity Buy-In Fee.** In addition to the Membership Fee, each Applicant shall be required to achieve parity with the contributions to the construction of the Corporation's facilities capacity that have been made previously by existing Members. This fee shall be assessed immediately prior to providing or reserving service on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. The formula applied to such fee calculated annually after receipt of the system audit is as follows: **(The Corporation will not charge both an Equity Buy-In fee and an Impact Fee to the same property.)**

Sample Calculation:

Total Contributions and Assets of the Corporation minus (-)
Accumulated Depreciation minus (-)
Outstanding Corporation Debt Principle minus (-)
Developer Contributions minus (-)
Grants received divided by
Total Number of Members / Customers equals =
Average Net Equity Buy-In Fee

a. Water Fee is \$1950.00

- **Impact Fee**— In addition to the Membership Fee, each Applicant shall be required to pay an impact fee if an impact fee (or any equity buy-in fee) has not previously been paid for the property at which service is requested. This fee shall be used to assist in funding capital improvements to the Corporation's system capacity, including water supply. This fee shall be assessed immediately prior to providing service on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. **(The Corporation will not charge both an Equity Buy-In fee and an Impact Fee to the same property.)**

Sample Calculation:

Prepare and adopt a capital improvement plan
Project number of connections during period covered by plan
Prepare a table establishing the additional demand on system facilities and supply
Identify additional facilities to be constructed and probable cost to be financed through impact fees
Divide total cost to be financed through impact fees by number of connections the facilities will serve to determine per connection impact fee

6. **Monthly Charges.**

a. **Service Availability Charge**

- (1) **Water Service** - The monthly charge for metered water service, which may or may not include allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8" X 3/4" meters (as per American Water Works Association maximum continuous flow specifications (see Miscellaneous) equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

METER SIZE	5/8" X 3/4" METER EQUIVALENTS	MONTHLY RATE
5/8" X 3/4"	1.0	\$18.00
3/4"	1.5	\$27.00
1"	2.5	\$45.00
1 1/2"	5.0	\$90.00
2"	8.0	\$144.00
3" DISP.	9.0	\$162.00
3" CMPD.	16.0	\$288.00
3" TURB.	17.5	\$315.00
4" CMPD.	25.0	\$450.00
4" TURB.	30.0	\$540.00
6" CMPD.	50.0	\$900.00
6" TURB.	62.5	\$1125.00
8" CMPD.	80.0	\$1440.00

b. **Gallonaage Charge** - In addition to the Service Availability Charge, a gallonaage charge shall be added at the following rates for usage during any one (1) billing period.

(1) Water - \$3.50 per 1, 000 gallons for any gallonaage from 0-10,000 gallons.

(2) The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6.

Monthly Charges of this tariff. (30 TAC 291.76 d.(3) (i))

7. **Assessments** – If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water or wastewater charges to be insufficient for the payment of all costs incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Rural Development, so that the sum of such assessments and the amount collected from water and other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations. (Article XVIII of Bylaws, Section 1.)

8. **Late Payment Fee.** Once per billing period, a penalty of \$8.00 shall be applied to delinquent bills. This late payment penalty shall not be applied to any balance to which the penalty was applied in a previous billing, but shall be applied to any unpaid balance during the current billing period.

NOTE: For Political Subdivisions and state agencies the above late payment fee does not apply. Instead a late penalty of 1% shall be assessed for any amount unpaid on the 46th day after the bill is received by the state agency or political subdivision and an additional 1% shall be assessed for each month thereafter that the bill remains unpaid. (See Government Code Chapter 2251)

9. **Owner Notification Fee.** The Corporation may, at the expense of the Member, notify said Member of a renter/lessee delinquent account status prior to disconnection of service. The Owner Notification Fee shall be \$2.00 per notification. (See Miscellaneous Transaction Forms.)

10. **Mortgagee/Guarantor Notification Fee.** The Corporation shall assess a fee of \$2.00 for each notification to a Membership lien-holder under agreement prior to Membership cancellation. (See

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

PAGE 001
DATE 123114

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

CASE NUMBER 51-030-*****7913		FINAL YEAR OF LOAN 2018		FUND CODE 91 LOAN NUMBER 02		DATE OF LOAN 12/14/78		INTEREST RATE 05.0000		AMOUNT OF LOAN 200,000.00	
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE				
BEGIN LOAN BALNCE		108.61	46,638.51	46,747.12			010114				
PAYMENT		198.05	781.45	979.50	R	05.0000	011414				
PAYMENT		194.74	784.76	979.50	R	05.0000	021414				
PAYMENT		172.88	806.62	979.50	R	05.0000	031414				
PAYMENT		187.97	791.53	979.50	R	05.0000	041414				
PAYMENT		178.67	800.83	979.50	R	05.0000	051414				
PAYMENT		181.22	798.28	979.50	R	05.0000	061414				
PAYMENT		172.09	807.41	979.50	R	05.0000	071414				
PAYMENT		174.40	805.10	979.50	R	05.0000	081414				
PAYMENT		170.97	808.53	979.50	R	05.0000	091414				
PAYMENT		162.14	817.36	979.50	R	05.0000	101414				
PAYMENT		164.08	815.42	979.50	R	05.0000	111414				
PAYMENT		155.43	824.07	979.50	R	05.0000	121414				
TOTAL LOAN PMTS		2,112.64	9,641.36	11,754.00							
TOTAL PAID ON ALL LOANS THIS YEAR		2,112.64	9,641.36	11,754.00							
LOAN ACTIVITY		0.00	2,112.64	9,641.36							
LOAN BALANCE UNPD INTEREST		86.15 **	UNPD PRIN	36,997.15 **							
NXT AMT DUE		11,754.00	DATE DUE 121414								
PAYMENT STATUS		ON SCHEDULE		INT PAID 2,112.64							
TAXES PAID											
ALL LOAN ACTIVITY		0.00	2,112.64	9,641.36							
BORR BAL UNPD INTEREST		86.15	UNPD PRIN	36,997.15							
*Those unpaid balances may not reflect the total amount due to the Agency at payoff.											
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120				CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO.1545-0901 2014 Form 1098		<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement			
RECIPIENT'S federal identification no. 431757115		PAYER'S social security number *****7913		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.					
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code UNION GROVE WSC PO BOX 11015 GLADEWATER TX 75647				2 Points paid on purchase of principal residence \$							
				3 Refund of overpaid interest \$							
				4							
				5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.							
Account number (see instructions) 51030*****791391 02											

ATTACHMENT M

7.G.iii.

NEIGHBORING CITIES & SYSTEMS

Neighboring Cities & Systems

- City of East Mountain

103 Municipal Drive

Gilmer, Texas 75645

(903) 297-4346

- City of Gladewater

519 E. Broadway

P.O. Box 1725

Gladewater, Texas 75647

(903) 845-2196

- Pritchett Water Supply Corporation

3670 State Highway 155 S

Gilmer, Texas 75645

(903) 734-5438

- City of Clarksville City

P.O. Box 111

White Oak, Texas 75693

(903) 845-2681

- Glenwood Water Supply Corporation

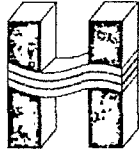
6792 FM 726

Gilmer, Texas 75645

(903) 734-5445

ATTACHEMENT N
CAPITAL IMPROVEMENTS PLAN (CIP)

- *Budget for proposed improvements*
 - *Timeline*
- *Proposed Map showing location of Improvements*
- *Capacity Summary before/after improvements*



HAYES ENGINEERING, INC.

Texas Registered Engineering Firm F-1465
2126 Alpine St. Longview, Tx 75601-3401


Union Grove WSC
CCN Amendment Improvements
Opinion of Probable Construction Cost

<u>Description</u>	<u>Qty.</u>	<u>U/M</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Phase I (Bob-O-Link Rd./Seaguil Rd./Willow Oak Rd.)				
1 . Furnish and install 4" water main (materials only, labor by WSC)	14,140	LF	\$6	\$84,840
2 . Furnish and install 6" water main (materials only, labor by WSC)	12,200	LF	\$9	\$109,800
Subtotal =				\$194,640

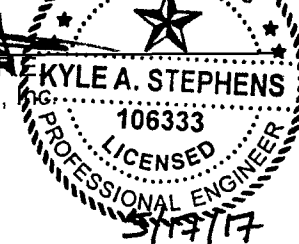
Schedule and Funding Mechanism

2017-2018 Texas Department of Agriculture CDBG STEP - Up to \$265,000 construction cost - complete by July 2019

Engineer Certification:



Kyle A. Stephens, P.E.
Hayes Engineering, Inc.



UNION GROVE WATER SUPPLY CORPORATION

CAPACITY SUMMARY SERVICE AREA 2017 AND PROPOSED CAPACITIES

Existing Number of Connections: 956
Number of Connections (After CCN Expansion): 991

PLANT #	EXISTING					After CCN Expansion				
	SUPPLY (GPM)	TOTAL STORAGE (GALS)	PUMPING (GPM)	PRESSURE TANK (GALS)	ELEVATED STORAGE (GALS)	SUPPLY (GPM)	TOTAL STORAGE (GALS)	PUMPING (GPM)	PRESSURE TANK (GALS)	ELEVATED STORAGE (GALS)
*	174	100,000	700	---	100,000	174	100,000	700 *	---	100,000
	125	100,000	700		100,000	125	100,000	700		100,000
	125	65,000				125	65,000			
	150	75,000				150	75,000			
	160					160				
TOTALS	734	340,000	---	---	200,000	734	340,000	---	---	200,000
REQUIRED CAPACITY	574	191,200	1000 Max	---	95,600	595	198,200	1000 Max	---	99,100
SURPLUS	160	148,800	---	---	104,400	139	141,800	---	---	100,900
DEFICIENCY	---	---	---	---	---	---	---	---	---	---
EQUIVALENT CONNECTIONS	267	744	---		522	232	709			1,009