

Control Number: 48350



Item Number: 1

Addendum StartPage: 0



48350
Strand Associates, Inc.
203 South Jackson Street
Brenham, Texas 77833
(P) 979-836-7937
(F) 979-836-7936

2018 MAY -8 PM 1:55

PUBLIC UTILITY COMMISSION
FILING CLERK

May 7, 2018

Public Utility Commission of Texas
Central Records
1701 N. Congress Avenue
Austin, Texas 78711

**RE: CCN Application
City of Dayton
Strand Job No. 3914.064**

To Whom It May Concern:

Attached for your review are 10 copies of the CCN Application for the City of Dayton.

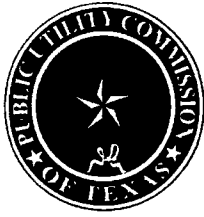
If you have any questions or comments, please do not hesitate to call.

Sincerely,
STRAND ASSOCIATES, INC.

Kelly Hajek, P.E.
Project Manager

Enclosures

cc + enclosure: City of Dayton



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

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

Docket Number: _____

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

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

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

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

Table of Contents

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

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

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

Purpose of Application

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

1. Applicant Information

Applicant	
Utility name: City of Dayton	
Certificate number: 600600019	
Street address (City/ST/ZIP/Code): 117 Cook Street Dayton, Texas 77535-2695	
Mailing address(City/ST/ZIP/Code): 117 Cook Street Dayton, Texas 77535-2695	
Utility Phone Number and Fax:(936) 258-2642	
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: Theo Melancon	Title: City Managar
Mailing address: 117 Cook Street Dayton, Texas 77535	
Email: citymanager@daytontx.org	Phone and Fax: (936) 258-2642
List all counties in which service is proposed: Liberty County	
See Attachment 1 for Additional Contact Information	

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:

N/A - City of Dayton is
not a For-Profit business
or corporation

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

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

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

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

N/A - City of Dayton is not a TWC Ch. 67 corporation

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? City of Dayton, City of Liberty, Aqua Texas, Woodland Hills Water LLC, Orchard Crossing

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

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

See Attachment 2

☒ Yes ☐ No

If YES, provide the following:

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

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

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

☒ Yes ☐ No

If YES, within the corporate limits of: City of Dayton

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

This application is for the City of Dayton, therefore nothing is required.

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?

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

Seeking single certification and decertification is not in the public interest because it is not needed. The proposed CCN does not overlap any existing utility CCNs.

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. **See Attachment 3**
- 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 **See Attachment 4**
 - 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. **N/A per Kristy at PUC**
- D. Provide separate and additional maps of the proposed area(s) to show the following: **See Attachments 5 & 6**
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

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

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

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

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

- A. Please provide the following information: **N/A - City of Dayton is not a New System**
 - 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 **N/A - City of Dayton is not a New System**

- 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:
- N/A - City of Dayton has an existing utility system already
- D. Date of plat approval, if required: _____
Approved by: N/A - City of Dayton has an existing utility system already
- E. Date Plans & Specifications submitted to the TCEQ for approval:
N/A - City of Dayton has an existing utility system already 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: N/A - City of Dayton has an existing utility system already
- G. Date service is scheduled to commence: N/A - City of Dayton has an existing utility system already

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):

1	4	6	0	0	0	2												

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

W Q 1 0 5 6 4 - 0 0 4 ;

W Q -

W Q -

W Q -

W Q -

W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): 4/13/2015
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- 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.

See Attachment 7

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

Name	Classes	License Number
Evert Douchette	C	WG0006221/WW0039576
Robert Clark	C	WG0013426/WW0047540
Tracie Patterson	C	WG0014373/WW0041517

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

- ☐ Yes
- ☒ No

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

N/A - City of Dayton is not operating at 85% or greater of the TCEQ's min. standard capacity requirements

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

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	1,008	116	Residential	935	116
1" meter or larger	72	0	Commercial	139	0
Non-Metered	0	0	Industrial	6	0

TCEQ Water System			TCEQ Sewer System		
Other:	0	0	Other:	0	116
Total Water	1,080	116	Total Sewer	1,080	0

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

N/A - Application is for both water and sewer CCN

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

N/A - Application is for both water and sewer CCN

G. Effect of Granting a Certificate Amendment.

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:

See Attachment 8

- 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

N/A - This application is for an existing water and sewer system

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: **See Attachments 9 & 10**

- 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**

See Attachments 9-11

- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant. **See Attachment 11**

❖ **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: **See Attachment 12**
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: **See Attachment 13**
 - 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.

H. Notice to Customers: **N/A - City of Dayton is not an IOU**

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.

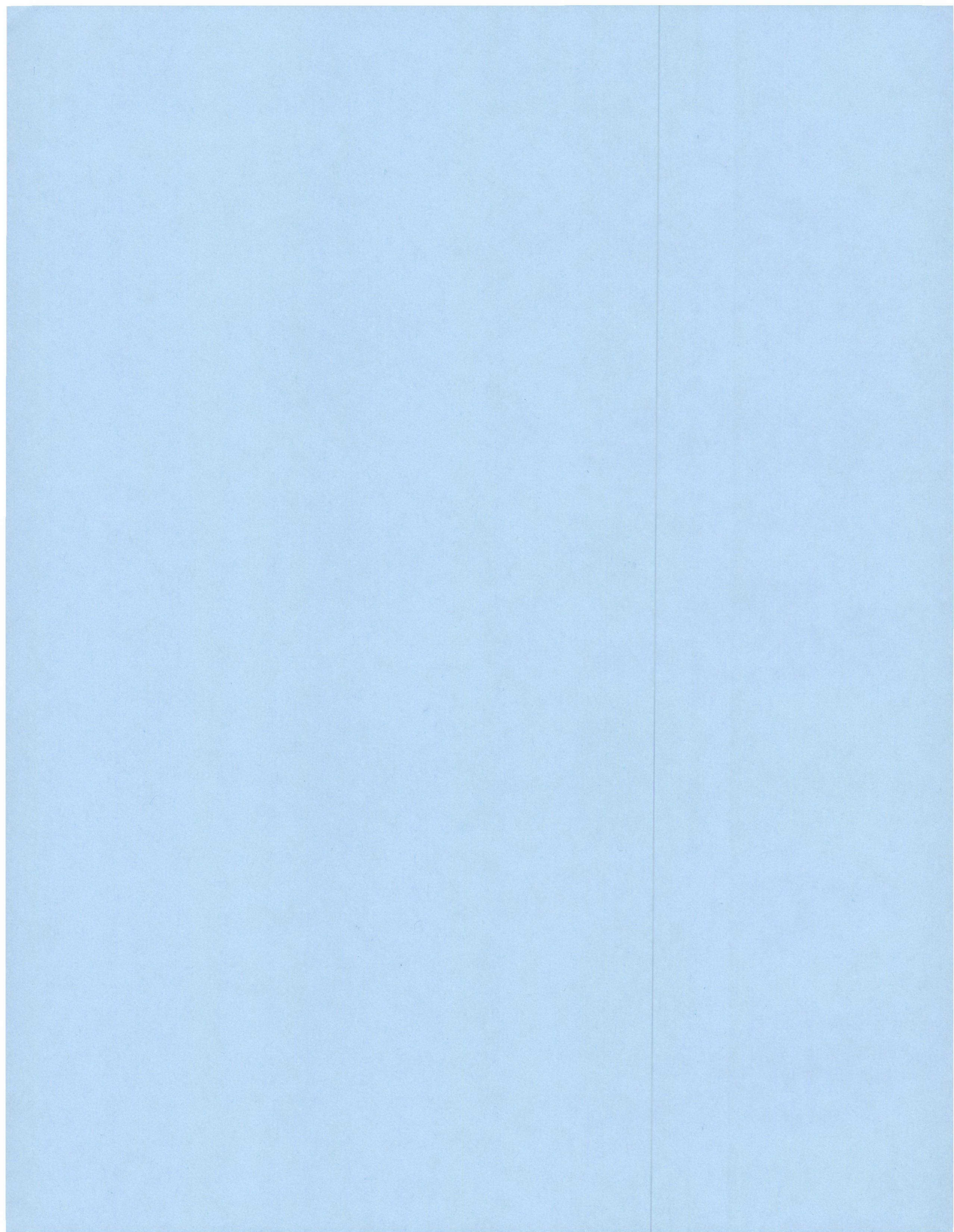
I. The commission may require the applicant to deliver notice to other affected persons or agencies.

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.

Attachment 1

Section 1. Applicant Information

Additional Contact Information



Attachment 1
Section 1. Applicant Information
Additional Contact Information

Name- Kelly Hajek

Title- Engineer

Mailing Address- 203 South Jackson Street, Brenham, Texas 77833

Email Address- kelly.hajek@strand.com

Phone Number- (979) 836-7937

Attachment 2
Section 2.B Location Information
Requested Service Area

**Attachment 2
Section 2.B Location Information
Requested Service Area**

Per the City of Dayton, 3 subdivisions are in the process of being constructed that will need water and sewer services. The following are the subdivisions and number of connections: Fordland Estates Sec 4 will need 44 connections; Fordland Estates Sec 5 will need 52 connections; and Luke Colbert Subdivision will need 20 connections.

Attachment 3
Section 3.A Map Requirements
Location Map

OVERSIZED MAP(s) or DOCUMENT(s)

**TO VIEW
OVERSIZED MAP(s) or DOCUMENT(s)**

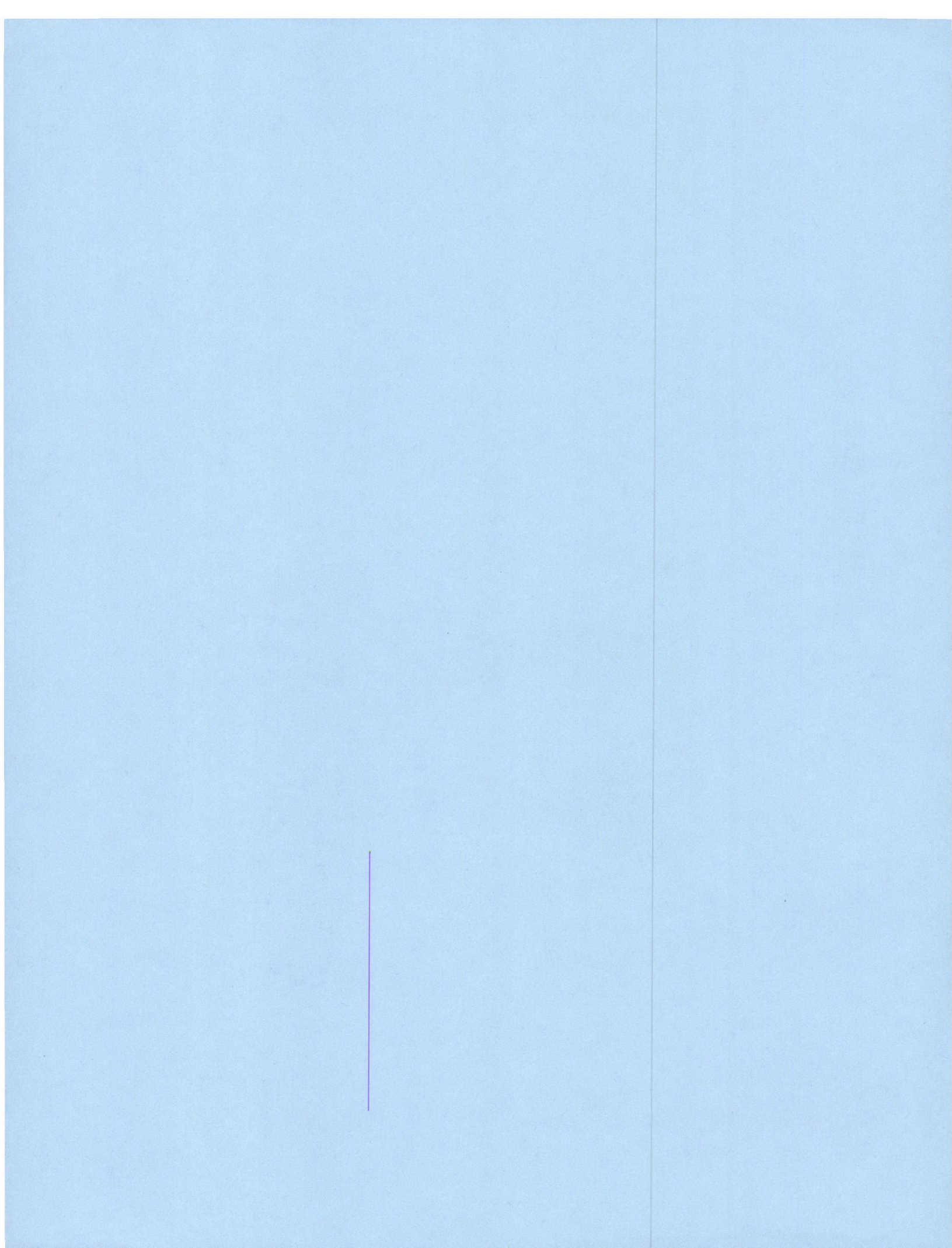
**PLEASE CONTACT
CENTRAL RECORDS
512.936.7180**

Thank you

Attachment 4

Section 3.B Map Requirements

Proposed Area Map (Digital Data)



CD ATTACHED

**PLEASE CONTACT CENTRAL
RECORDS AT
512-936-7180**

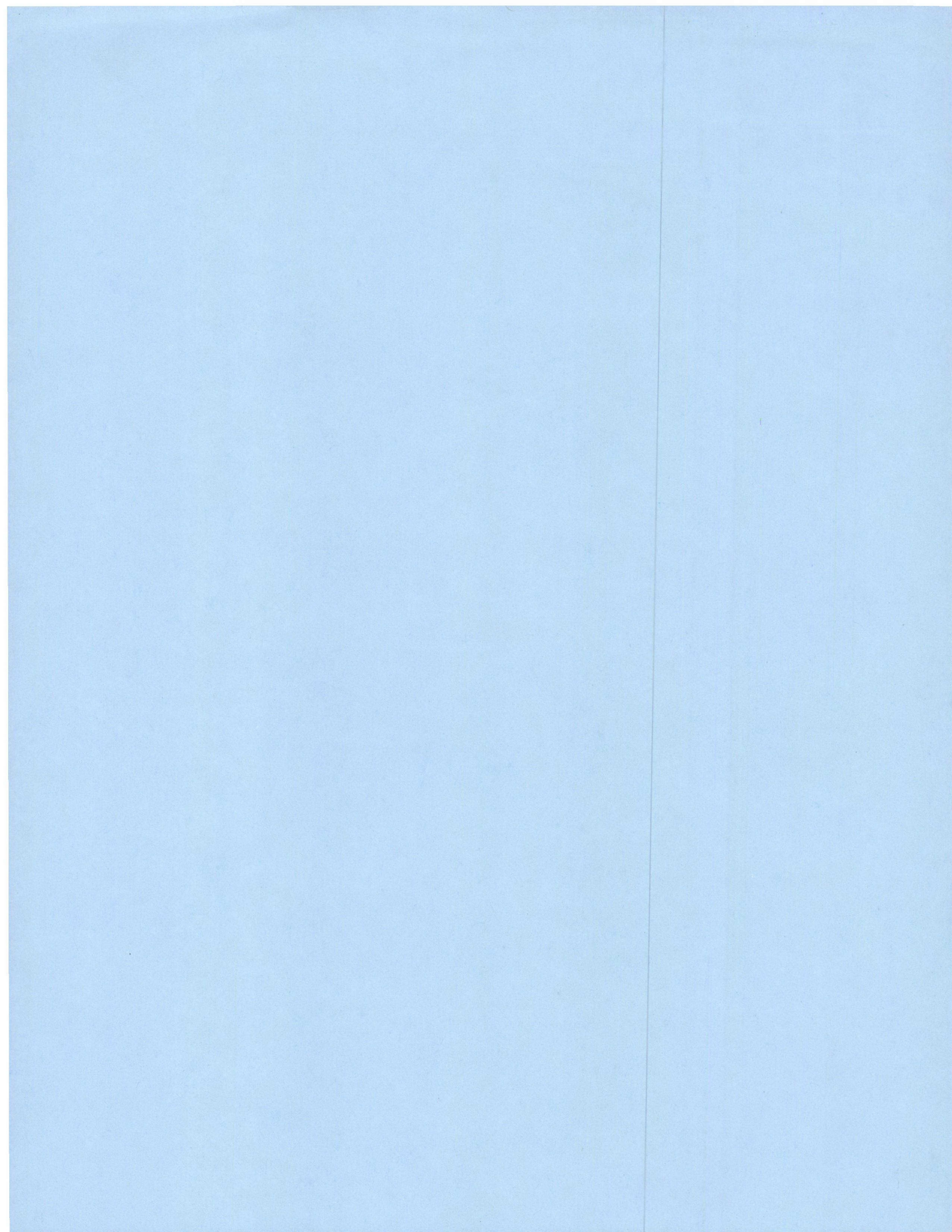
Duge, Molly

From: Nguyen, Kristy <Kristy.Nguyen@puc.texas.gov>
Sent: Friday, May 4, 2018 12:25 PM
To: Duge, Molly
Subject: RE: Updated CCN Map

Through this email, I can confirm that for such an area, we do not advise using metes and bounds, and I'm sure it's very costly. Digital data in GIS format is the most preferred (vs. AutoCad .dwg), sent with hardcopy maps of the area.

Thanks,
Kristy Nguyen

Attachment 5
Section 3.D Map Requirements
Proposed Area Map & Water Map



OVERSIZED MAP(s) or DOCUMENT(s)

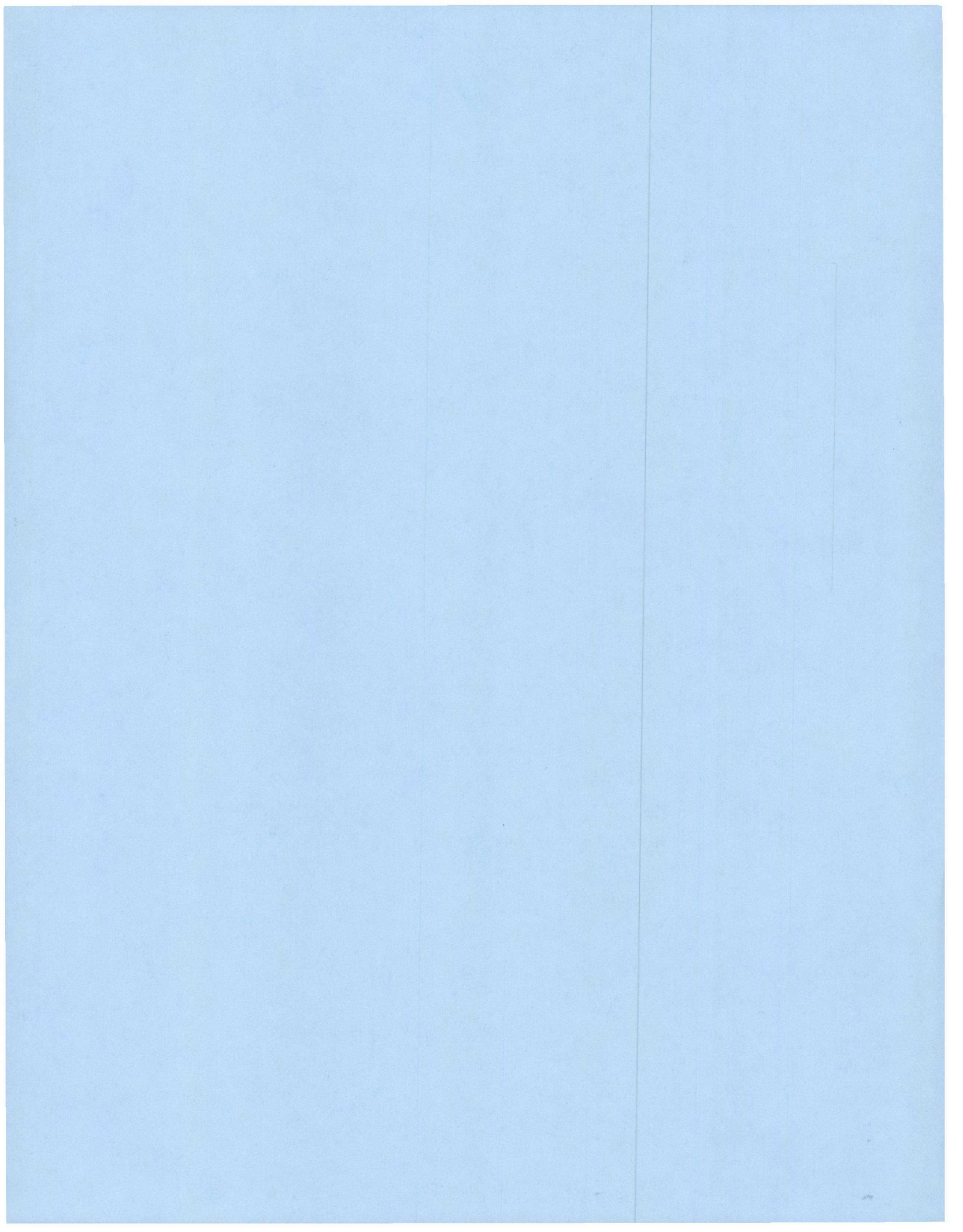
TO VIEW

OVERSIZED MAP(s) or DOCUMENT(s)

**PLEASE CONTACT
CENTRAL RECORDS
512.936.7180**

Thank you

Attachment 6
Section 3.D Map Requirements
Proposed Area Map & Sewer Map



OVERSIZED MAP(s) or DOCUMENT(s)

TO VIEW

OVERSIZED MAP(s) or DOCUMENT(s)

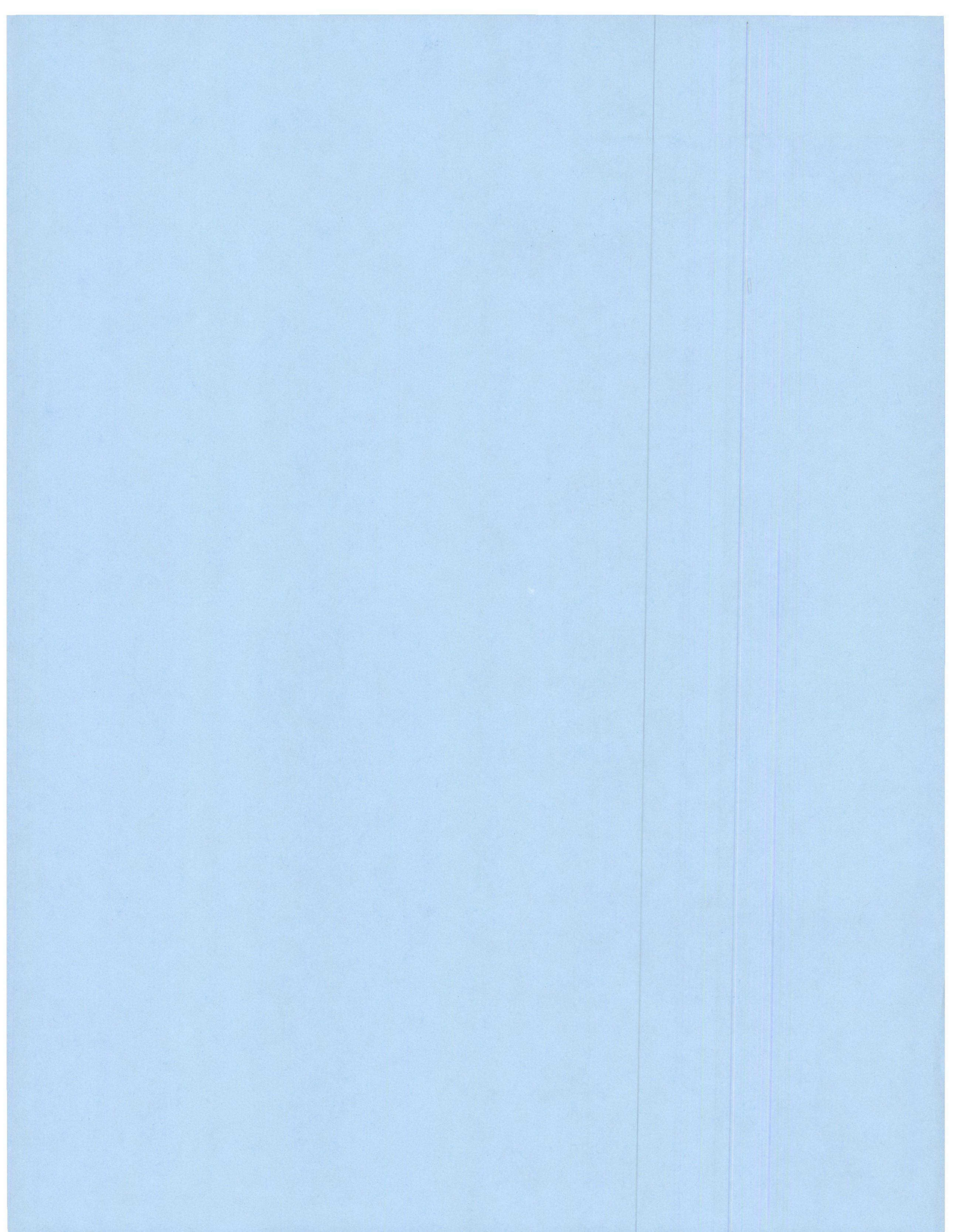
**PLEASE CONTACT
CENTRAL RECORDS
512.936.7180**

Thank you

Attachment 7

Section 5. iv & v Existing System Information

TCEQ Inspection Report Letter and
Actions Taken



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

Regulated Entity/Site Name	City of Dayton	TCEQ Add. ID No.	1460002	
Investigation Type	CCI	Contact Made In-House (Y/N)		Purpose of Investigation
Regulated Entity Contact	Mr. James McDaniel	Telephone No.		Date Contacted
Title	Manager	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 TCEQ findings related to violations*. Any potential or alleged violations discovered after the date of 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 this investigation's final 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)	Description of Issue
1	AV	290	Failure to have a Sanitary Control Easement or Deed and Map for the well a plant 2.
2	RR/AV	290	Failure to notify TCEQ prior to plugging well 1. Submit letter of approval.
3	AV	290	Failure to have a complete plant operations manual. It did not include the state and federal emergency numbers.
4	AV	290	Failure to have wires in conduit in the pump room at plant 2.
5	AV	290	Failure to have the roof hatch locked on the 350,000 gallon ground storage tank at plant 2.
6	AV	290	Failure to have a water system ownership sign at plant 3.

¹Issue 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 type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input 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.			
Ebunoluwa Broomes	4/13/2015		
Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date

If you have question about any information on this form, please contact your local TCEQ Regional Office.

Individual 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.

THE STATE OF TEXAS:

COUNTY OF LIBERTY : BEFORE ME, the undersigned authority in and for the State and County aforesaid, on this day personally appeared Christie McNulty and Zona McNulty, his wife known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Zona McNulty, wife of the said Christie McNulty, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Zona McNulty, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER my hand and seal of office, this the 22nd day of January, A. D. 1945.

(SEAL)

E. W. Pickett; Clerk District Court, in and for Liberty County, Texas.

By Charley Smith, Deputy

FILED FOR RECORD: Jan. 29th, 1945, A. D., at 11:30 o'clock A. M.

RECORDED: Feb. 28th, 1945, A. D., at 4:45 o'clock P. M.

L. V. HIGHTOWER, COUNTY CLERK

BY Viggo Pirine DEPUTY

#400
The Real Estate Corporation
To
City of Dayton

CORRECTION DEED

DATED: Jan. 25th, 1945

FILED: Jan. 29th, 1945

THE STATE OF TEXAS:

COUNTY OF LIBERTY : WHEREAS, it appears that, on Nov. 14, 1929, by deed of record in Vol. 157, page 458 of the Deed Records of Liberty County, Texas, The Sterling Properties a Texas Corporation, domiciled in Houston, Harris County, Texas, conveyed to the City of Dayton, Block No. One (1) of the R. S. Sterling Investment Company Addition to the City of Dayton, as per plat of record in Vol. 111, page 551 of the Deed Records of Liberty County, Texas, no minerals being reserved thereunder; and,

WHEREAS, it was the intention of said R. S. Sterling Investment Company to convey to said City of Dayton, Block No. Eleven (11) of said Subdivision; and,

WHEREAS, the said City of Dayton has drilled its water wells and has its water system installed on Block No. Eleven (11) of said Subdivision; and,

WHEREAS, by deed dated April 29, 1933, The Sterling Properties, as shown in Vol. 175, page 147 of said records, conveyed to the Real Estate Corporation, a Texas Corporation, domiciled in the County of Harris, State of Texas, certain portions of the R. S. Sterling Investment Company Addition to the City of Dayton, Texas; and

WHEREAS, by deed dated Dec. 14, 1944, the said Real Estate Corporation, acting through Maude Gage Sterling, its President, and Freda Dumbeck, its Secretary, conveyed to T. V. Collins all or Blocks Nos. One (1), Two (2), Three (3), four (4), Five (5), and all of Lots Nos. One (1), Two (2), Three (3), Four (4), Five (5), Six (6); Eleven (11) and Twelve (12), of Block No. Six (6); All of Blocks Seven (7), Eight (8), Nine (9), and all of Lots Nos. One (1), Two (2), Eight (8), Nine (9), Ten (10), Eleven (11), and Twelve (12) of Block No. Ten (10) of the R. S. Sterling Investment Company Addition to the City of Dayton in Liberty County, Texas, reserving one-half (1/2) of all and every the oil, gas, coal, sulphur and other minerals, whether similar or dissimilar, in, on and under, and that may hereafter be produced from the above described land; and,

WHEREAS, said Block One (1) was conveyed through error to the City of Dayton by said deed of record in Vol. 157, page 458 of said records, and it being the desire to correct said error,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: That The Real Estate Corporation a corporation domiciled in the County of Harris, State of Texas, for and in consideration of the sum of One & No/100 (\$1.00) Dollar to it in hand paid by the City of Dayton, and the further consideration that the City of Dayton convey to the Real Estate Corporation, Block No. One (1) in the Sterling Investment Company Addition to the City of Dayton, have granted, sold and conveyed and by these presents do grant, sell and convey unto the City of Dayton, situated in Liberty County, Texas, all of Block No. Eleven (11) of the R. S. Sterling Investment Company Addition to the City of Dayton, as per plat of record in Vol. 111, page 551 of the Deed Records of said County.

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto belonging unto the City of Dayton, its successors and assigns forever; and we do hereby bind ourselves, our successors and assigns to Warrant and Forever Defend all and singular the said premises unto the said City of Dayton, of Liberty County, Texas, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

WITNESS our hands at Houston, Texas, this 25th day of January, A. D. 1945.

(SEAL)
Freda Dumbeck, Secretary

THE REAL ESTATE CORPORATION

By Maud Gage Sterling, President

THE STATE OF TEXAS:

COUNTY OF HARRIS : BEFORE ME, the undersigned authority, in and for Harris County, Texas, on this day personally appeared Maud Gage Sterling known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity stated and as the act and deed of The Real Estate Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24th day of January, A. D. 1945.

(SEAL)

L. P. Rehols, Notary Public

in and for Harris County, Texas.

FILED FOR RECORD: Jan. 29th, 1945, A. D., at 11:30 o'clock A. M.

RECORDED: Mon. 1st, 1945, A. D., at 9:20 o'clock A. M.

L. V. HIGHTOWER, COUNTY CLERK

BY *Virgie R. Rovers* DEPUTY

#401
City of Dayton
To
Real Estate Corp.

DEED

DATED: Jan. 22nd, 1945

FILED: Jan. 29th, 1945

THE STATE OF TEXAS:

COUNTY OF LIBERTY : WHEREAS, at a called meeting of the City Council of the City of Dayton, in Liberty County, Texas, it has been made known to said Council that they have no deed to Block Eleven (11) in the R. S. Sterling Investment Company Addition to the City of Dayton where their wells and water works are located, an error having been made in the conveyance to the City of Block One (1) instead of Block Eleven (11) as is shown in deed record in Vol. 157, page 458 of the Deed Records of Liberty County, Texas; and,

WHEREAS, the Sterling Properties has executed to the City of Dayton its deed conveying said Block Eleven (11) in said Addition in consideration of said City of Dayton executing its deed to the Real Estate Corporation, of Harris County, Texas, conveying to said corporation said Block One (1) in said Addition.

Tim Robertson

From: Tim Robertson
Sent: Monday, August 05, 2013 3:02 PM
To: 'Jonathan Liu'
Cc: Craig Kankel
Subject: RE: TCEQ City of Dayton PWS# 1460002
Attachments: Att1 (3).tif; 20130805142335666.pdf

461.001-WC

Jonathan:

Per our earlier telecon. this email is intended to be our response to the comments in your email below.

1. Re: Sealed Engineer's Report – As I mentioned on the phone, the new well is intended to replace an existing well that has failed. The existing well and the new well locations are at the same water plant. We anticipate that the new well will have equal or greater capacity than the existing well, but it isn't possible to know the firm well capacity at this time since it has not been drilled. Therefore, we cannot prepare the calculations for the report you requested because the final capacity is not known. Also, we are not "sizing a well" as mentioned in your comments; instead, we are simply replacing an existing well with a new well and getting as much water as possible from the new well. We believe it isn't economically prudent for the City to pay for the preparation of a report on project where they are simply replacing an existing well with a new well that should have equal or greater capacity -- basically, it would not be a wise use of the City's money in our opinion. Accordingly, we respectfully request that the requirement for the report you requested be eliminated for this project.
2. Re: Draft of the Sanitary Control Easements. Under Paragraph 290.41 (c) (1) (F) (iv) (I), with the executive directors approval the City is allowed to submit a copy of the recorded deed and map that shows they own all real property within 150-ft from the new well (as substitute to the sanitary control easement). Our original submittal included a recent survey map that shows that the City owns all property within 150-ft, but we did not include a copy of the deed as required by the Chapter 290 regulation. Attached is a copy of the deed from 1934 and, for your convenience, I've also attached a copy of the survey map that was included with our original submittal. Please note that the 1934 deed is referenced in Note 3 on the survey map (i.e. Vol 190, Page 480). We respectfully request that you approve the attached deed and map as a substitute to the sanitary control easement.

I appreciate your consideration and please contact me if you have any questions.

Thanks,
Tim

Timothy W. Robertson, P.E.
O'Malley Engineers, LLP (F-3244)
203 S. Jackson / Brenham, TX 77833
(P) 979-836-7937

From: Jonathan Liu [<mailto:Jonathan.Liu@tceq.texas.gov>]
Sent: Tuesday, July 30, 2013 3:38 PM
To: Tim Robertson
Subject: TCEQ City of Dayton PWS# 1460002

Dear Mr. Timothy Robertson,

Concerning your proposal for construction of 2013 Water Well No. 4, we currently need the following items to complete our review:

- A sealed engineer's report that sizes the well/spring capacity based on connections or people to be served
- A draft of sanitary control easements. Easements needed for adjoining properties shall be accompanied by written commitment to execute from the property owner.

Please send the required documents, which can be mailed or sent back to this email address for your convenience.

Thank you,

Jonathan Liu
Water Supply Division
Texas Commission on Environmental Quality
jonathan.liu@tceq.texas.gov

#2930

Deed

L. Friedman
to
City of Dayton

Dated: April--1934.

Filed: April 25th., 1934,

THE STATE OF TEXAS:

COUNTY OF LIBERTY:

KNOW ALL MEN BY THESE PRESENTS:

That I, L. Friedman of the County of Liberty, State of Texas, for and in consideration of the sum of Six Hundred and no/100 Dollars, to me in hand paid by the City of Dayton, Texas.

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said City of Dayton, of the County of Liberty, State of Texas, all that certain tract of land containing six (6) acres, situated in Lot No. 1 of Block no. 11 of the City of Dayton and described as follows:

BEGINNING at a piece of flat iron at the N. E. corner of a one acre tract in the S. E. corner of said Lot No. 1, owned by Huff Wingleman.

THENCE S. 60 degrees West parallel to the south line of Lot No. one, at 75.3 varas a piece of flat iron at the S. W. corner of the said one acre tract at 250.2 varas set a piece of one inch iron pipe in the West line of Lot No. 1 for the S. W. corner of this tract, 1.8 varas N. 60 degrees E. of an 1/2" iron bolt under a fence;

THENCE N. 30 degrees W. with the West line of Lot No. 1, 130.1 varas and set a piece of sucker rod for the N. W. corner of this tract;

THENCE N. 60 degrees E. parallel to the south line of Lot No. 1, 200.2 varas and set a piece of one inch iron pipe in the East line of Lot No. 1 for the northeast corner of this tract;

THENCE S. 30 degrees E. 130.1 varas to the place of beginning. This tract being situated in the City of Dayton, Liberty County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said City of Dayton, their heirs and assigns forever; and I do hereby bind myself, my heirs, executors and administrators, to Warrant and Forever Defend all and singular the said premises unto the said City of Dayton, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Witness my hand at Dayton, Texas, this --day of April, A. D. 1934,

L. Friedman

THE STATE OF TEXAS:

COUNTY OF LIBERTY :

BEFORE ME, Notary Public in and for Liberty County, Texas, on this day personally appeared L. Friedman, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 23rd day of April, A. D. 1934,

ANCE RATE MAP
DATED MAY 2, 2008,
INCORPORATED AREAS.
HEREON ARE
ID ARE IN AN AREA
ANNUAL CHANCE

1

40 35 30 25

SCALE: 1 INCH = 50'

~LEGEND~

OPR = OFFICIAL PUBLIC RECORDS
LC, TX = LIBERTY COUNTY, TEXAS
VOL. = VOLUME
PG. = PAGE
OHP = OVERHEAD POWER LINE
LHP = LIGHT POLE
P = POWER POLE
C = CLEANOUT
M = MAILBOX
T = TELEPHONE BOX
W = WATER METER
H = FIRE HYDRANT
V = WATER VALVE
G = GAS METER
C-L = CHAIN LINK FENCE
H-W = HOG WIRE FENCE
B = BOARD FENCE
P = PIPE FENCE
S = SIGN
G = GUY WIRE
G-I = GRATE INLET

VOL. 49, PG. 390
DEED RECORDS
LIBERTY COUNTY, TEXAS

VOL. "N", PG. 421
DEED RECORDS
LIBERTY COUNTY, TEXAS

NOTE 3- ALL OF A CALLED 6.00 ACRE TRACT CONVEYED BY L. FRIEDMAN TO THE CITY OF DAYTON AS RECORDED IN VOLUME 190 AT PAGE 480 OF THE DEED RECORDS OF LIBERTY COUNTY, TEXAS.

NOTE 4: ALL OF THAT CERTAIN 0.2307 OF AN ACRE OF LAND BEING THE MOST NORTHERLY 30.0 FEET OF LOTS 8 THROUGH 14, INCLUSIVE, BLOCK 2, OF THE FRIEDMAN SUBDIVISION, CONVEYED BY PEARL FRIEDMAN COHN, ET AL. TO THE CITY OF DAYTON, TEXAS BY DEED DATED FEBRUARY 25, 1997 AND RECORDED IN VOLUME 1674 AT PAGE 440 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS.

I, JULIENE RAMSEY, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4379,
DO HEREBY CERTIFY THAT THIS PLAT DELINEATES THE RESULTS OF A SURVEY
MADE ON THE GROUND, UNDER MY SUPERVISION, IN JANUARY OF 2013 AND
THAT ALL LINES, BOUNDARIES AND LANDMARKS ARE ACCURATELY SHOWN
HEREON.

WITNESS MY HAND AND SEAL AT BAYTOWN, TEXAS, THIS 11TH DAY OF
FEBRUARY, A D. 2013.

Juliene Ramsey
JULIENE RAMSEY
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 1379

BHA-HUTCHISON & ASSOCIATES

1209 DECKER DRIVE ENGINEERS - SURVEYORS BAYTOWN, TEXAS 77520
281-427-8213

DRAWN AJR	DESIGN
CHECKED AR	SCALE 1"=50'
DATE 02-07-13	F.O.

DESIGN
SCALE
1"=50'
F.O.

121-1213
SURVEY OF TWO TRACTS
FOR CITY OF DAYTON
D/O FRIEDMAN'S SUBDIVISION
CITY OF DAYTON, TEXAS
NORTH & SOUTH LIBERTY TOWN LEAGUES
A-357 & A-358
LIBERTY COUNTY, TEXAS

NO.	REVISION	BY	CHKD.	APVD.	DATE	DRAWING NAME: 4111.DWG	JOB NO. 12--4111	REV.	SHEET 1 OF 1
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Tim Robertson

461.881-WD

From: Tim Robertson
Sent: Monday, September 30, 2013 9:21 AM
To: Jonathan Liu (Jonathan.Liu@tceq.texas.gov)
Cc: 'vera.poe@tceq.texas.gov'; Craig Kankel; rmcdaniel@cityofdayontx.com; Michael Weisinger (mweisinger@weisingerinc.com)
Subject: Dayton - Water Well No. 4 - Plan Review Log No. P-07232013-168

Tracking:	Recipient	Delivery	Read
	Jonathan Liu (Jonathan.Liu@tceq.texas.gov)		
	'vera.poe@tceq.texas.gov'		
	Craig Kankel	Delivered: 9/30/2013 9:21 AM	Read: 9/30/2013 9:27 AM
	rmcdaniel@cityofdayontx.com		
	Michael Weisinger (mweisinger@weisingerinc.com)		

Jonathan:

As required by the TCEQ approval letter for this project, this email is our notification to you that the cementing around the casing for the City of Dayton, Water Well No. 4 is scheduled to begin on Wednesday, October 2, 2013.

Please do not hesitate to contact me if you have any questions.

Thanks,
Tim

Timothy W. Robertson, P.E.
O'Malley Engineers, LLP (F-3244)
203 S. Jackson / Brenham, TX 77833
(P) 979-836-7937

Called TCEQ on 9/11/13
to Notify them on
Const. starting
(Reg 12 office @
713-767-3500)
-- Left voice mail
JWR 9/11/13

9/16/13
Called TCEQ Reg. 12 -
Drinking Water Section
to verify they had
received my voice mail
on 9/11/13. Receptionist
said someone would
return my call if
they needed to. Tim

Bryan W. Shaw, Ph.D, *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



466,081-WD
PWS/1460002/CO/09-06-2013/Plan Ltr

Texas Commission on Environmental Quality
Protecting Texas by Reducing and Preventing Pollution

September 6, 2013

Mr. Timothy W. Robertson, P.E.
O'Malley Engineers, L.L.P.
P.O. Box 1976
Brenham, Texas 77834

RECEIVED SEP 11 2013

Re: City of Dayton - Public Water System ID No. 1460002
Proposed Public Water Supply Well No. 4
Engineer Contact Telephone: (409) 836-7937
Plan Review Log No. P-07232013-168
Liberty County, Texas

CN600600019; RN101424950

Dear Mr. Robertson:

On July 23, 2013, the Texas Commission of Environmental Quality (TCEQ) received planning material with your letter dated July 5, 2013, for the proposed public water supply well No. 4. Based on our review the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **conditionally approved for construction** if the project plans and specifications meet the following requirements:

1. All known abandoned or inoperative wells within 1/4-mile of the proposed well site shall be reported to the commission along with existing or potential pollution hazards per 30 TAC §290.41(c)(1)(E);
2. Upon well completion, or after an existing well has been reworked, the well shall be disinfected in accordance with current American Water Works Association (AWWA) standards for well disinfection except that the disinfectant shall remain in the well for at least six hours per 30 TAC §290.41(c)(3)(F);
3. The chlorination facility must meet the applicable requirements listed in 30 TAC §290.42(b), (e), and (f)(2). Please submit plans and specifications for the design and capacity of the chlorination system with the well completion data; and
4. Please provide the water well pump setting in linear feet (lf), type of pump and capacity for the proposed well in horsepower, gallons per minute (gpm) and total dynamic head (tdh) with the well completion material.

An appointed engineer must notify the TCEQ's Region 12 Office in Houston at (713) 767-3500 when construction will start.

Mr. Timothy W. Robertson, P.E.

Page 3

September 6, 2013

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on our website at the address shown below.

<http://www.tceq.texas.gov/utilities/planrev.html>

For future reference, you can review part of the Utilities Technical Review Team's database to see if we have received your project. This is available on the TCEQ's homepage on the Internet at the following address:

<http://www.tceq.texas.gov/utilities/planrev.html#status>

You can download most of the well construction checklists and the latest revision of Chapter 290 "Rules and Regulations for Public Water Systems" from this site.

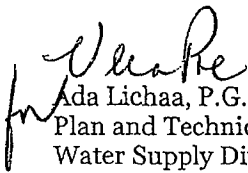
If you have any questions concerning this letter, please contact Jonathan Liu at (512) 239-1490 or by email at "jonathan.liu@tceq.texas.gov" or by correspondence at the following address:

Utilities Technical Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



Vera Poe, P.E., Team Leader
Utilities Technical Review Team, MC-159
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality



Ada Lichaa, P.G., Manager
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

JLIU/av

Enclosure: "Public Well Completion Data Checklist for Interim Approval"

cc: City of Dayton Attn: The Honorable Felix Skarpa, 117 Cook Street, Dayton, Texas 77535

Mr. Timothy W. Robertson, P.E.
Page 2
September 6, 2013

Texas Water Code Section 36.0015 allows for the creation of groundwater conservation districts (GCD) as the preferred method of groundwater management. GCD's manage groundwater in many counties and are authorized to regulate production and spacing of water wells. **Public water systems drilling wells within an existing GCD are responsible for meeting the GCD requirements.** The authorization provided in this letter does not affect GCD authority to manage groundwater or issue permits.

The design engineer or water system representative is required to notify the Utilities Technical Review Team in writing by fax (512)239-6972 or email jonathan.liu@tceq.texas.gov and cc vera.poe@tceq.texas.gov at least 48 hours before the well casing pressure cementing begins. If pressure cementing is to begin on a Monday, then they must give notification on the preceding Thursday. If pressure cementing is to begin on Tuesday, then they must give notification on the preceding Friday.

We have enclosed a copy of the "Public Well Completion Data Checklist for Interim Approval." We provide this checklist to help you in obtaining interim approval to use this well before we can give final approval.

The submittal consisted of one sheets of engineering drawings, technical specifications and an engineering summary. The proposed project consists of:

- One public water supply well drilled to depth to 1,320 feet with 24-inch diameter pressure-cemented steel pipe casing meeting AWWA specification; 210 feet of stainless steel slotted screen, 105 feet of blank steel liner above the underream; the well will be with an unknown horsepower submersible pump set an undetermined level. The tdh will be 450 feet and the design capacity will be 2,000 gpm.

This approval is for the construction of the above listed items only. Any additional components contained in this design were not considered.

The City of Dayton public water system provides water treatment for the system.

The proposed well will be located northwest of the intersection of Rosewood Street and N. Prairie Street in Liberty County, Texas.

Please keep in mind that within 60 days of project completion the engineer must attest in writing that the project was constructed as described in the approved plans, specifications and any change orders filed with the TCEQ as required in Title 30 Texas Administrative Code §290.39(h)(3) of the Rules.

Please refer to the Utilities Technical Review Team's Log No. P-07232013-168 in all correspondence for this project. This will help complete our review and prevent it from being considered a new project.

CHECKLIST FOR PROPOSED* PUBLIC WATER SUPPLY WELL/SPRING

Texas Commission on Environmental Quality Public Water System I.D. No.: _____
Water Supply Division TCEQ Log. No.: _____
Util. Technical Review Team MC-159 Owner's Well Id No. or Name.: _____
P.O. Box 13087, Austin, Texas 78711-3087

The following list is a synopsis of the "Rules for Public Water Systems", 30 TAC Chapter 290 regarding proposed well/spring development. Plans and specifications meeting, but not limited, to the minimum requirements cited here shall be prepared under the supervision of a registered professional engineer and submitted to TCEQ, Water Supply Division, Utility Technical Review Team for approval. This list is not a substitute for the rules. Failure to submit the following items may delay project approval. Copies of the rules may be obtained from **Texas Register, 1019 Brazos St, Austin, TX, 78701-2413, Phone: 512/463-5561** or downloaded from the website of the Public Water System Plan Review.

*Please be aware that we have added the requirement for analysis for **radionuclides** for high risk counties listed on the back. For elevated levels of any contaminants found in a test well, treatment or blending may be required. For more information about testing can be found at the following website.

1. ☐ A map showing the location of the well (Section 290.41(c)(3)(A) of the rules) or a scalable map with named roadways;
2. ☐ A sealed engineer's report that sizes the well/spring capacity based on connections or people to be served;
3. ☐ Identify individually all pollution hazards, present or potential. (Section 290.41(c)(1)(A)-(E) of the rules.) :
 - ☐ (¼ mile): abandoned or inoperative wells and existing/potential pollution hazards (see guidance);
 - ☐ (500 ft): sewage treatment plants, lands on which sewage plant or septic tank sludge is applied, lands irrigated by sewage plant effluent; animal feed lots, livestock and animal pens) solid waste disposal sites;
 - ☐ (300 ft): sewage wet wells, sewage pump stations, ditches containing sewage treatment waste or industrial waste;
 - ☐ (150 ft): septic tank perforated drain fields, absorption beds, evapotranspiration beds, privies underground fuel storage tanks; cemetery: areas irrigated by low dosage, low angle spray on-site sewage facilities; underground petrochemical storage tanks or pipelines; water wells that do not meet Public Drinking Water Standards;
 - ☐ (50 ft): tile or concrete sanitary sewers, septic tanks, livestock in pastures, or storm sewers;
4. ☐ A draft of sanitary control easements. (Section 290.47(c) Appendix C of the rules). Easements needed for adjoining properties shall be accompanied by written commitment to execute from the property owner. (Section 290.41(c)(1)(F) of the rules);
5. ☐ Minimize contamination of the underground water during drilling operation:
 - premises, materials, tools and drilling equipment (Section 290.41(c)(2) of the rules).
 - water used for operations and fluids (Section 290.41(c)(2)(A) of the rules).
 - slush pit (Section 290.41(c)(2)(B) of the rules).
 - temporary toilet facilities (Section 290.41(c)(2)(C) of the rules).
 - safeguards from trespassers (Section 290.41(c)(3)(E) of the rules).
6. ☐ Well casing:
 - conforms to AWWA standards (Section 290.41(c)(3)(B) of the rules).
 - extends 18 inches above floor (Section 290.41(c)(3)(B) of the rules).
 - extends to developed formation (Section 290.41(c)(3)(B) of the rules).
 - contains no more than 8% lead (Section 290.41(c)(3)(B) of the rules).
 - pressure cemented per AWWA Appendix C (except C.1 & C.2) (Section 290.41(c)(3)(C) of the rules).
7. ☐ Well gravel pack disinfected (Section 290.41(c)(3)(D) of the rules).
8. ☐ Well disinfected per AWWA for six hours (Section 290.41(c)(3)(F) of the rules).



O'Malley Engineers, L.L.P.

TBPE No. F-3244

Craig Kankel, P.E.
Robert C. Schmidt, P.E.
Ed Addicks, P.E.

July 5, 2013

Ms. Vera Poe, P.E.
Utilities Technical Review Team
Water Supply Division, MC - 159
TCEQ
P.O. Box 13087
Austin, Texas 78711-3087

Re: City of Dayton
2013 Water Well No. 4
OE Job No. 461.081-WC/WD
TCEQ PWS I.D. No.: 1460002

Dear Ms. Poe:

The City of Dayton, located in Liberty County, plans to construct a new water well at the location shown on the drawings that are bound into the enclosed project manual. The enclosed project manual with technical specifications and drawings for the new water well is for TCEQ review and comment.

After the planned water well has been constructed and determined suitable for use, separate construction plans and specifications for the following related facilities will be prepared and submitted to the TCEQ for review:

1. Wellhead piping with sampling cock, flush (blow-off) valve, pressure relief valve, water meter, and related items.
2. Intruder resistant fencing.
3. All-weather driveway for access to the well site.
4. Yard piping to connect the new well to the existing ground storage tank located near the planned well location.
5. Related pumping and disinfection facilities.

Also enclosed are the following items:

1. Completed TCEQ Public Water System Plan Review Submittal Form.
2. A drawing demonstrating that all land within 150' of the planned well is owned by the City of Dayton (sanitary control within 150' of the planned well will be by the City of Dayton). This drawing was generated from a recent boundary survey of the land where the planned water well will be located.
3. Survey of Existing/Potential Pollution Sources report prepared by CRG Texas, LLC and dated May 2013.

I look forward to your review comments and please do not hesitate to contact me if you have any questions.

Sincerely,

Timothy W. Robertson, P.E.

Enclosures

Copy of letter to + enclosures: Red McDaniel, City of Dayton

K:\00461\461-081WC\Letter\TCEQ.doc

203 S. Jackson P. O. Box 1976 Brenham, Texas 77834-1976 (979) 836-7937 FAX (979) 836-7936

TCEQ Public Water System Plan Review Submittal Form (Complete, Seal and Attach to Submittal Package)

Date 06/28/2013		TCEQ PWS Identification No.* 1460002		CCN No. or Application No. ** N/A	
Water System Name City of Dayton					
Water System Owner City of Dayton		Type of Entity Municipality			
Address 117 Cook Street, Dayton, TX 77535-2595		Phone (AC) 936-258-2642			
Responsible Official Felix Skarpa		Title Mayor			
***County (system location) Liberty		Mechanism & Source of Financing General Fund			
Subdivision Sec., Phase, Unit, Etc. N/A					
Engineer Timothy W. Robertson, P.E.		Registration No. 85565		E-Mail twr@omalleyengineers.com	
Firm Name O'Malley Engineers, L.L.P.		Phone (AC) 979-836-7937		Fax:(AC) 979-836-7936	
Firm Address P.O. Box 1976, Brenham Texas 77834-1976		Firm Registration No. F-3244			

* If no PWS Number exists, the owner must submit a business plan, if required, in accordance with §290.39(f) and (g).

** If a CCN is required and a CCN does not exist, an application to obtain a CCN number must be accepted before a project submittal can be technically reviewed. In addition, if a submittal is for a project located outside the CCN area, a CCN amendment application must be submitted before a project may be reviewed for construction approval. Please refer to 30 TAC Chapter 291 for additional information regarding CCNs.

If this is a new (proposed) system, you must attach the following with this submittal:

- ☐ Attach a list of all water utilities within ½ mile of the proposed service area boundaries
- ☐ Copies of formal applications for service from each of the following:
 - ☐ any municipality if the system is within its ETJ;
 - ☐ any district or other political subdivision whose corporate boundaries are within ½ mile of the proposed service area boundaries
 - ☐ any other water service provider whose certificated service area boundary is within ½ mile of the proposed service area boundaries
- ☐ Documentation that all application requirements including payment of fees are compliant.
- ☐ Copies of written responses from each of the entities listed above.
- ☐ Business plan. The business plan financial requirements for non-community water systems must confirm capital availability to construct the system according to TCEQ requirements. This would consist of a balance sheet that shows liabilities as well as assets, not just a bank confirmation of a deposit account. Alternatively, if the project is being constructed with loan funds, then a loan commitment letter from the lender specific to that project will suffice.
- ☐ Justification for constructing a separate system (unless none of the entities listed above exist)
- ☐ TCEQ Core Data Form (No. 10400)
- ☐ Emergency Preparedness Plan (No. 20536) if serving water in Harris, Fort Bend Counties and have overnight accommodations.

Type of Project (please check the appropriate boxes). All engineering documents must be sealed, signed and dated by a Texas registered professional engineer. An engineering report that includes the number of connections to be served must accompany each project.

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Distribution System Modifications <input type="checkbox"/> Storage Capacity Modifications <input type="checkbox"/> Pressure Maintenance Facilities Modifications <input checked="" type="checkbox"/> ***Water Well Construction, Proposed <input type="checkbox"/> ***Well completion data for approved well <input type="checkbox"/> ***Ground Water Treatment Plant, New <input type="checkbox"/> Disinfection Facilities or Other Modifications <input type="checkbox"/> Surface Water Treatment Plant, New | <ul style="list-style-type: none"> <input type="checkbox"/> Modification of Surface Water Treatment Plant <input type="checkbox"/> Proposed Innovative/Alternative Process Study <input type="checkbox"/> Request for Rule Exception <input type="checkbox"/> Preliminary Engineering Report w/o plans <input type="checkbox"/> Tex. Water Dev. Board. Project No. _____ <input type="checkbox"/> Pilot Study for Innovative/Alternative Project (Any treatment process not described in Ch 290 requiring an exception.) <input type="checkbox"/> Other (please describe) |
|--|--|

***Please refer to the following page for a list of counties where an elevated risk of RADIONUCLIDES in the groundwater exists. The website also has helpful information regarding the radionuclide testing required in these counties.

IF THIS SUBMITTAL IS A REVISION OF PREVIOUSLY SUBMITTED PLANS, PLEASE ENTER THE ASSIGNED TCEQ LOG NUMBER:

_____ Please call (512) 239-4691 if you have questions regarding this form. Your cooperation will help us provide better service.

Additional helpful information and rules are available at the Public Water System Plan Review website

I hereby certify that the above information is, to the best of my knowledge, true and correct.

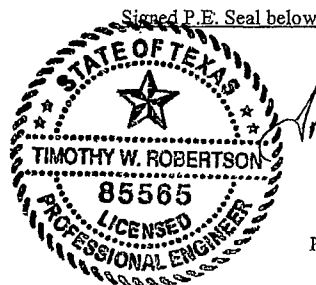
Timothy W. Robertson, P.E.

Printed Engineer's Name

6/28/13

Date

TCEQ-10233 Revised 01/07/13



Page 1 of 1

NOTE 2. ACCORDING TO FLOOD INSURANCE RATE MAP CONDUITY PANEL NO. 48281C0420C DATED MAY 2, 2008, FOR LIBERTY COUNTY, TEXAS AND INCORPORATED AREAS, THE SUBJECT TRACTS OF LAND SHOWN HEREON ARE SITUATED IN ZONE "X" (UNSHADED) AND ARE IN AN AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

NUMBER OF PAGES: 5 (OF 5)

AMENDING PLAT OF
LOTS 3, 4 & 5 & 12.
NORTH 30° OF LOT 10, 11 & 12.
BLK. 1. FRIEDMAN'S SUBD.
VOL. 201, PG. 5237
DAVE JACKSON
LIBERTY COURT, TEXAS

FRIEDMAN'S SUBD.

VOL. 49, PG 390
DEED RECORDS
LIBERTY COUNTY, TEXAS

NORTH LIBERTY
TOWN LEAGUE,
A-357

**PLANNED WATER
WELL NO. 4
LOCATION**

CITY OF DAYTON

VOL "N", PG. 421
DEED RECORDS
LIBERTY COUNTY, TEXAS

NOTE 3. ALL OF A CALLED 600 ACRE TRACT CONVEYED BY
L. FRIEDMAN TO THE CITY OF DAYTON AS RECORDED IN VOLUME
190 AT PAGE 180 OF THE DEED RECORDS OF LIBERTY COUNTY,
TEXAS.

NOTE 4 ALL OF THAT CERTAIN 0.2307 OF AN ACRE OF LAND BEING THE MOST NORTHERLY 30.0 FEET OF LOTS 8 THROUGH 14, INCLUSIVE, BLOCK 2, OF THE FRIEDMAN SUBDIVISION, CONVEYED BY PEARL FRIEDMAN COHN, ET AL., TO THE CITY OF DAYTON, TEXAS BY DEED DATED FEBRUARY 25, 1997 AND RECORDED IN VOLUME 1674 AT PAGE 410 OF THE OFFICIAL PUBLIC RECORDS OF LIBERTY COUNTY, TEXAS.

I, JULIENE RAMSEY, REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4379,
DO HEREBY CERTIFY THAT THIS PLAT DELINEATES THE RESULTS OF A SURVEY
MADE ON THE GROUND, UNDER MY SUPERVISION, IN JANUARY OF 2013 AND
THAT ALL LINES, BOUNDARIES AND LANDMARKS ARE ACCURATELY SHOWN
HEREON.

WITNESS MY HAND AND SEAL AT BAYTOWN, TEXAS, THIS THE 11TH DAY OF
FEBRUARY, A. D., 2013.

Julienne Ramsey
JULIENE RAMSEY
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 4379

SOUTH LIBERTY
TOWN LEAGUE,
A-358

BHA-HUTCHISON & ASSOCIATES

1209 DECKER DRIVE ENGINEERS - SURVEYORS BAYTOWN, TEXAS 77520
781-422-8213

DRAWN AJR	DESIGN	SURVEY OF TWO TRACTS FOR CITY OF DAYTON O/O FRIEDMAN'S SUBDIVISION CITY OF DAYTON, TEXAS NORTH & SOUTH LIBERTY TOWN LEAGUE A-357 & A-358 LIBERTY COUNTY, TEXAS
CHECKED AR	SCALE 1" = 50'	
DATE 02-07-13	FB	

NO.	REVISION	BY	CHKD	APPD	DATE	DRAWING NAME: 4111 DWG	JOB NO. 12-4111	REV	SHEET 1 OF 1
-----	----------	----	------	------	------	------------------------	-----------------	-----	--------------

STATE OF TEXAS PLUGGING REPORT for Tracking #90154

Owner:	City of Dayton	Owner Well #:	Rosewood st
Address:	117 Cook Street Dayton , TX 77535	Grid #:	61-57-6
Well Location:	Rosewood Street Dayton , TX	Latitude:	30° 03' 11" N
Well County:	Liberty	Longitude:	094° 53' 22" W
		GPS Brand Used:	No Data

Well Type: Water

HISTORICAL DATA ON WELL TO BE PLUGGED

Original Well Driller: No Data

Driller's License Number
of Original Well Driller: No Data

Date Well Drilled: No Data

Well Report Tracking
Number: No Data

Diameter of Borehole: 12 x 8 inches

Total Depth of Borehole: 1302 feet

Date Well Plugged: 8/24/2013

Person Actually
Performing Plugging
Operation: BJ Alldredge

License Number of
Plugging Operator: 54930

Plugging Method: Tremmie pipe bentonite from bottom to 2 feet from surface, cement top 2 feet.

Plugging Variance #: No Data

Casing Left Data: 1st Interval: 12 inches diameter, From 0 ft to 1037 ft
2nd Interval: 8 inches diameter, From 1037 ft to 1302 ft
3rd Interval: No Data

Cement/Bentonite Plugs
Placed in Well: 1st Interval: From 5 ft to 10 ft; Sack(s)/type of cement used: 8 cement
2nd Interval: From 10 ft to 1302 ft; Sack(s)/type of cement used: 126 quik gel
3rd Interval: No Data
4th Interval: No Data
5th Interval: No Data

Certification Data: The plug installer certified that the plug installer plugged this well (or the well was plugged under the plug installer's direct supervision) and that each and all of the statements herein are true and correct. The plug installer understood that failure to complete the required items will result in the log(s) being returned for completion and resubmittal.

Company Information: Weisinger Incorporated

**2200 East Davis Street
Conroe , TX 77301**

**Plug Installer License
Number: 54930**

**Licensed Plug Installer
Signature: Billie Jack Aldredge**

**Registered Plug Installer
Apprentice Signature: No Data**

**Apprentice Registration
Number: No Data**

**Plugging Method
Comments: No Data**

Please include the plugging report's tracking number (Tracking #90154) on your written request.

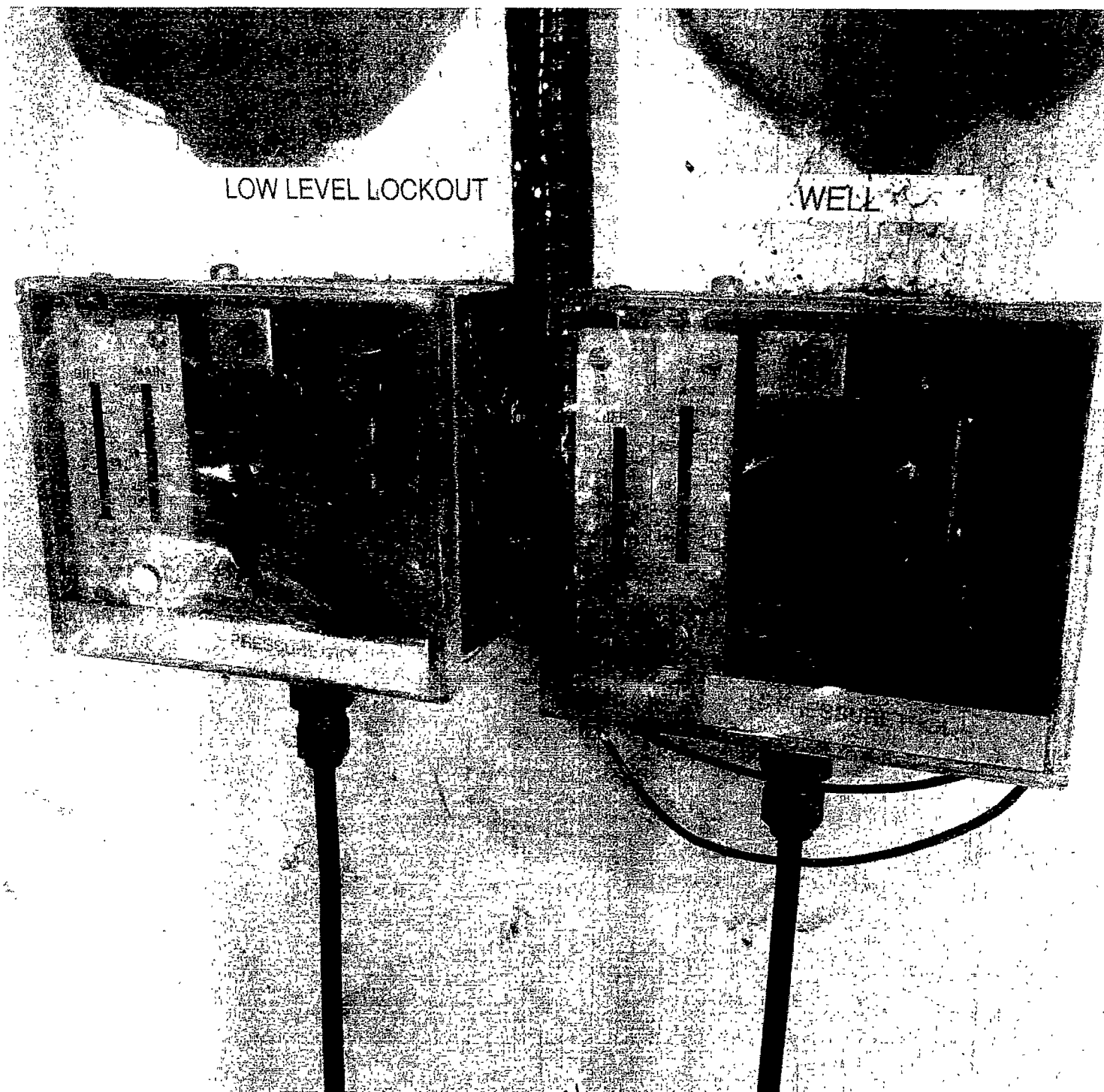
**Texas Department of Licensing & Regulation
P.O. Box 12157
Austin, TX 78711
(512) 463-7880**

EMERGENCY RESPONSE INFORMATION

1. Contact manager during any low pressure event or water outage.
James McDaniel (936-257-1143)
2. Well or well pump problem: Van with EFS (1-281-361-7455)
3. Problem involving water outage more than two hours. Contact office to notify manager, other operators and start process of notifying affected customers. (936-257-1143)
4. Outages lasting more than 8 hours require the contacting of TCEQ (when a boil water notice is necessary). TCEQ Region 12 (1-713-767-3500)
5. Operators cell phone numbers:
James (Red) McDaniel: (936-402-4943)
Evert Doucette: (936-402-4944)
Angela Keith: (936-402-3719)
6. EPA Region 6 (1-800-887-6063)
TCEQ Region 12 (1-713-767-3500)

Violation #3 correction

Plant operations manual



Violation #4
Covers



Violation #5
Put Look

Violation #6
Correction: go to sign



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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 29, 2015

J. Small

The Honorable Jeff Lambright, Mayor
City of Dayton
117 Cook Street
Dayton, Texas 77535-2601

Re: Notice of Compliance with Notice of Violation (NOV) dated June 12, 2015:
City of Dayton, 383 Rosewood St, Dayton, Liberty County, Texas
Regulated Entity No.: 101424950
TCEQ ID No.: 1460002

Investigation No.: 1281330

Dear Mayor Lambright:

On May 21 2015, the Texas Commission on Environmental Quality (TCEQ) Houston Region Office received adequate compliance documentation to resolve the alleged violations documented during the investigation of the above-referenced regulated entity conducted on April 13, 2015. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Ms. Destiny Winning, in the Houston Region Office at (713) 767-3650.

Sincerely,

Kim Lund

for Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT/DW/mar

Enclosure: Summary of Investigation Findings

cc: Mr. James (Red) McDaniel, Director, 406 S. Winfree, Dayton, TX 77535

Summary of Investigation Findings

CITY OF DAYTON

, LIBERTY COUNTY,

Additional ID(s): 1460002

Investigation #

1281330
Investigation Date: 09/23/2015

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 568421

30 TAC Chapter 290.41(c)(1)(F)

Alleged Violation:

Investigation: 1247223

Comment Date: 04/27/2015

Failure by the City of Dayton to obtain a sanitary control easement covering land within 150 feet of well 2, or executive director approval for a substitute.

During the investigation, it was noted that the water system does not have a Sanitary Control Easement or Deed and Map for well 2 at plant 2.

Investigation: 1281330

Comment Date: 09/23/2015

Failure by the City of Dayton to obtain a sanitary control easement covering land within 150 feet of well 2, or executive director approval for a substitute.

During the investigation, it was noted that the water system does not have a Sanitary Control Easement or Deed and Map for well 2 at plant 2.

Recommended Corrective Action: The water system must obtain and submit recorded copies of sanitary control easements or an approved substitute for all land within 150 feet for well, or the water system may request an exception to this requirement by writing to TCEQ, Water Supply Division, Technical Review and Oversight Team, MC 159, P.O. Box 13087, Austin, TX 78711-3087; phone: (512) 239-4691.

Please submit a letter documenting the actions of the water system and recorded copies of sanitary control easements or an approved substitute for all land within 150 feet of Well No. 2 or submit a copy of a granted exception.

Resolution: On 5/21/15 a copy of the recorded deed and map for the Sanitary Control Easement was received for well #2 and Plant #2.

Track No: 568426

30 TAC Chapter 290.39(j)

Alleged Violation:

Investigation: 1247223

Comment Date: 06/11/2015

Failure by the City of Dayton to notify TCEQ prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance or distribution facilities.

During the investigation, it was noted that the water system did not notify TCEQ prior to plugging well 1. Mr. McDaniel wasn't sure if notification was sent to TCEQ by the water system engineers. The investigator requested a copy if TCEQ was notified but nothing was received.

Investigation: 1281330

Comment Date: 09/23/2015

Failure by the City of Dayton to notify TCEQ prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance or distribution facilities.

During the investigation, it was noted that the water system did not notify TCEQ prior to

plugging well 1. Mr. McDaniel wasn't sure if notification was sent to TCEQ by the water system engineers. The investigator requested a copy if TCEQ was notified but nothing was received.

Recommended Corrective Action: Please notify the TCEQ in writing of the addition of the plugging of well 1. After notification, the TCEQ will determine if plans and specification prepared by a licensed engineer will be required. Send the notification to: TCEQ, Water Supply Division, Utility Technical Review Team, MC 159, P.O. Box 13087, Austin, TX 78711-3087; phone: (512) 239-4691.

Submit a copy of the notification to the Beaumont Region Office.

Resolution: On 5/21/2015 received by mail a copy of the plugging report.

Track No: 568431

30 TAC Chapter 290.46(v)

Alleged Violation:

Investigation: 1247223

Comment Date: 04/27/2015

Failure by the City of Dayton to have all electrical wires installed in compliance with a local or national electrical code.

During the investigation, it was noted that the water system does not have wires in conduit in the pump room at plant 2.

Investigation: 1281330

Comment Date: 09/23/2015

Failure by the City of Dayton to have all electrical wires installed in compliance with a local or national electrical code.

During the investigation, it was noted that the water system does not have wires in conduit in the pump room at plant 2.

Recommended Corrective Action: Place the wires in conduit and submit photographic documentation which displays compliance to the Beaumont Region Office.

Resolution: Received on 5/21/2015 by mail a picture showing the wiring in the conduit.

Track No: 568435

30 TAC Chapter 290.46(t)

Alleged Violation:

Investigation: 1247223

Comment Date: 04/27/2015

Failure by the City of Dayton to provide all water system production, treatment, and storage facilities with a legible sign that provides the name of the water supply and emergency telephone number in plain view of the public.

During the investigation, it was noted that the water system did not have a water system ownership sign at plant 3.

Investigation: 1281330

Comment Date: 09/23/2015

Failure by the City of Dayton to provide all water system production, treatment, and storage facilities with a legible sign that provides the name of the water supply and emergency telephone number in plain view of the public.

During the investigation, it was noted that the water system did not have a water system ownership sign at plant 3.

Recommended Corrective Action: Provide plant 3 with a water system ownership sign and submit photographic documentation which displays compliance to the Beaumont Region office.

Resolution: On May 21, 2015 the City of Dayton submitted a photo showing a sign hung at the water plant to verify compliance.

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

Regulated Entity/Site Name	City of Dayton LVWTH	TCEQ Add. ID No.	10564-004
Investigation Type	CCI	Contact Made In-House (Y/N)	Y
Regulated Entity Contact	Angela Keith	Purpose of Investigation	Compliance
Title	Plant Operator	Telephone No.	
		Date Contacted	
		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)	Description of Issue
			No violations noted

¹Issue 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

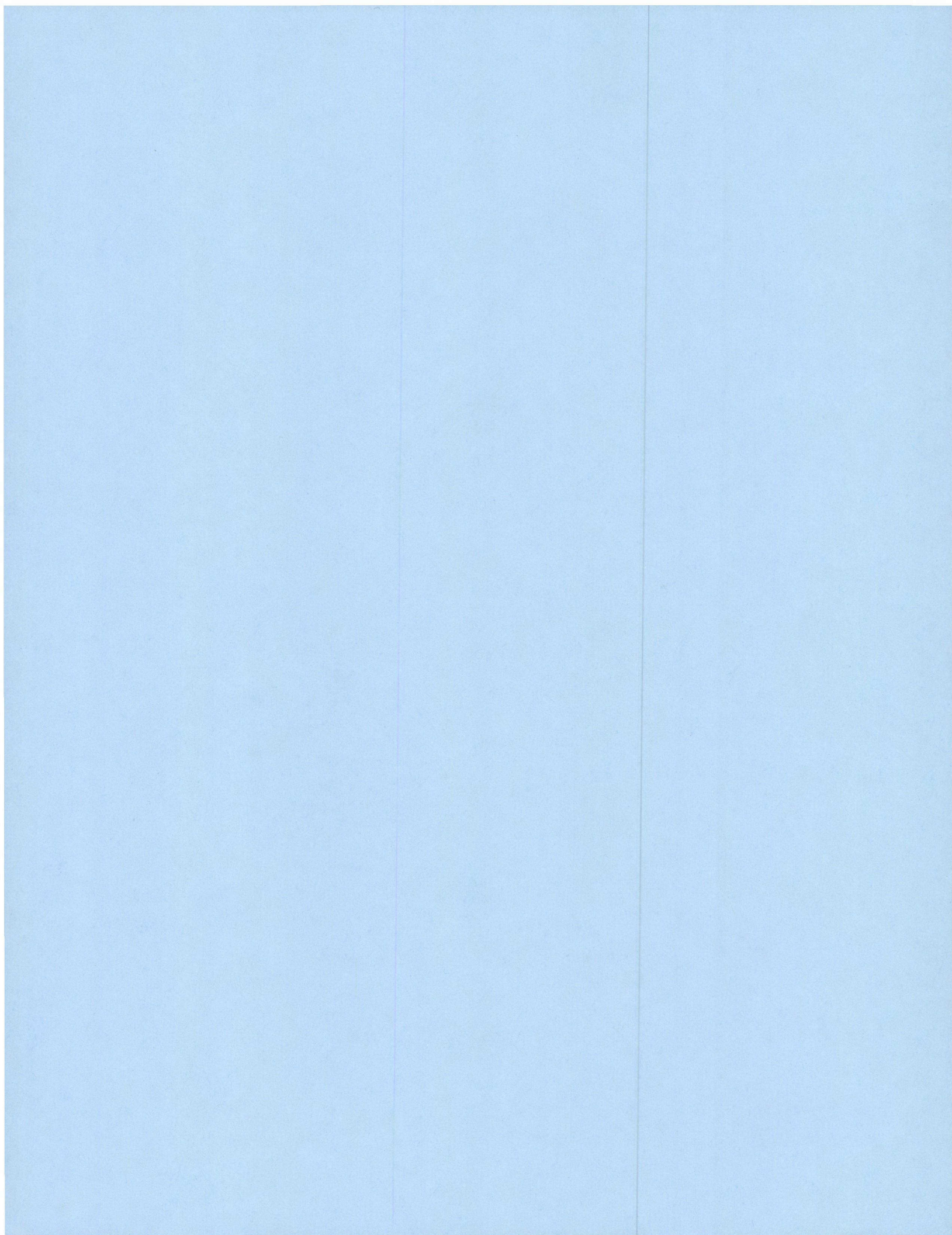
Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.			
Stacy Pentecost Investigator Name (Signed & Printed)	01-22-15 Date	Angela Keith Regulated Entity Representative Name (Signed & Printed)	1-22-15 Date

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.

Attachment 8

Section 5.G Effect of Granting a Certificate Amendment



Attachment 8
Section 5.G Effect of Granting a Certificate Amendment

The effect of granting this CCN is to ensure that the City of Dayton is able to serve the areas within the City of Dayton's ETJ, which may likely be annexed in the future, as well as this proposed boundary. The City of Dayton must be able to regulate development that has the potential to be annexed in to the City in the future. If other water or sewer systems can encroach or create new systems within this area, it diminishes their ability to effectively serve their area and maintain standardization of the water system of potential annexed areas.

Attachment 9

Section 6.B.i Financial Information

Profit and Loss Statements and Current Balance Sheets

HISTORICAL BALANCE SHEETS

	2017*	2016	2015	2014	2013	2012
CURRENT ASSETS						
Cash	\$ 9,649,998	\$ 10,138,499	\$ 16,777,466	\$ 9,482,730	\$ 9,341,064	\$ 10,959,643
Investments	3,133,167	7,254,602	2,299,470	2,508,575	2,504,906	252,758
Accounts Receivable	1,096,412	1,495,337	1,589,455	1,572,786	1,498,631	1,385,827
Inventories	98,875	91,827	91,827	95,106	146,189	111,177
Prepaid Items	25,347	98,181	3,490	54,667	935	616
Other	-	-	-	-	-	-
Total Current Assets	\$ 14,003,799	\$ 19,078,446	\$ 20,761,708	\$ 13,713,864	\$ 13,491,725	\$ 12,710,021
NONCURRENT ASSETS						
Land	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219	\$ 1,482,502
Construction in Progress	260,000	2,722,829	20,747	1,575,692	533,285	512,594
Infrastructure	33,023,827	32,574,844	32,201,312	32,046,983	31,373,289	30,257,620
Buildings	27,086,672	17,112,558	16,817,412	13,933,983	13,933,983	13,889,868
Equipment	7,085,463	6,771,292	6,238,210	5,969,429	5,593,406	5,145,010
Other (Deferred Outflows of Resources)	166,796	723,865	221,422	72,611	72,915	701,686
Less: Accum. Depreciation or Reserves	(26,056,876)	(23,887,896)	(21,625,154)	(19,619,746)	(17,568,424)	(15,547,335)
Total Noncurrent Assets	\$ 43,058,101	\$ 37,509,711	\$ 35,366,168	\$ 35,471,171	\$ 35,430,673	\$ 36,441,945
TOTAL ASSETS	\$ 57,061,900	\$ 56,588,157	\$ 56,127,876	\$ 49,185,035	\$ 48,922,398	\$ 49,151,966
CURRENT LIABILITIES						
Accounts Payable	\$ 1,385,989	\$ 1,397,581	\$ 386,698	\$ 516,136	\$ 822,787	\$ 453,411
Accrued Interest Payable	108,527	186,155	216,950	144,188	152,058	163,411
Unearned Revenue	4,858	6,796	8,880	3,749	-	-
Customer Deposits	160,829	112,504	90,770	105,580	98,907	92,499
Notes Payable, Current	1,692,461	1,666,272	1,535,109	1,656,009	1,594,568	1,483,195
Total Current Liabilities	\$ 3,352,664	\$ 3,369,308	\$ 2,238,407	\$ 2,425,662	\$ 2,668,320	\$ 2,192,516
LONGTERM LIABILITIES						
Notes Payable, Long-term	\$ 24,943,073	\$ 25,835,534	\$ 26,765,678	\$ 20,637,821	\$ 22,305,426	\$ 23,906,845
Other (Deferred Inflows of Resources)	2,227	9,454	28,459	-	-	-
Total Long-term Liabilities	\$ 24,945,300	\$ 25,844,988	\$ 26,794,137	\$ 20,637,821	\$ 22,305,426	\$ 23,906,845
TOTAL LIABILITIES	\$ 28,297,964	\$ 29,214,296	\$ 29,032,544	\$ 23,063,483	\$ 24,973,746	\$ 26,099,361
NET POSITION						
Net Investment in Capital Assets	\$ 19,193,666	\$ 15,530,944	\$ 14,405,969	\$ 13,107,893	\$ 11,461,718	\$ 10,350,219
Restricted	1,835,638	6,344,697	9,063,490	1,808,450	1,623,984	1,675,266
Unrestricted	7,734,632	5,498,220	3,625,873	11,205,209	10,862,950	11,027,120
TOTAL NET POSITION	\$ 28,763,936	\$ 27,373,861	\$ 27,095,332	\$ 26,121,552	\$ 23,948,652	\$ 23,052,605
TOTAL LIABILITIES AND NET POSITION	\$ 57,061,900	\$ 56,588,157	\$ 56,127,876	\$ 49,185,035	\$ 48,922,398	\$ 49,151,966
WORKING CAPITAL						
	\$ 10,651,135	\$ 15,709,138	\$ 18,523,301	\$ 11,288,202	\$ 10,823,405	\$ 10,517,505
CURRENT RATIO	4.18	5.66	9.28	5.65	5.06	5.80
DEBT TO EQUITY RATIO	0.98	1.07	1.07	0.88	1.04	1.13
EQUITY TO TOTAL ASSETS	50.41%	48.37%	48.27%	53.11%	48.95%	46.90%

*Please note that FY 2017 has not been audited as of 1/26/2018

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (2017)	2016 YEAR	2015 YEAR	2014 YEAR	2013 YEAR	2012 YEAR
METER NUMBER						
Existing Number of Customer	3199	3123	3067	3174	3065	3054
New Customers per Year	141	76	56	-107	109	11
Total Customers at Year End	3340	3199	3123	3067	3174	3065
METER REVENUE						
Fees Per Customer	\$ 1,003	\$ 1,051	\$ 1,022	\$ 1,010	\$ 968	\$ 1,044
Cost Per Customer	\$ 761	\$ 1,061	\$ 1,027	\$ 1,016	\$ 974	\$ 1,063
Operating Revenue Per Meter	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GROSS WATER REVENUE						
Fees	\$ 3,349,414	\$ 3,363,188	\$ 3,193,106	\$ 3,096,300	\$ 3,070,922	\$ 3,198,803
Other	\$ 13,295	\$ 32,468	\$ 13,609	\$ 19,989	\$ 19,068	\$ 59,272
Gross Income	\$ 3,376,070	\$ 3,395,656	\$ 3,206,715	\$ 3,116,289	\$ 3,089,990	\$ 3,258,075
OPERATING EXPENSES						
General & Administrative	\$ 2,543,320	\$ 3,224,487	\$ 3,106,542	\$ 2,884,329	\$ 2,730,386	\$ 2,916,589
Interest & Fiscal Charges	\$ 401,450	\$ 401,450	\$ 282,343	\$ 286,502	\$ 288,902	\$ 309,378
Interest Income	\$ (13,362)	\$ (7,575)	\$ (8,257)	\$ (11,368)	\$ (8,434)	\$ (19,634)
NET INCOME	\$ 444,662	\$ (222,706)	\$ (173,913)	\$ (43,174)	\$ 79,136	\$ 51,742

HISTORICAL EXPENSES STATEMENT

GENERAL AND ENTERPRISE FUNDS	CURRENT YEAR (2017)	2016 YEAR	2015 YEAR	2014 YEAR	2013 YEAR	2012 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	\$ 576,096	\$ 522,305	\$ 416,094	\$ 348,925	\$ 339,323	\$ 329,113
Benefits Expense	\$ 180,878	\$ 149,204	\$ 113,991	\$ 95,406	\$ 92,408	\$ 99,251
Computer/Supplies Expense	\$ 14,649	\$ 26,898	\$ 23,115	\$ 20,067	\$ 16,237	\$ 19,913
Repair & Maint. Expense	\$ 23,630	\$ 21,345	\$ 16,555	\$ 15,485	\$ 16,466	\$ 19,116
Insurance Expense	\$ 4,100	\$ 3,682	\$ 3,855	\$ 3,931	\$ 3,685	\$ 3,142
Telecommunications Expense	\$ 8,497	\$ 7,686	\$ 4,850	\$ 4,301	\$ 4,748	\$ 4,940
Utilities Expense	\$ 7,516	\$ 7,489	\$ 6,948	\$ 8,343	\$ 6,329	\$ 7,468
Lease & Rental	\$ 2,874	\$ (13)	\$ 50	\$ 737	\$ 327	\$ 373
Fees & Dues	\$ 9,365	\$ 9,806	\$ 9,056	\$ 9,842	\$ 10,108	\$ 5,323
Professional Fees	\$ 384,675	\$ 308,168	\$ 285,121	\$ 279,645	\$ 277,122	\$ 252,816
Debt Service						
Other	\$ 37,462	\$ 19,448	\$ 669,093	\$ 6,749	\$ 6,100	\$ 12,353
Total	\$ 1,249,741	\$ 1,076,018	\$ 1,548,728	\$ 793,430	\$ 772,854	\$ 753,808
% Increase Per Year	16.1%	-30.5%	95.2%	2.7%	2.5%	0.00%
OPERATIONAL EXPENSES						
Salaries	\$ 3,563,291	\$ 3,377,460	\$ 2,960,447	\$ 2,748,634	\$ 2,684,800	\$ 2,632,158
Benefits Expense	\$ 1,497,766	\$ 1,255,694	\$ 1,080,934	\$ 976,435	\$ 905,863	\$ 967,810
Computer/Supplies Expense	\$ 366,811	\$ 346,447	\$ 349,573	\$ 458,994	\$ 444,575	\$ 471,368
Repair & Maint. Expense	\$ 585,705	\$ 777,809	\$ 654,546	\$ 651,648	\$ 1,212,810	\$ 714,690
Insurance Expense	\$ 136,830	\$ 126,004	\$ 118,536	\$ 118,296	\$ 114,442	\$ 108,931
Telecommunications Expense	\$ 66,960	\$ 61,847	\$ 55,607	\$ 54,612	\$ 54,496	\$ 58,242
Utilities Expense	\$ 508,426	\$ 480,082	\$ 434,987	\$ 467,858	\$ 389,312	\$ 422,457
Lease & Rental	\$ 76,175	\$ 74,249	\$ 60,648	\$ 74,853	\$ 74,540	\$ 106,806
Depreciation Expense	\$ 1,316,361	\$ 1,382,225	\$ 1,365,405	\$ 1,202,496	\$ 1,171,063	\$ 1,117,414
Fees & Dues	\$ 7,480	\$ 155,211	\$ 6,492	\$ 7,130	\$ 4,993	\$ 5,929
Professional Fees	\$ 1,289,955	\$ 1,174,201	\$ 1,125,474	\$ 1,056,672	\$ 1,049,380	\$ 990,835
Debt Service	\$ 446,890	\$ 256,074	\$ 281,943	\$ 286,102	\$ 288,902	\$ 293,656
Other	\$ 3,629,251	\$ 1,152,370	\$ 782,563	\$ 617,835	\$ 1,236,926	\$ 1,472,555
TOTAL	\$ 13,491,901	\$ 10,619,672	\$ 9,277,155	\$ 8,721,566	\$ 9,632,102	\$ 9,362,852
% Increase Per Year	27.0%	14.5%	6.4%	-9.5%	2.9%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED BALANCE SHEETS

	2018	2019	2020	2021	2022	2023
CURRENT ASSETS						
Cash	\$ 9,842,998	\$ 10,039,858	\$ 10,240,655	\$ 10,445,468	\$ 10,654,378	\$ 10,867,465
Investments	3,164,499	3,196,144	3,228,105	3,260,386	3,292,990	3,325,920
Accounts Receivable	1,151,233	1,208,794	1,269,234	1,332,696	1,399,330	1,469,297
Inventories	99,864	100,862	101,871	102,890	103,919	104,958
Prepaid Items	26,361	27,415	28,512	29,652	30,839	32,072
Other	-	-	-	-	-	-
Total Current Assets	\$ 14,284,954	\$ 14,573,074	\$ 14,868,377	\$ 15,171,092	\$ 15,481,455	\$ 15,799,712
NONCURRENT ASSETS						
Land	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219	\$ 1,492,219
Construction in Progress	-	-	500,000	750,000	1,000,000	250,000
Infrastructure	33,354,065	33,687,606	34,024,482	34,364,727	34,708,374	35,055,458
Buildings	27,136,672	27,186,672	27,186,672	27,186,672	27,186,672	27,336,672
Equipment	7,368,882	7,663,637	7,970,182	8,288,990	8,620,549	8,965,371
Other (Deferred Outflows of Resources)	191,815	220,588	253,676	291,727	335,486	385,809
Less: Accum. Depreciation or Reserves	(28,401,995)	(30,816,164)	(33,281,458)	(35,777,567)	(38,281,997)	(40,770,326)
Total Noncurrent Assets	\$ 41,141,658	\$ 39,434,557	\$ 38,145,774	\$ 36,596,768	\$ 35,061,304	\$ 32,715,203
TOTAL ASSETS	\$ 55,426,612	\$ 54,007,631	\$ 53,014,151	\$ 51,767,860	\$ 50,542,759	\$ 48,514,915
CURRENT LIABILITIES						
Accounts Payable	\$ 1,039,492	\$ 1,117,454	\$ 1,201,263	\$ 1,291,357	\$ 1,388,209	\$ 1,492,325
Accrued Interest Payable	130,232	117,209	99,628	87,174	78,457	70,611
Unearned Revenue	5,344	5,878	6,466	7,113	7,824	8,606
Customer Deposits	144,746	149,088	153,561	158,168	162,913	167,800
Notes Payable, Current	1,722,455	1,769,061	1,680,775	1,821,325	1,821,124	1,820,923
Total Current Liabilities	\$ 3,042,269	\$ 3,158,690	\$ 3,141,693	\$ 3,365,137	\$ 3,458,527	\$ 3,560,266
LONGTERM LIABILITIES						
Notes Payable, Long-term	\$ 24,060,618	\$ 23,173,557	\$ 22,418,882	\$ 21,569,962	\$ 20,769,863	\$ 20,021,017
Other (Deferred Inflows of Resources)	4,454	6,681	10,022	15,032	22,548	33,823
Total Long-term Liabilities	\$ 24,065,072	\$ 23,180,238	\$ 22,428,904	\$ 21,584,994	\$ 20,792,411	\$ 20,054,840
TOTAL LIABILITIES	\$ 27,107,341	\$ 26,338,928	\$ 25,570,596	\$ 24,950,131	\$ 24,250,938	\$ 23,615,105
NET POSITION						
Net Investment in Capital Assets	\$ 19,385,603	\$ 19,579,459	\$ 19,775,253	\$ 19,973,006	\$ 20,172,736	\$ 20,374,463
Restricted	1,743,856	1,656,663	1,573,830	1,495,139	1,420,382	1,349,363
Unrestricted	7,189,812	6,432,580	6,094,471	5,349,584	4,698,703	3,175,984
TOTAL NET POSITION	\$ 28,319,271	\$ 27,668,702	\$ 27,443,555	\$ 26,817,728	\$ 26,291,821	\$ 24,899,809
TOTAL LIABILITIES AND NET POSITION	\$ 55,426,612	\$ 54,007,631	\$ 53,014,151	\$ 51,767,860	\$ 50,542,759	\$ 48,514,915
WORKING CAPITAL						
WORKING CAPITAL	\$ 11,242,685	\$ 11,414,383	\$ 11,726,684	\$ 11,805,955	\$ 12,022,928	\$ 12,239,446
CURRENT RATIO	4.70	4.61	4.73	4.51	4.48	4.44
DEBT TO EQUITY RATIO	0.96	0.95	0.93	0.93	0.92	0.95
EQUITY TO TOTAL ASSETS	51.09%	51.23%	51.77%	51.80%	52.02%	51.32%

PROJECTED INCOME STATEMENT

	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	TOTALS
METER NUMBER						
Existing Number of Taps	3340	3490	3655	3837	4037	18359
New Taps per Year	150	165	182	200	220	917
Total Meters at Year End	3490	3655	3837	4037	4257	19276
METER REVENUE						
Fees Per Meter	\$ 1,007.70	\$ 1,010.32	\$ 1,010.52	\$ 1,008.48	\$ 1,004.18	\$ 5,041.21
Cost Per Meter	\$ 728.75	\$ 709.76	\$ 819.93	\$ 802.69	\$ 784.04	\$ 3,845.17
Operating Revenue Per Meter	\$ 0.29	\$ 0.28	\$ 0.26	\$ 0.25	\$ 0.24	\$ 1.31
GROSS WATER REVENUE						
Fees	\$ 3,516,885	\$ 3,692,729	\$ 3,877,365	\$ 4,071,233	\$ 4,274,795	\$ 19,433,007
Other	\$ 13,959	\$ 14,657	\$ 15,390	\$ 16,160	\$ 16,968	\$ 77,134
Gross Income	\$ 3,530,844	\$ 3,707,386	\$ 3,892,755	\$ 4,087,393	\$ 4,291,763	\$ 19,510,141
OPERATING EXPENSES W/S						
General & Administrative	\$ 2,543,320	\$ 2,594,187	\$ 3,146,070	\$ 3,240,453	\$ 3,337,666	\$ 14,861,696
Interest	\$ 401,450	\$ 401,450	\$ 401,450	\$ 401,450	\$ 401,450	\$ 2,007,250
Other	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (65,000)
NET INCOME	\$ 599,073	\$ 724,749	\$ 358,235	\$ 458,490	\$ 565,646	\$ 2,706,194

PROJECTED EXPENSES STATEMENT

GENERAL/ADMINISTRATIVE EXPENSES	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	TOTALS
Salaries	\$ 576,096	\$ 587,618	\$ 599,370	\$ 611,357	\$ 623,585	\$ 329,113
Benefits Expense	\$ 180,878	\$ 184,495	\$ 188,185	\$ 191,949	\$ 195,788	\$ 99,251
Computer/Supplies Expense	\$ 14,649	\$ 14,942	\$ 15,241	\$ 15,545	\$ 15,856	\$ 19,913
Repair & Maint. Expense	\$ 23,630	\$ 24,102	\$ 24,584	\$ 25,076	\$ 25,577	\$ 19,116
Insurance Expense	\$ 4,100	\$ 4,182	\$ 4,265	\$ 4,350	\$ 4,438	\$ 3,142
Telecommunications Expense	\$ 8,497	\$ 8,666	\$ 8,840	\$ 9,017	\$ 9,197	\$ 4,940
Utilities Expense	\$ 7,516	\$ 7,667	\$ 7,820	\$ 7,976	\$ 8,136	\$ 7,468
Lease & Rental	\$ 2,874	\$ 2,931	\$ 2,990	\$ 3,050	\$ 3,111	\$ 373
Fees & Dues	\$ 9,365	\$ 9,552	\$ 9,744	\$ 9,938	\$ 10,137	\$ 5,323
Professional Fees	\$ 384,675	\$ 392,369	\$ 400,216	\$ 408,221	\$ 416,385	\$ 252,816
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 37,462	\$ 38,211	\$ 38,976	\$ 39,755	\$ 40,550	\$ 12,353
Total	\$ 1,249,741	\$ 1,274,735	\$ 1,300,230	\$ 1,326,235	\$ 1,352,759	\$ 753,808
% Increase Per Year		2.0%	2.0%	2.0%	2.0%	
OPERATIONAL EXPENSES (ALL OPERATIONS)	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022	TOTALS
Salaries	\$ 3,563,291	\$ 3,634,557	\$ 3,707,248	\$ 3,781,393	\$ 3,857,021	\$ 18,543,508
Benefits Expense	\$ 1,497,766	\$ 1,527,722	\$ 1,558,276	\$ 1,589,442	\$ 1,621,230	\$ 7,794,436
Computer/Supplies Expense	\$ 366,811	\$ 374,147	\$ 381,630	\$ 389,263	\$ 397,048	\$ 1,908,898
Repair & Maint. Expense	\$ 585,705	\$ 597,419	\$ 609,368	\$ 621,555	\$ 633,986	\$ 3,048,033
Insurance Expense	\$ 136,830	\$ 139,566	\$ 142,357	\$ 145,205	\$ 148,109	\$ 712,066
Telecommunications Expense	\$ 66,960	\$ 68,299	\$ 69,665	\$ 71,058	\$ 72,479	\$ 348,461
Utilities Expense	\$ 508,426	\$ 518,595	\$ 528,966	\$ 539,546	\$ 550,337	\$ 2,645,870
Lease & Rental	\$ 76,175	\$ 77,699	\$ 79,253	\$ 80,838	\$ 82,455	\$ 396,420
Depreciation Expense	\$ 1,316,361	\$ 1,342,688	\$ 1,369,542	\$ 1,396,933	\$ 1,424,871	\$ 6,850,396
Fees & Dues	\$ 7,480	\$ 7,630	\$ 7,783	\$ 7,938	\$ 8,097	\$ 38,928
Professional Fees	\$ 1,289,955	\$ 1,315,754	\$ 1,342,069	\$ 1,368,911	\$ 1,396,289	\$ 6,712,977
Debt Service	\$ 446,890	\$ 455,828	\$ 464,944	\$ 474,243	\$ 483,728	\$ 2,325,634
Other	\$ 3,629,251	\$ 3,701,836	\$ 3,775,873	\$ 3,851,391	\$ 3,928,419	\$ 18,886,770
TOTAL	\$ 13,491,901	\$ 13,761,739	\$ 14,036,974	\$ 14,317,714	\$ 14,604,068	\$ 70,212,396
% Increase Per Year		2.0%	2.0%	2.0%	2.0%	
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

BOND DEBT SERVICE

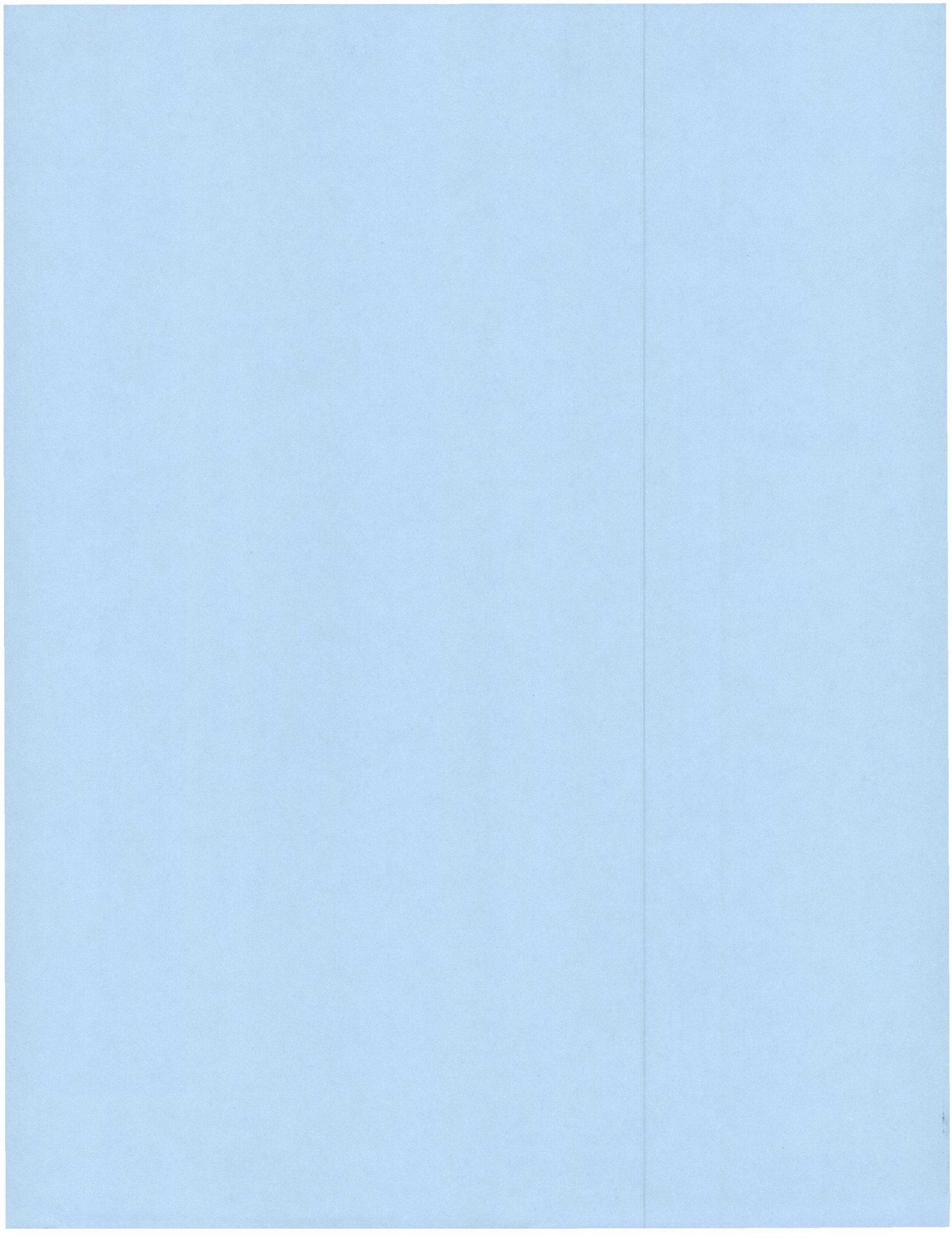
City of Dayton, Texas
\$6,880,000 General Obligation Refunding Bonds, Series 2016
Callable 2/1/2024 @ Par

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2017			149,025	149,025	
08/01/2017			99,350	99,350	
09/30/2017					248,375
02/01/2018	545,000	2.000%	99,350	644,350	
08/01/2018			93,900	93,900	
09/30/2018					738,250
02/01/2019	565,000	2.000%	93,900	658,900	
08/01/2019			88,250	88,250	
09/30/2019					747,150
02/01/2020	575,000	2.000%	88,250	663,250	
08/01/2020			82,500	82,500	
09/30/2020					745,750
02/01/2021	590,000	2.000%	82,500	672,500	
08/01/2021			76,600	76,600	
09/30/2021					749,100
02/01/2022	600,000	2.000%	76,600	676,600	
08/01/2022			70,600	70,600	
09/30/2022					747,200
02/01/2023	615,000	3.000%	70,600	685,600	
08/01/2023			61,375	61,375	
09/30/2023					746,975
02/01/2024	635,000	3.000%	61,375	696,375	
08/01/2024			51,850	51,850	
09/30/2024					748,225
02/01/2025	650,000	3.000%	51,850	701,850	
08/01/2025			42,100	42,100	
09/30/2025					743,950
02/01/2026	675,000	4.000%	42,100	717,100	
08/01/2026			28,600	28,600	
09/30/2026					745,700
02/01/2027	700,000	4.000%	28,600	728,600	
08/01/2027			14,600	14,600	
09/30/2027					743,200
02/01/2028	730,000	4.000%	14,600	744,600	
09/30/2028					744,600
	6,880,000		1,568,475	8,448,475	8,448,475

Attachment 10

Section 6.B.ii Financial Information

Existing Rate Schedule





ORDINANCE No. 0-2016-12

An Ordinance By The City Council Of Dayton, Texas; Said Ordinance Establishing New Rates For Potable Water Service, Sanitary Sewer Service, Solid Waste Service, Taps Fees for Potable Water, Tap Fees for Sanitary Sewer, Street Repair and Specifying An Effective Date For The Increase.

WHEREAS, the City Council is charged with the responsibility to periodically review the City's Ordinances and associated utility rates; and

WHEREAS, the City's cost for services has not been adjusted for six (6) years and has increased significantly; and

WHEREAS, sound business practices dictate that the City Council now take action to capture these increased costs.

NOW, THEREFORE, Be It Ordained by the City Council of Dayton, Texas that:

- (1) Potable water service rates shall be increased from a base rate of \$ 15.00 to \$ 18.00 on the effective date of this Ordinance; said rate to again be adjusted twelve months later by an increase of an additional \$ 3.00 for an effective base rate of \$ 21.00 for the first 2,000 gallons of water.
- (2) Sanitary sewer service rates shall be increased from a base rate of \$ 15.00 to \$ 18.00 on the effective date of this Ordinance; said rate to again be adjusted twelve months later by an increase of an additional \$ 3.00 for an effective base rate of \$ 21.00 for the first 2,000 gallons of sewer.
- (3) Solid waste service rates shall be increased from a monthly rate of \$ 15.66 to \$ 16.68 on the effective date of this Ordinance; said rate to again be adjusted twelve months later by an increase of an additional \$ 1.02 for an effective monthly rate of \$ 17.70. Solid waste dumpster services, commercial hand cart services and special commercial pickup shall be adjusted by an increase of 7.5 % upon the effective date of this ordinance with an additional 2.5% increase to be applied twelve months later.

- (4) Potable water and sanitary sewer tap fees are hereby increased and certain items are herein clarified as indicated and shown below.

	<u>Old Rate</u>	<u>New Rate</u>
¾" water tap	\$450.00	\$ 950.00
1" water tap	\$600.00	\$ 1,000.00
4" sewer tap	\$500.00	\$ 650.00
6" sewer tap	\$ 600.00	\$ 780.00

Taps for water meter sizes larger than 1 1/2 inch will be priced at the actual cost of labor, materials and equipment- same to be determined by the Director of the Water/Sewer Department

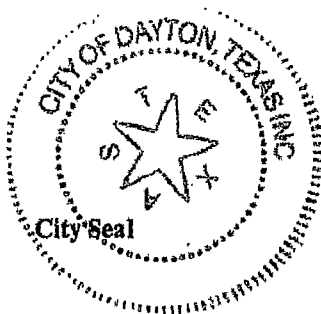
- Taps that require a section of the street to be broken out or cut shall incur a \$ 600.00 street repair fee
- Taps requiring a street bore will incur a \$ 400.00 charge. Bores that are longer than 50' shall be on a cost plus basis as determined by the Water/Wastewater Superintendent.
- As clarification, material requirements associated with water taps, sewer taps, manholes, collection line pipe and distribution line pipe shall meet or exceed those standards provided and approved by the City's Director of Water/Sewer; his determination being final in matters relating to acceptable materials.

- (5) the effective date of this amended schedule shall be July 1, 2016.

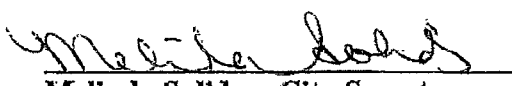
PASSED AND APPROVED this the 6th **day of** June **2016**

City of Dayton, Texas


Honorable Jeff Lambright
Mayor



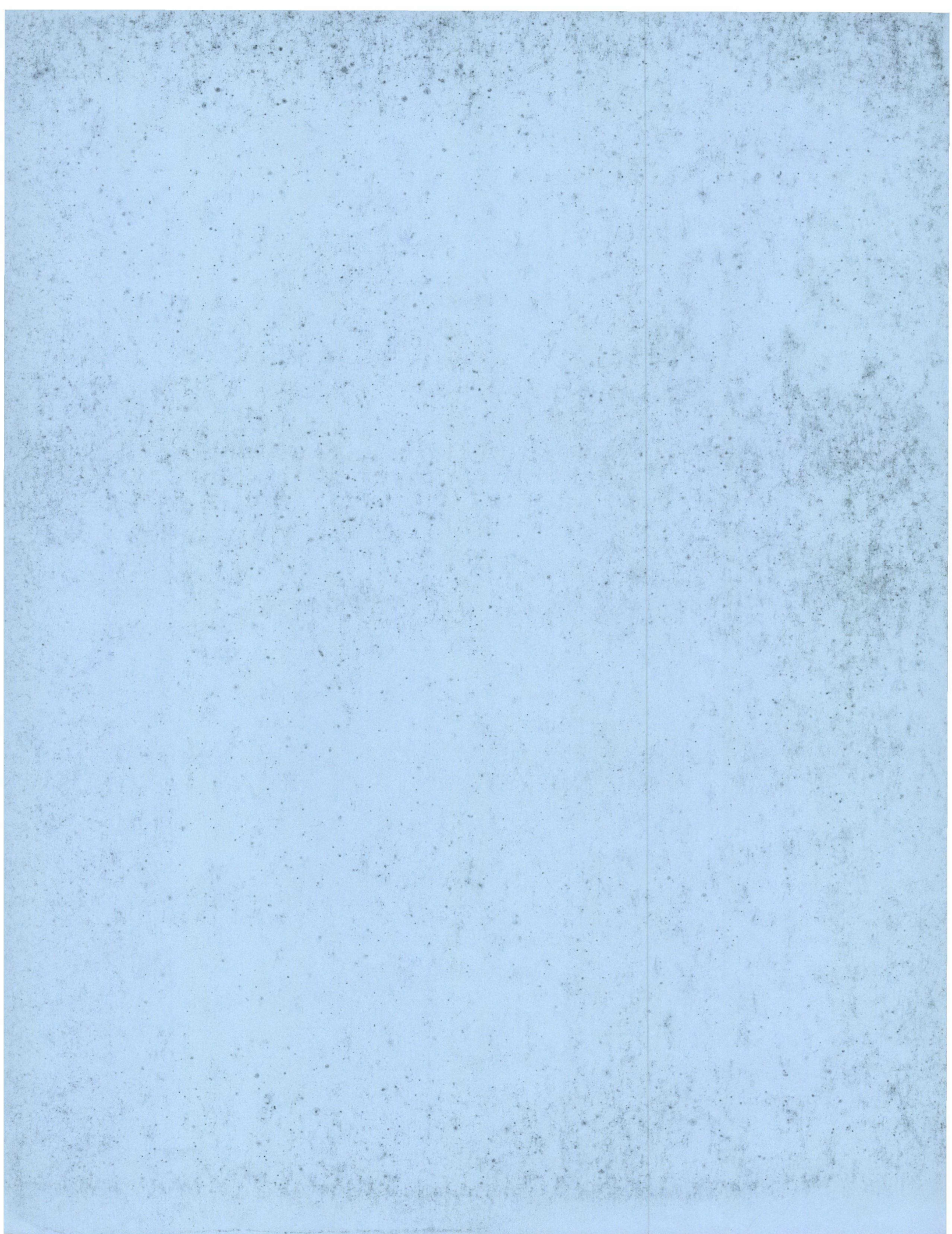
ATTEST:


Melinda Soliday, City Secretary

Attachment 11

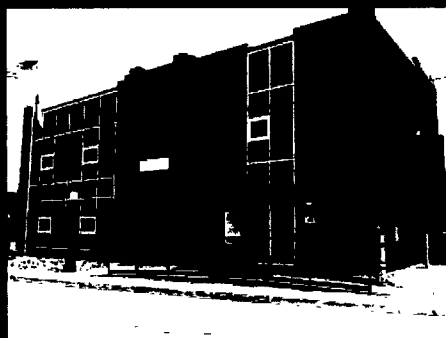
Section 6.D Financial Information

Comprehensive Annual Financial Report
(Including Auditors Report for FY ended in
09/30/16)





Comprehensive Annual Financial Report



2015-2016

City of Dayton, Texas

*Including Auditor's Report for the fiscal
year ended September 30, 2016*

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

CITY OF DAYTON, TEXAS

**For the Year Ended
September 30, 2016**

Prepared by:

Department of Finance and Administration

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CITY OF DAYTON, TEXAS

TABLE OF CONTENTS

September 30, 2016

INTRODUCTORY SECTION

Page

Letter of Transmittal	3
Organizational Chart	7
List of Elected and Appointed Officials	9

FINANCIAL SECTION

Independent Auditors' Report	13
Management's Discussion and Analysis (Required Supplementary Information)	17

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position	29
Statement of Activities	30

Fund Financial Statements

Governmental Funds:

Balance Sheet – Governmental Funds	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	39

Proprietary Funds:

Statement of Net Position	41
Statement of Revenues, Expenses, and Changes in Fund Net Position	43
Statement of Cash Flows	44

Notes to Financial Statements	47
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	79
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System	81
Schedule of the City's Proportionate Share of the Net Pension Liability – Texas Emergency Services Retirement System	83
Schedule of Contributions – Texas Municipal Retirement System	85
Schedule of City Contributions – Texas Emergency Services Retirement System	87

CITY OF DAYTON, TEXAS

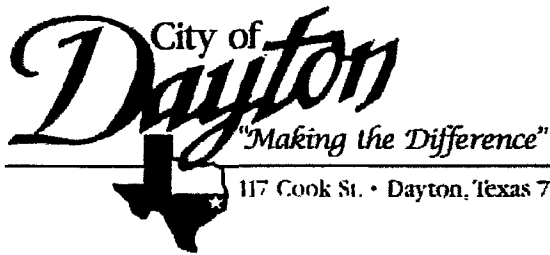
TABLE OF CONTENTS (Continued)

September 30, 2016

	<u>Page</u>
<u>COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULE</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	91
Combining Balance Sheet – Nonmajor Governmental Funds	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	97
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel and Motel Tax Fund	99
 <u>STATISTICAL SECTION</u>	
Net Position by Component	102
Changes in Net Position	104
Tax Revenues by Source, Governmental Activities	108
Fund Balances, Governmental Funds	110
Changes in Fund Balances, Governmental Funds	112
Assessed Value and Estimated Actual Value of Taxable Property	114
Property Tax Rates – Direct and Overlapping Governments	116
Principal Property Taxpayers	119
Property Tax Levies and Collections	120
Ratios of Outstanding Debt by Type	122
Ratios of General Bonded Debt Outstanding	124
Direct and Overlapping Governmental Activities Debt	127
Legal Debt Margin Information	128
Demographic and Economic Statistics	131
Principal Employers	133
Full-Time Equivalent Employees by Function	135
Operating Indicators by Function	136
Capital Asset Statistics by Function	138

INTRODUCTORY SECTION

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117 Cook St. • Dayton, Texas 77535 • Telephone - (936) 258-2642 • FAX - (936) 258-2348

March 30, 2017

Honorable Mayor and City Council
City of Dayton
117 Cook Street
Dayton, Texas 77535

Dear Mayor and Members of City Council:

The City of Dayton, Texas (the "City") is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Dayton for the fiscal year ending September 30, 2016.

This report consists of management's representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City also acknowledges all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgements by management. We believe that the City's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The City's financial statements have been audited by Belt Harris Pechacek, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending September 30, 2016 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. Based on the audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ending September 30, 2016 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As required by GAAP, management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Strategic Direction

The City's vision, mission, and strategy clearly define for the City staff and the community what issues are most important to Dayton.

Vision. The City of Dayton will be a prosperous and fiscally sound, family-oriented community with a full range of housing, business, cultural, and recreational opportunities in a safe and attractive environment for residents and visitors.

Mission. The City of Dayton is committed to working with citizens to preserve a sense of community and enhance the quality of life by providing friendly, personalized services for the safety and well-being of our diverse City, its natural resources, and environment in a fiscally responsible manner.

To accomplish our mission, we will commit to the following principles:

- **Fiscal Responsibility** – Continue fiscally sound local government practices through active budget controls and a focus on strategic planning within the community.
- **Public Safety** – Provide a safe and secure environment resulting from a partnership between Dayton residents and the Police Department and Volunteer Fire Personnel.
- **Emergency Preparedness** – Our Emergency Management plan is complete and all essential City staff members are in compliance with National Incident Management System standards.
- **Residential Development** – The City will work with developers to create quality housing for the increased residential needs of the community.
- **Economic Development** – The City will focus economic development efforts on increasing the commercial tax base through the attraction of companies and the expansion of existing businesses.
- **Quality Public Infrastructure and Recreational Facilities** – Provide continual cost-effective maintenance and upgrades of streets, municipal utilities, and other municipal-owned facilities to meet the service and capacity requirements of the community.

Profile of the Government

The City of Dayton resides on U.S. Highway 90, six miles west of Liberty in southwestern Liberty County; was first called West Liberty; and was considered part of the original town of Liberty, founded in 1831. Dayton was recorded as an incorporated municipality on May 3, 1911. As of September 30, 2016, the City had a land area of 17.4 square miles and an estimated population of approximately 7,672. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statutes to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Dayton has adopted a Home Rule form of government. The Council is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large for two-year terms. Elections are staggered with the Mayor and two Council members elected together in odd years and the three remaining members in the following even year. The City Manager is appointed by the Council and is responsible for implementation of Council policy and all day-to-day operations of the City.

The City provides a full range of municipal services including public safety (police and fire protection), residential solid waste sanitation services, water and wastewater services, public improvements, repair and maintenance of infrastructure, recreational and community activities, and general administrative services. As an independent political subdivision of the State of Texas governed by an elected Mayor and Council, the City is considered a primary government.

In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable.

Local Economy

The Texas unemployment rate at 4.8 percent is lower than the U.S. unemployment rate of 4.9 percent. Liberty County has a slightly higher unemployment rate of 8.2 percent.

	2016	2015	2014
United States	4.9%	5.0%	5.5%
Texas	4.8%	4.5%	4.5%
Dayton-Liberty	8.2%	6.9%	7.1%

Long-Term Financial Planning

Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually adopts a Five-Year Capital Improvement Plan and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. These plans are prepared by staff and presented to the City Council for review and acceptance. The plans require funding sources to be identified for each project.

For the last several years, the annual budget of the City has been able to maintain its infrastructure base for streets, water and wastewater systems, and municipal facilities through an aggressive maintenance and improvement program. A portion of general fund revenues is typically allocated to the Capital Improvement Plan each year. Debt is issued when necessary to finance long-term capital improvements.

While the economy has improved, continuing instability in the oil futures and its direct impact on our largest of sales tax payers reinforces the City's commitment to retain large cash reserves on hand to thwart any future fiscal crisis. As interest rates improve, the City's goal is to take greater advantage of the market to help diversify our investment portfolio.

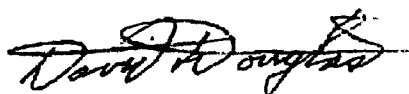
Major Initiatives

In the 2015-2016 fiscal year, the City of Dayton continued construction of its new Public Safety Facility complex. This multipurpose site will become the new headquarters for the Dayton Municipal Court, Police Department, and Dayton Volunteer Fire Department. Three new industries have made Dayton, Texas their home. Roll-Lift, Inc., Wachter, Inc., and Sumiden Wire Products, Inc. have begun construction of facilities on Highway 146 and FM1960 with completions expected by the summer of 2017.

Acknowledgements

The preparation of the CAFR was made possible by the dedicated service of the entire administration. We appreciate the efforts of everyone involved. In closing, without the leadership and support of the Dayton Council, preparation of this report would not have been possible.

Respectfully submitted,



David Douglas
City Manager



Rudy Zepeda
Assistant City Manager / CFO

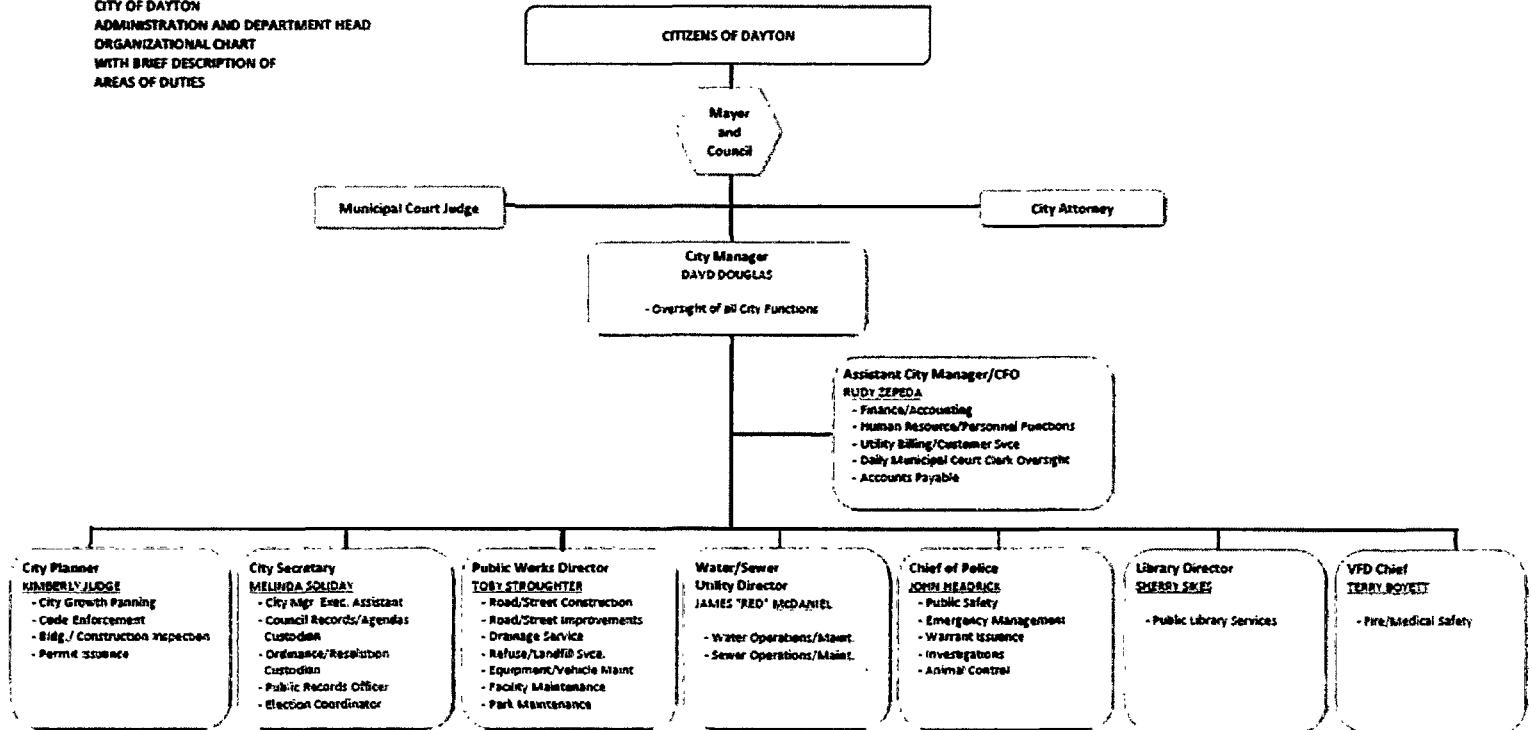
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CITY OF DAYTON, TEXAS

ORGANIZATIONAL CHART

September 30, 2016

CITY OF DAYTON
ADMINISTRATION AND DEPARTMENT HEAD
ORGANIZATIONAL CHART
WITH BRIEF DESCRIPTION OF
AREAS OF DUTIES



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CITY OF DAYTON, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2016

Elected Officials	Position
Jeff Lambright	Mayor
Dr. John S Johnson	City Councilmember
Josh Townsend	City Councilmember
Sherial L. Lawson	City Councilmember
Troy Barton	City Councilmember
Appointed Officials	Position
David Douglas	City Manager
Charles Carden	Park Board Trustees
David Parker	Park Board Trustees
Howie Howeth	Park Board Trustees
Gala Robinson	Park Board Trustees
Connie Lehan	Park Board Trustees
Wendy Null	Planning Commission
Danny Jones	Planning Commission
Bob Edwards	Planning Commission
Eliza Mae Guidry	Planning Commission
Isaac Love	Planning Commission
Sharron Stovall	Planning Commission
Betty Tankersley	Planning Commission
Earnest Jones	Library Trustees
Margaret Black	Library Trustees
Renee DiSabatino	Library Trustees
Sherry Graves	Library Trustees
Kathie Laza	Library Trustees
Lynn Sturrock	Library Trustees
PamTurne	Library Trustees
Caroline Wadzeck	Library Trustees
Lisa Westcott	Library Trustees
Margaret Cantrell	Housing Authority
Tony De La Cruz	Housing Authority
Mike Graves	Housing Authority
Adam Piserelle	Housing Authority
Paula Sanchez	Housing Authority

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Dayton, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dayton, Texas (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of the City's proportionate share of net pension liability, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements, individual fund schedule, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

 BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
March 30, 2017

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

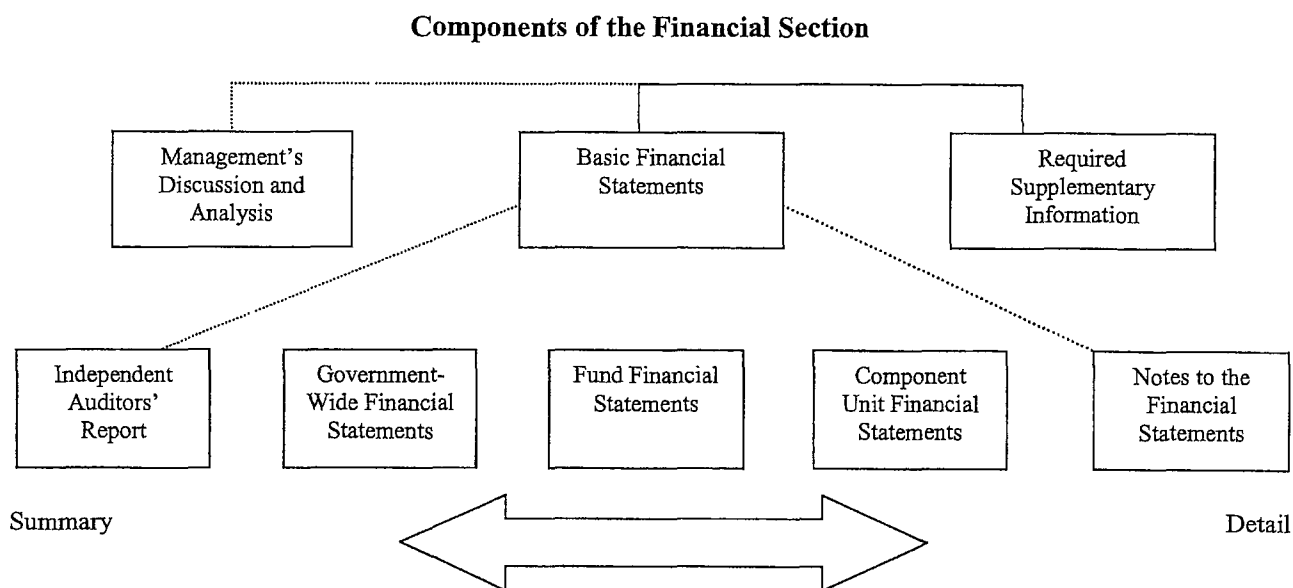
CITY OF DAYTON, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2016

The purpose of the Management’s Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Dayton, Texas (the “City”) for the year ending September 30, 2016. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City’s activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City’s financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change

CITY OF DAYTON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2016

occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety (police, fire, and EMS), public works (street and park maintenance), culture and recreation, community enhancement, and general administration (City manager, City secretary, finance, human resources, and information technology). Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise taxes, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution, wastewater collection/treatment, and refuse services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate community development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund which are considered to be major funds for reporting purposes.

CITY OF DAYTON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2016

The City adopts an annual appropriated budget for its general fund, debt service fund, and hotel and motel tax fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water distribution, wastewater collection/treatment, water and sewer impact, water construction operations, and refuse services. The proprietary fund financial statements provide separate information for the water and sewer fund and refuse fund. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its employees benefit program. Because these services predominantly benefit governmental rather than business-type functions, this has been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios, schedule of the City's proportionate share of the net pension liability, and schedules of contributions for the Texas Municipal Retirement System and the Texas Emergency Services Retirement System. RSI can be found after the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$27,373,861, as of September 30, 2016 for the primary government.

A portion of the City's net position, \$15,530,944, reflects its investments in capital assets (e.g., land, City hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF DAYTON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2016

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 15,084,114	\$ 3,994,332	\$ 19,078,446	\$ 17,128,628	\$ 3,633,080	\$ 20,761,708
Capital assets, net	20,179,152	16,606,694	36,785,846	17,648,349	17,496,397	35,144,746
Total Assets	35,263,266	20,601,026	55,864,292	34,776,977	21,129,477	55,906,454
Deferred charge on refunding	1,582	-	1,582	2,373	-	2,373
Deferred outflows - pensions	586,915	135,368	722,283	179,673	39,376	219,049
Total Deferred Outflows of Resources	588,497	135,368	723,865	182,046	39,376	221,422
Other liabilities	1,174,236	528,800	1,703,036	430,418	272,880	703,298
Long-term liabilities	19,653,938	7,847,868	27,501,806	20,516,485	7,784,302	28,300,787
Total Liabilities	20,828,174	8,376,668	29,204,842	20,946,903	8,057,182	29,004,085
Deferred inflows - pensions	7,585	1,869	9,454	25,681	2,778	-
Total Deferred Inflows of Resources	7,585	1,869	9,454	25,681	2,778	-
Net Position:						
Net investment in capital assets	6,558,718	8,972,226	15,530,944	4,566,453	9,839,516	14,405,969
Restricted	6,344,697	-	6,344,697	9,063,490	-	9,063,490
Unrestricted	2,112,589	3,385,631	5,498,220	356,496	3,269,377	3,625,873
Total Net Position	\$ 15,016,004	\$ 12,357,857	\$ 27,373,861	\$ 13,986,439	\$ 13,108,893	\$ 27,095,332

A portion of the City's net position, \$1,964,643 or 7.2 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$5,498,220, may be used to meet the City's ongoing obligation to citizens and creditors. The City's total net position increased by \$278,529 as compared to the prior year.

Compared to the prior year, current assets decreased by \$1,683,262 while noncurrent assets increased \$1,641,100. These variances are largely attributable to current year capital projects. The decrease in current assets was partially offset by an increase in prepaid items related to an insurance contract. Current liabilities increased \$999,738 compared to the prior year due to an increase in accounts payable related to construction projects and the timing of when invoices were received and paid.