



Control Number: 48635



Item Number: 1

Addendum StartPage: 0



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY: 07

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

Docket Number: **48635**

(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

COPY

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

Table of Contents

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

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

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

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s)	11064
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s)	

1. Applicant Information

Applicant

Utility name: City of Marshall

Certificate number: 600337612

Street address (City/ST/ZIP/Code): Marshall, TX / 605 East End Blvd. / 75671

Mailing address(City/ST/ZIP/Code): Marshall, TX / 605 East End Blvd. / 75671

Utility Phone Number and Fax: (903) 935-4485

Contact information

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

Name: Joey Scott

Title: Project Designer

Mailing address: 2126 Alpine St. Longview TX 75601

Email: Joey@hayesengineering.net

Phone and Fax: (903) 758-2010

List all counties in which service is proposed:

Harrison

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

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

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

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

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

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

2. Location Information

- A. Are there people already living in the proposed area? ☒ Yes ☐ No
- If YES, are any currently receiving utility service? ☒ Yes ☐ No
- If YES, from WHOM? They are being served by City of Marshall due to being in the city limits

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

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

☐ Yes ☐ No

If YES, provide the following: (ATTACHMENT A)

- 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 Marshall

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

N/A - City of Marshall is the applicant

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 of the areas.

3. Map Requirements

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

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

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

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

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

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

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

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

5. Existing System Information

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

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

1	0	2	0	0	0	2												

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

W Q - ;	W Q - ;
W Q - ;	W Q - ;
W Q - ;	W Q - ;

- iii. Date of last TCEQ water and/or sewer system inspection(s): 4/19/2018
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). (ATTACHMENT F)
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. (ATTACHMENT F)

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

Name	Classes	License Number
Nancy Pasel	A-Water	WO 0003828
Fernando Esquivel	D - Water - Operator	WO 0041438
Jacob Kamp	C - Surface Water - Operator	WS 0012720
Matt Rymel	D - Water - Lab Tech	WO 0039568
James C. Chisum	C - Surface Water - Lab Tech	WO 0002676
Jamie McClendon	B - Surface Water - Chief Operator	WS 0010234
Joyce Gatson	CSI	CI 0005161
Rodney McLane	C - Surface Water - Operator	WO 0010731
Larry Tallant	B - Surface Water - Operator	WO 009533
Jason Davis	D - Water - Relief Operator	WO 0042147

- 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. (SEE 291.93 (3) OF TCEQ RULES)

- 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	8,837		Residential	0	
1" meter or larger	1,980		Commercial	0	
Non-Metered			Industrial		

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

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

The City of Marshall has their own Waste Water Treatment Plant. The proposed customers have septic tanks or they are already being served by the City of Marshall for being inside the city limits.

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

N/A

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

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

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

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

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

ii. ☒ Yes, Water

Purchased on a ☐ Regular ☒ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
Northeast Texas Municipal Water District Raw Water	24.00%

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. (ATTACHMENT H)

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: (ATTACHMENT I)

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

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

6. Financial Information

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

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

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

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

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

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

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

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

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

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

7. Notice Requirements

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

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

H. Notice to Customers:

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

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

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

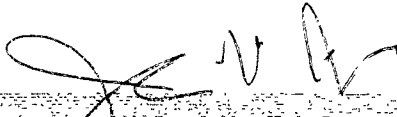
OATH

STATE OF TEXAS
COUNTY OF HARRISON

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

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

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



AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 23rd of August 20 18

SEAL



NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS



Laurie Thompson

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 3/14/19

Notice for Publication

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

Harrison COUNTY(IES), TEXAS

Name of Applicant City of Marshall has filed an application for a CCN to obtain or amend CCN No. (s) 11064 and to decertify a portion(s) of _____ with the
(Name of Decertified Utility)

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

utility service in Harrison County
(ies).

PROPOSED SERVICE AREA #1

The proposed utility service area is located approximately 1 miles North, East, & South
[direction] of downtown City of Marshall, [City or Town] Texas, and is
generally bounded on the north by Loop 390; on the east by
Cooks Rd.; on the south by Interstate 20; and on the west by Pumpkin Center Rd.

APPROXIMATELY

The total area being requested includes approximately 15,157 acres and 1,124
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): 605 East End Blvd. / Marshall, Tx / 75671 (903) 935-4485

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

PROPOSED SERVICE AREA #2

1.80 Miles Northwest of downtown Marshall, Texas, and is generally bounded on the north by Loop 390; on the east by Northwood Rd.; on the south by Cooper Rd.; and on the west by Loop 390.

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

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

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

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

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

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

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

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

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

Notice to Neighboring Systems, Landowners and Cities

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

Harrison COUNTY(IES), TEXAS

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

(Address)

City State Zip

Name of Applicant City of Marshall has filed an application for a
CCN to obtain or amend CCN No. (s) 11064 and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

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

The proposed utility service area is located approximately 1 miles North, East, & South
[direction] of downtown City of Marshall, [City or Town] Texas, and is
generally bounded on the north by Loop 390; on the east by
Cooks Rd.; on the south by Interstate 20; and on the west by Pumpkin Center Rd.

See enclosed map of the proposed service area.

APPROXIMATELY

The total area being requested includes approximately 15,157 acres and 1,124
current customers.

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

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

Notice to Customers of IOUs in Proposed Area

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

Harrison _____ COUNTY(IES), TEXAS

Dear Customer: _____ Date Notice Mailed _____ 20 18

Name of Applicant City of Marshall has filed an application for a
CCN to obtain or amend CCN No. (s) 11064 and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

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

The proposed utility service area is located approximately 1 miles North, East, & South
[direction] of downtown City of Marshall, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): 605 East End Blvd. / Marshall, Tx / 75671 (903) 935-4485

The current utility rates which were first effective on November 10, 20 16

Monthly Flat Rate of \$ 8.66 Per connection

-OR-

Monthly Base Rate Including per 1,000 gallons
connection for:

5/8" meter	\$ 8.66
1" meter	\$ 12.93
1 1/2" meter	\$
2" meter	\$ 26.01

Other\$ _____

Gallage charge of \$ 4.17 Per 1,000
Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

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

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%
\$
\$ 45.00
\$
\$ 15.00
\$ 15.00
\$5.00 or 10%
\$ 15.00
\$
\$
\$
\$

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

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

Persons who wish to intervene or comment should write the:

Filing Clerk
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Austin, Texas 78711-3326

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

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

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

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

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

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

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

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

ATTACHMENT A

2.B.i. & 2.B.iii.

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

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

The City of Marshall desires to amend its CCN area description that will include its current customer base as well as extend its services outside its city limits which will expand their existing service area.

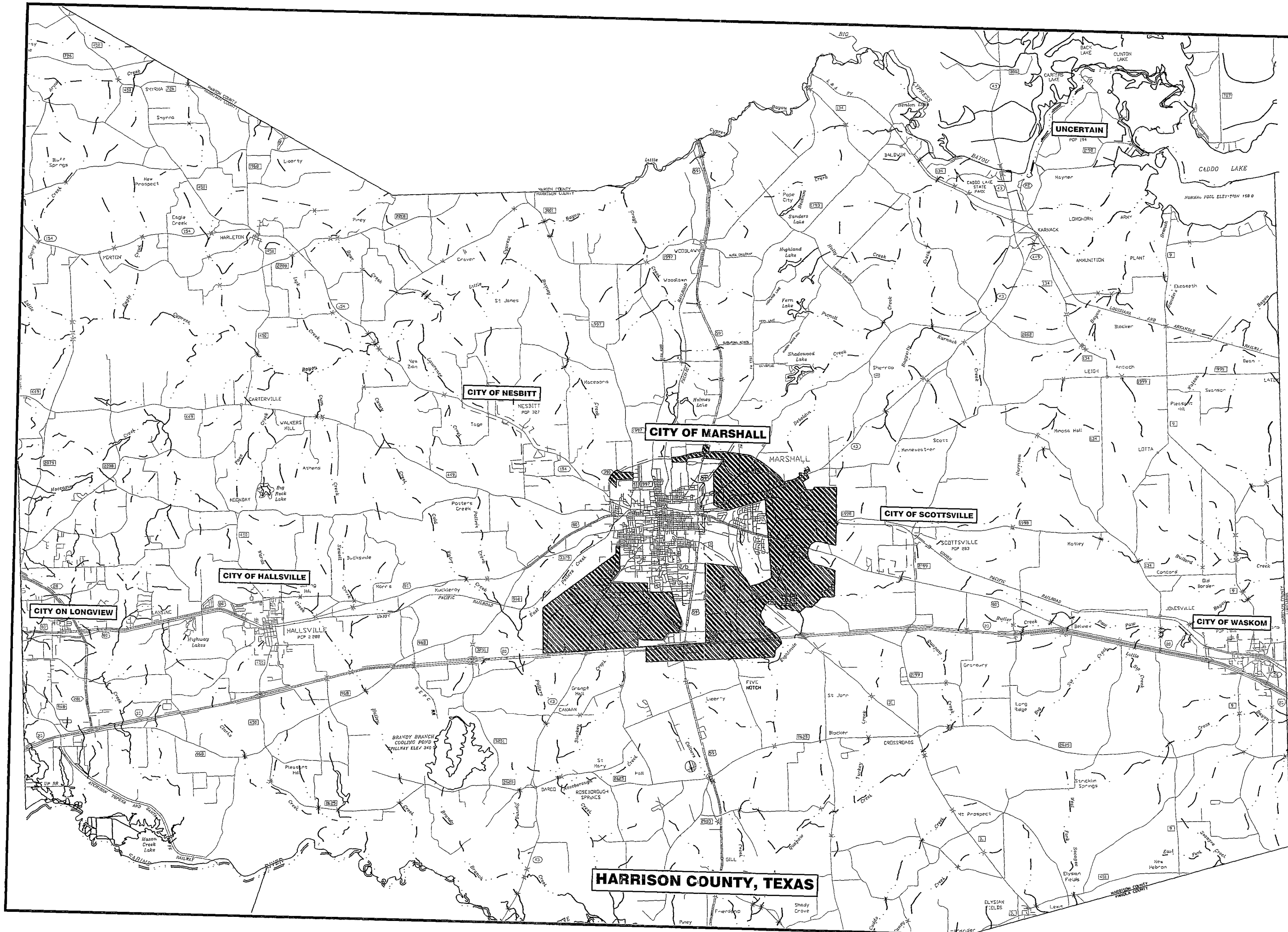
2.B.iii Describe the economic need(s) for service in the requested area:

Most households in the community are being served by the City of Marshall due to being inside the city limits. The households that are outside the city limits now have dry or underperforming wells due to the ongoing drought in East Texas. Residents are seeking for a safe and reliable water source and have been wanting to be served by The City of Marshall for some time.

ATTACHMENT B

3.A.

LOCATION MAP



LOCATION MAP

CITY OF MARSHALL
LOCATION MAP
HARRISON COUNTY, TEXAS

HAYES ENGINEERING, INC.
Texas Registered Engineering Firm F-1485
2126 Alpine St. Longview, TX 75601-3401
Tel.: (903) 758-2010 • Fax (903) 758-2099



DRAWN BY : J.T.S.
CHECKED BY : S.R.H.
DATE : AUG 2018
SCALE : N.T.S.
JOB NO. : MA-18-10

SHEET
ATTACHMENT
B

HARRISON COUNTY, TEXAS

ATTACHMENT C

3.B.

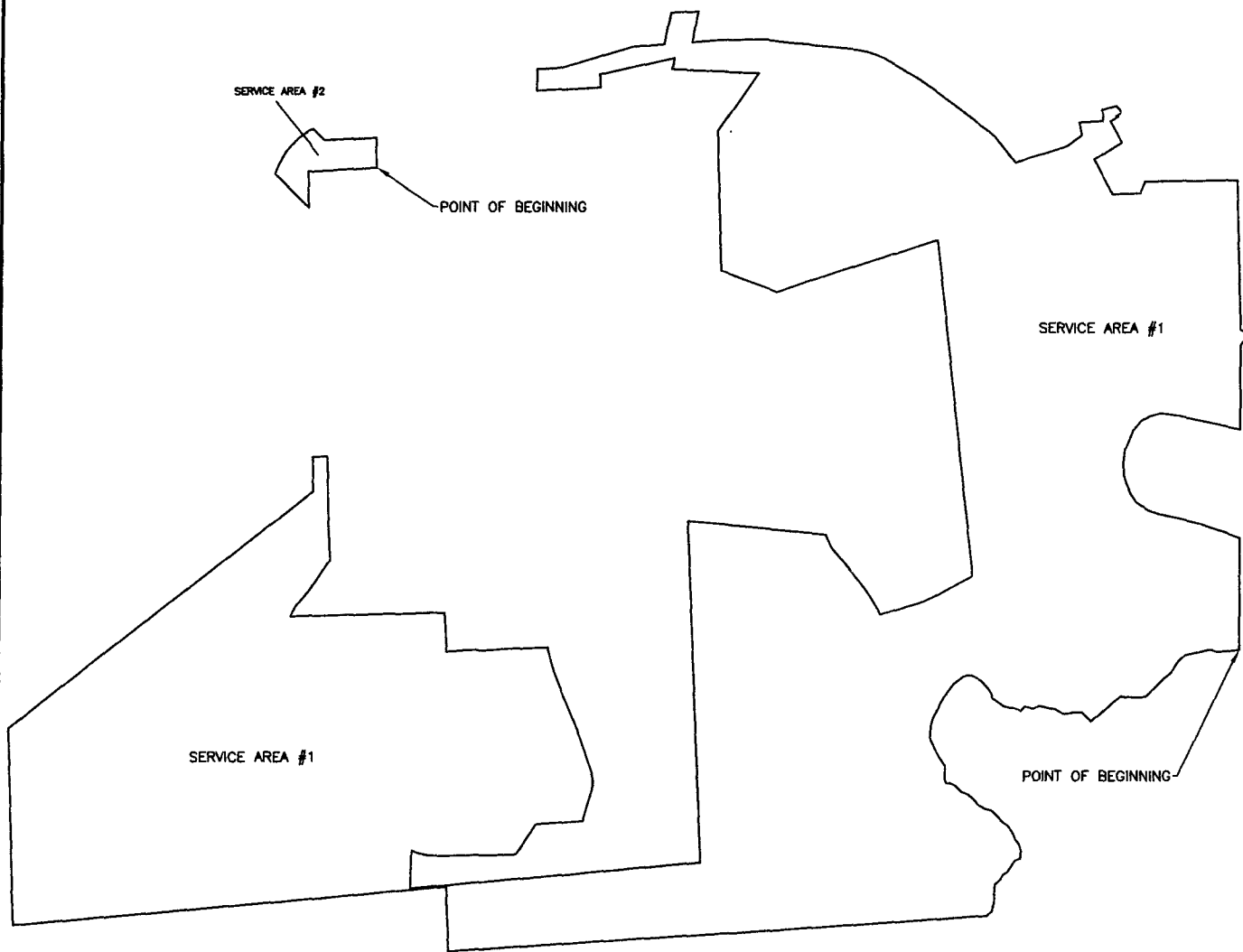
PROPOSED AREA CCN BOUNDARY MAP

SEE DIGITAL DATA ON CD PROVIDED

ATTACHMENT D

3.C.

WRITTEN DESCRIPTION OF PROPOSED AREA



ATTACHMENT D



HAYES ENGINEERING, INC.
TEXAS REGISTERED ENGINEERING FIRM F-1485
2126 Alpine St. Longview, TX 75601-3401
Tel.: (903) 758-2010 • Fax: (903) 758-2099

CITY OF MARSHALL
CCN AMENDMENT APPLICATION
METES & BOUNDS P.O.B. MAP

DATE :AUG. 2018
SCALE : N.T.S.
JOB NO. : MA1801

City of Marshall

PUC CCN Amendment Application

Meets and Bounds of Proposed Service Area(s)

By:

Hayes Engineering, Inc.

Metes and Bounds Report

Project Name: MA-18-10 Water CCN
Amendment

Report Date: 8/23/2018 2:11:59 PM

Client: City of Marshall CCN Amendment

Project Description: Proposed Service
Area(s)

Prepared by: Joey Scott

Metes and Bounds description of parcel Property : Service Area #1

Beginning at a point whose Northing is 6895101.736 and whose Easting is 3269123.628 ;
thence bearing S 81-46-13.153 W a distance of 139.455 ;
thence bearing S 83-36-19.149 W a distance of 352.048 ;
thence bearing S 85-2-0.635 W a distance of 348.033 ;
thence bearing N 87-0-16.964 W a distance of 40.173 ;
thence bearing N 72-30-13.120 W a distance of 73.207 ;
thence bearing N 65-57-48.043 W a distance of 114.244 ;
thence bearing N 74-0-51.418 W a distance of 54.331 ;
thence bearing N 89-23-58.686 W a distance of 52.421 ;
thence bearing S 76-33-59.689 W a distance of 175.256 ;
thence bearing S 75-21-15.133 W a distance of 176.201 ;
thence bearing S 81-9-41.645 W a distance of 238.595 ;
thence bearing S 80-56-37.654 W a distance of 120.061 ;
thence bearing S 76-22-43.752 W a distance of 120.717 ;
thence bearing S 69-1-17.032 W a distance of 60.698 ;
thence bearing S 59-11-47.564 W a distance of 105.306 ;
thence bearing S 50-43-31.931 W a distance of 80.014 ;
thence bearing S 44-58-18.120 W a distance of 121.949 ;
thence bearing S 41-53-44.909 W a distance of 122.219 ;
thence bearing S 37-2-25.534 W a distance of 132.599 ;
thence bearing S 31-53-34.056 W a distance of 197.949 ;
thence bearing S 35-2-40.996 W a distance of 97.754 ;

thence bearing S 42-3-56.241 W a distance of 97.419 ;
thence bearing S 51-4-31.219 W a distance of 194.576 ;
thence bearing S 52-18-24.602 W a distance of 97.527 ;
thence bearing S 48-30-27.452 W a distance of 97.204 ;
thence bearing S 45-12-27.134 W a distance of 218.968 ;
thence bearing S 45-8-21.672 W a distance of 219.063 ;
thence bearing S 44-46-46.419 W a distance of 23.335 ;
thence bearing S 44-46-48.228 W a distance of 167.868 ;
thence bearing S 47-3-0.011 W a distance of 195.778 ;
thence bearing S 54-41-43.608 W a distance of 49.202 ;
thence bearing S 67-17-50.995 W a distance of 84.377 ;
thence bearing S 78-21-50.337 W a distance of 64.080 ;
thence bearing S 86-9-8.095 W a distance of 97.501 ;
thence bearing N 88-56-45.894 W a distance of 96.179 ;
thence bearing N 84-50-35.853 W a distance of 160.179 ;
thence bearing N 85-8-8.840 W a distance of 160.237 ;
thence bearing S 86-36-5.429 W a distance of 62.325 ;
thence bearing N 88-48-16.032 W a distance of 61.750 ;
thence bearing N 79-18-24.638 W a distance of 76.174 ;
thence bearing N 79-18-19.834 W a distance of 76.164 ;
thence bearing S 49-23-9.800 W a distance of 130.063 ;
thence bearing S 49-25-45.289 W a distance of 259.315 ;
thence bearing S 49-25-56.356 W a distance of 259.316 ;
thence bearing S 46-55-6.694 W a distance of 230.626 ;
thence bearing S 46-53-12.822 W a distance of 230.623 ;
thence bearing S 62-23-44.975 W a distance of 67.870 ;
thence bearing S 62-12-46.888 W a distance of 67.827 ;
thence bearing S 48-59-56.891 W a distance of 106.275 ;
thence bearing S 48-59-59.072 W a distance of 92.850 ;
thence bearing S 49-26-56.557 W a distance of 12.431 ;
thence bearing N 43-32-6.109 W a distance of 3.385 ;
thence bearing N 45-8-1.301 W a distance of 201.557 ;
thence bearing N 45-48-5.683 W a distance of 279.403 ;
thence bearing S 85-2-34.618 W a distance of 122.728 ;
thence bearing N 83-9-48.899 W a distance of 143.908 ;
thence bearing S 79-44-36.964 W a distance of 161.534 ;
thence bearing S 83-5-2.580 W a distance of 216.149 ;
thence bearing N 73-25-57.364 W a distance of 171.109 ;
thence bearing N 59-30-37.503 W a distance of 213.467 ;
thence bearing N 81-47-10.529 W a distance of 213.891 ;
thence bearing N 71-14-55.397 W a distance of 259.647 ;
thence bearing N 86-53-39.616 W a distance of 165.031 ;
thence bearing S 69-6-36.894 W a distance of 246.682 ;
thence bearing N 73-55-23.001 W a distance of 297.075 ;
thence bearing S 46-13-19.907 W a distance of 249.060 ;
thence bearing N 67-15-32.036 W a distance of 259.830 ;

thence bearing N 87-21-0.328 W a distance of 164.312 ;
thence bearing N 73-56-0.329 W a distance of 246.277 ;
thence bearing N 54-21-8.109 W a distance of 538.855 ;
thence bearing N 20-1-28.448 W a distance of 169.086 ;
thence bearing N 31-19-10.595 W a distance of 258.884 ;
thence bearing N 43-10-26.425 W a distance of 372.801 ;
thence bearing N 61-31-21.726 W a distance of 361.267 ;
thence bearing N 87-33-58.932 W a distance of 186.737 ;
thence bearing S 74-19-10.173 W a distance of 168.686 ;
thence bearing S 52-4-17.515 W a distance of 342.986 ;
thence bearing S 52-4-18.370 W a distance of 128.122 ;
thence bearing S 38-39-26.666 W a distance of 314.615 ;
thence bearing S 34-21-23.022 W a distance of 39.420 ;
thence bearing S 32-43-11.808 W a distance of 76.681 ;
thence bearing S 32-52-14.745 W a distance of 110.548 ;
thence bearing S 32-10-17.921 W a distance of 154.591 ;
thence bearing S 32-7-0.103 W a distance of 159.486 ;
thence bearing S 19-37-52.990 W a distance of 186.897 ;
thence bearing S 28-12-26.387 W a distance of 111.658 ;
thence bearing S 27-43-49.700 W a distance of 343.088 ;
thence bearing S 18-27-45.001 W a distance of 258.357 ;
thence bearing S 5-48-9.981 W a distance of 217.104 ;
thence bearing S 6-12-58.687 W a distance of 150.733 ;
thence bearing S 13-27-16.404 E a distance of 199.170 ;
thence bearing S 24-37-10.965 E a distance of 413.803 ;
thence bearing S 31-5-49.403 E a distance of 350.765 ;
thence bearing S 33-22-45.930 E a distance of 216.982 ;
thence bearing S 33-41-3.734 E a distance of 102.262 ;
thence bearing S 2-17-3.809 E a distance of 58.996 ;
thence bearing S 0-39-59.256 W a distance of 88.679 ;
thence bearing S 3-21-0.638 W a distance of 116.748 ;
thence bearing S 4-6-31.948 W a distance of 80.929 ;
thence bearing S 3-35-37.500 W a distance of 107.041 ;
thence bearing S 22-46-35.347 E a distance of 224.432 ;
thence bearing N 89-59-51.797 E a distance of 156.111 ;
thence bearing S 64-26-27.188 E a distance of 186.149 ;
thence bearing S 46-27-35.655 E a distance of 347.269 ;
thence bearing S 66-33-12.100 E a distance of 283.935 ;
thence bearing S 49-10-39.161 E a distance of 101.724 ;
thence bearing S 48-37-42.061 E a distance of 108.968 ;
thence bearing S 40-22-27.467 E a distance of 180.388 ;
thence bearing S 40-37-5.675 E a distance of 132.562 ;
thence bearing S 64-28-54.923 E a distance of 317.955 ;
thence bearing S 75-20-14.452 E a distance of 210.955 ;
thence bearing S 46-29-55.786 E a distance of 329.657 ;
thence bearing S 42-21-30.968 E a distance of 249.254 ;

thence bearing S 52-47-15.041 E a distance of 300.908 ;
thence bearing S 36-28-58.822 E a distance of 271.980 ;
thence bearing S 26-37-55.136 E a distance of 87.419 ;
thence bearing S 22-9-26.211 E a distance of 237.256 ;
thence bearing S 38-48-56.023 E a distance of 223.550 ;
thence bearing S 17-18-27.629 E a distance of 242.291 ;
thence bearing S 5-20-59.007 W a distance of 291.830 ;
thence bearing S 66-50-31.918 W a distance of 242.054 ;
thence bearing S 28-13-9.378 W a distance of 245.120 ;
thence bearing S 36-1-16.168 W a distance of 239.259 ;
thence bearing S 61-56-0.067 W a distance of 199.113 ;
thence bearing S 26-2-39.134 W a distance of 212.795 ;
thence bearing S 51-3-20.778 W a distance of 262.892 ;
thence bearing S 10-19-34.871 W a distance of 176.273 ;
thence bearing S 0-23-34.393 W a distance of 230.103 ;
thence bearing S 0-39-59.256 W a distance of 203.863 ;
thence bearing S 7-22-34.907 W a distance of 232.638 ;
thence bearing S 13-39-39.652 W a distance of 181.325 ;
thence bearing S 51-59-0.509 W a distance of 265.951 ;
thence bearing S 86-18-52.709 W a distance of 9241.147 ;
thence bearing S 86-24-52.791 W a distance of 11167.974 ;
thence bearing N 2-14-40.469 W a distance of 2407.874 ;
thence bearing S 84-56-4.968 W a distance of 1379.189 ;
thence bearing S 84-56-4.968 W a distance of 2435.073 ;
thence bearing S 84-56-1.834 W a distance of 5851.668 ;
thence bearing S 84-57-30.998 W a distance of 3876.969 ;
thence bearing S 84-56-55.547 W a distance of 2889.749 ;
thence bearing N 1-52-14.653 W a distance of 7322.769 ;
thence bearing N 52-18-59.767 E a distance of 11241.364 ;
thence bearing N 52-18-59.767 E a distance of 3246.986 ;
thence bearing N 1-14-57.879 W a distance of 1288.632 ;
thence bearing N 88-24-53.813 E a distance of 539.076 ;
thence bearing S 1-32-55.063 E a distance of 1181.811 ;
thence bearing S 1-32-55.019 E a distance of 367.818 ;
thence bearing S 0-22-4.154 E a distance of 159.458 ;
thence bearing S 0-30-3.169 E a distance of 32.248 ;
thence bearing S 0-22-59.991 E a distance of 10.189 ;
thence bearing S 1-31-16.049 W a distance of 157.824 ;
thence bearing S 2-23-1.037 E a distance of 1962.576 ;
thence bearing S 39-24-45.153 W a distance of 97.488 ;
thence bearing S 35-49-13.510 W a distance of 81.514 ;
thence bearing S 33-43-51.112 W a distance of 166.890 ;
thence bearing S 33-46-12.495 W a distance of 254.369 ;
thence bearing S 34-10-8.415 W a distance of 715.949 ;
thence bearing S 38-42-49.329 W a distance of 54.831 ;
thence bearing S 40-22-22.802 W a distance of 625.930 ;

thence bearing S 37-55-18.861 W a distance of 83.732 ;
thence bearing S 32-36-17.181 W a distance of 85.172 ;
thence bearing S 27-51-52.384 W a distance of 75.987 ;
thence bearing S 26-47-21.790 W a distance of 311.174 ;
thence bearing N 88-39-59.206 E a distance of 5861.605 ;
thence bearing S 2-45-12.883 E a distance of 1452.105 ;
thence bearing N 86-54-54.213 E a distance of 317.150 ;
thence bearing N 87-3-7.650 E a distance of 628.156 ;
thence bearing S 89-26-29.225 E a distance of 442.003 ;
thence bearing N 88-56-42.012 E a distance of 304.795 ;
thence bearing N 86-22-24.474 E a distance of 311.358 ;
thence bearing N 85-27-32.189 E a distance of 330.159 ;
thence bearing N 88-25-0.848 E a distance of 1515.278 ;
thence bearing S 13-49-42.455 E a distance of 436.268 ;
thence bearing S 14-46-4.014 E a distance of 229.230 ;
thence bearing S 16-56-31.469 E a distance of 196.938 ;
thence bearing S 16-53-38.628 E a distance of 32.552 ;
thence bearing S 18-49-10.532 E a distance of 81.260 ;
thence bearing S 18-48-55.458 E a distance of 149.598 ;
thence bearing S 20-53-48.873 E a distance of 122.922 ;
thence bearing S 20-46-52.023 E a distance of 94.545 ;
thence bearing S 22-4-1.388 E a distance of 76.243 ;
thence bearing S 21-53-26.518 E a distance of 27.650 ;
thence bearing S 22-41-33.878 E a distance of 128.805 ;
thence bearing S 22-26-40.288 E a distance of 236.202 ;
thence bearing S 22-38-42.907 E a distance of 235.273 ;
thence bearing S 22-29-50.123 E a distance of 254.668 ;
thence bearing S 22-35-52.405 E a distance of 180.027 ;
thence bearing S 22-28-14.866 E a distance of 240.947 ;
thence bearing S 22-32-52.600 E a distance of 186.371 ;
thence bearing S 22-34-1.434 E a distance of 253.946 ;
thence bearing S 22-41-28.359 E a distance of 222.945 ;
thence bearing S 22-22-13.303 E a distance of 91.355 ;
thence bearing S 20-53-7.807 E a distance of 150.789 ;
thence bearing S 20-50-5.511 E a distance of 125.403 ;
thence bearing S 18-23-49.274 E a distance of 135.916 ;
thence bearing S 18-21-12.241 E a distance of 255.554 ;
thence bearing S 18-16-52.149 E a distance of 291.579 ;
thence bearing S 18-19-48.547 E a distance of 304.129 ;
thence bearing S 18-17-2.898 E a distance of 234.679 ;
thence bearing S 15-55-15.278 E a distance of 96.328 ;
thence bearing S 11-16-55.294 E a distance of 96.773 ;
thence bearing S 6-20-20.535 E a distance of 93.410 ;
thence bearing S 1-9-32.896 E a distance of 98.655 ;
thence bearing S 3-31-44.560 W a distance of 94.402 ;
thence bearing S 8-27-11.939 W a distance of 92.782 ;

thence bearing S 12-51-38.873 W a distance of 94.852 ;
thence bearing S 16-53-37.295 W a distance of 54.826 ;
thence bearing S 18-11-7.571 W a distance of 341.924 ;
thence bearing S 18-12-4.528 W a distance of 490.271 ;
thence bearing S 11-4-26.808 W a distance of 117.430 ;
thence bearing S 7-21-7.051 W a distance of 107.982 ;
thence bearing S 3-45-4.506 W a distance of 65.701 ;
thence bearing S 86-25-45.332 W a distance of 69.875 ;
thence bearing S 86-25-44.536 W a distance of 1616.815 ;
thence bearing S 81-42-46.735 W a distance of 35.377 ;
thence bearing S 72-7-14.774 W a distance of 41.673 ;
thence bearing S 60-47-0.142 W a distance of 42.553 ;
thence bearing S 49-56-32.872 W a distance of 41.781 ;
thence bearing S 39-5-39.870 W a distance of 42.528 ;
thence bearing S 33-39-40.420 W a distance of 113.258 ;
thence bearing S 33-33-7.859 W a distance of 119.676 ;
thence bearing S 33-32-58.421 W a distance of 211.475 ;
thence bearing S 33-34-44.787 W a distance of 422.108 ;
thence bearing S 33-36-0.848 W a distance of 190.929 ;
thence bearing S 33-16-53.008 W a distance of 89.895 ;
thence bearing S 38-51-54.367 W a distance of 44.817 ;
thence bearing S 50-14-24.533 W a distance of 40.958 ;
thence bearing S 61-23-28.115 W a distance of 43.687 ;
thence bearing S 72-13-54.558 W a distance of 38.343 ;
thence bearing S 84-19-34.029 W a distance of 41.827 ;
thence bearing S 89-18-8.673 W a distance of 72.771 ;
thence bearing S 89-22-8.143 W a distance of 2039.848 ;
thence bearing S 89-5-41.040 W a distance of 568.361 ;
thence bearing S 89-4-13.253 W a distance of 186.568 ;
thence bearing N 89-33-48.717 W a distance of 143.770 ;
thence bearing N 85-58-1.891 W a distance of 88.493 ;
thence bearing N 86-2-39.733 W a distance of 50.315 ;
thence bearing N 82-45-41.744 W a distance of 126.121 ;
thence bearing N 79-27-53.441 W a distance of 135.438 ;
thence bearing N 75-51-1.689 W a distance of 137.143 ;
thence bearing N 72-31-44.642 W a distance of 132.184 ;
thence bearing N 69-2-37.593 W a distance of 127.635 ;
thence bearing N 67-28-1.913 W a distance of 63.868 ;
thence bearing S 2-8-44.921 W a distance of 1409.865 ;
thence bearing N 84-48-51.327 E a distance of 1374.618 ;
thence bearing N 84-48-51.327 E a distance of 725.372 ;
thence bearing N 85-11-9.673 E a distance of 1808.491 ;
thence bearing N 85-13-38.660 E a distance of 1887.963 ;
thence bearing N 85-18-12.293 E a distance of 219.087 ;
thence bearing N 84-57-21.093 E a distance of 483.170 ;
thence bearing N 84-51-49.028 E a distance of 169.884 ;

thence bearing N 84-51-49.088 E a distance of 32.707 ;
thence bearing N 84-51-49.052 E a distance of 237.701 ;
thence bearing N 84-56-27.337 E a distance of 339.122 ;
thence bearing N 85-12-22.597 E a distance of 121.635 ;
thence bearing N 84-53-2.263 E a distance of 141.390 ;
thence bearing N 84-57-21.228 E a distance of 438.432 ;
thence bearing N 84-53-24.050 E a distance of 539.602 ;
thence bearing N 84-59-40.056 E a distance of 657.604 ;
thence bearing N 84-55-12.668 E a distance of 1707.307 ;
thence bearing N 84-58-44.014 E a distance of 121.082 ;
thence bearing N 2-19-0.892 W a distance of 11111.221 ;
thence bearing N 2-16-54.076 W a distance of 1546.208 ;
thence bearing N 2-54-35.707 W a distance of 106.341 ;
thence bearing S 84-22-31.240 E a distance of 5239.501 ;
thence bearing S 23-14-48.516 E a distance of 357.532 ;
thence bearing S 25-20-12.423 E a distance of 101.480 ;
thence bearing S 30-12-29.282 E a distance of 97.972 ;
thence bearing S 35-14-35.410 E a distance of 95.581 ;
thence bearing S 38-32-53.695 E a distance of 71.780 ;
thence bearing S 40-42-17.918 E a distance of 193.868 ;
thence bearing S 40-47-9.520 E a distance of 116.941 ;
thence bearing S 40-34-26.300 E a distance of 263.889 ;
thence bearing S 40-39-7.559 E a distance of 235.178 ;
thence bearing S 40-45-2.829 E a distance of 176.206 ;
thence bearing S 40-29-59.392 E a distance of 122.339 ;
thence bearing S 40-39-56.769 E a distance of 196.714 ;
thence bearing S 39-30-24.086 E a distance of 213.111 ;
thence bearing S 37-8-31.881 E a distance of 168.378 ;
thence bearing S 37-24-21.133 E a distance of 33.910 ;
thence bearing S 34-59-28.164 E a distance of 197.674 ;
thence bearing S 32-20-34.081 E a distance of 72.686 ;
thence bearing S 32-51-28.594 E a distance of 128.086 ;
thence bearing S 31-25-18.165 E a distance of 163.318 ;
thence bearing S 31-5-21.690 E a distance of 281.505 ;
thence bearing S 31-14-39.163 E a distance of 313.949 ;
thence bearing S 32-14-19.406 E a distance of 63.062 ;
thence bearing N 74-11-9.117 E a distance of 1248.312 ;
thence bearing N 74-1-36.292 E a distance of 78.013 ;
thence bearing N 73-13-9.640 E a distance of 140.628 ;
thence bearing N 70-51-18.065 E a distance of 187.414 ;
thence bearing N 68-32-30.801 E a distance of 180.288 ;
thence bearing N 65-50-53.500 E a distance of 152.635 ;
thence bearing N 66-36-32.831 E a distance of 33.582 ;
thence bearing N 63-37-15.855 E a distance of 116.815 ;
thence bearing N 63-32-41.552 E a distance of 75.674 ;
thence bearing N 62-5-31.363 E a distance of 69.836 ;

thence bearing N 62-9-11.962 E a distance of 180.096 ;
thence bearing N 62-7-3.158 E a distance of 162.703 ;
thence bearing N 62-8-44.965 E a distance of 724.798 ;
thence bearing N 62-7-44.502 E a distance of 377.105 ;
thence bearing N 51-47-29.802 E a distance of 66.258 ;
thence bearing N 6-15-53.182 W a distance of 12565.509 ;
thence bearing S 72-53-36.382 W a distance of 1916.346 ;
thence bearing S 72-54-33.216 W a distance of 2133.503 ;
thence bearing S 71-49-15.462 W a distance of 2351.312 ;
thence bearing N 69-32-43.422 W a distance of 2262.807 ;
thence bearing N 69-32-57.749 W a distance of 3.372 ;
thence bearing N 1-34-45.410 W a distance of 1643.851 ;
thence bearing N 1-34-45.411 W a distance of 859.856 ;
thence bearing N 1-34-45.410 W a distance of 1338.009 ;
thence bearing N 1-34-45.406 W a distance of 1340.861 ;
thence bearing N 35-43-0.660 E a distance of 2630.925 ;
thence bearing N 87-23-12.846 W a distance of 3266.524 ;
thence bearing N 11-39-10.585 E a distance of 417.518 ;
thence bearing S 78-1-16.654 W a distance of 2850.151 ;
thence bearing S 2-17-16.492 E a distance of 498.261 ;
thence bearing S 87-20-29.487 W a distance of 2427.718 ;
thence bearing N 2-37-40.296 E a distance of 654.109 ;
thence bearing N 3-13-3.996 W a distance of 150.123 ;
thence bearing N 89-12-3.499 E a distance of 104.616 ;
thence bearing N 88-20-17.854 E a distance of 456.849 ;
thence bearing N 83-51-7.459 E a distance of 130.545 ;
thence bearing N 83-26-52.593 E a distance of 104.914 ;
thence bearing N 80-9-27.161 E a distance of 127.728 ;
thence bearing N 77-23-0.407 E a distance of 108.802 ;
thence bearing N 74-21-37.047 E a distance of 198.035 ;
thence bearing N 73-57-57.080 E a distance of 1084.739 ;
thence bearing N 73-6-26.392 E a distance of 320.264 ;
thence bearing N 74-20-42.033 E a distance of 1070.823 ;
thence bearing N 81-1-42.467 E a distance of 206.879 ;
thence bearing N 86-12-45.514 E a distance of 297.639 ;
thence bearing N 85-38-23.219 E a distance of 698.676 ;
thence bearing N 11-56-53.785 E a distance of 393.737 ;
thence bearing N 11-56-53.913 E a distance of 804.641 ;
thence bearing N 87-15-36.150 E a distance of 1017.459 ;
thence bearing S 11-1-3.613 W a distance of 843.572 ;
thence bearing S 11-1-3.356 W a distance of 48.098 ;
thence bearing S 11-1-3.541 W a distance of 262.427 ;
thence bearing N 88-51-52.542 E a distance of 260.322 ;
thence bearing N 86-14-18.168 E a distance of 775.193 ;
thence bearing N 87-37-20.184 E a distance of 487.393 ;
thence bearing N 89-23-21.803 E a distance of 551.078 ;

thence bearing S 89-40-53.752 E a distance of 671.615 ;
thence bearing S 83-46-1.851 E a distance of 1012.448 ;
thence bearing S 84-1-3.156 E a distance of 302.629 ;
thence bearing S 84-2-26.876 E a distance of 2192.190 ;
thence bearing S 79-40-17.936 E a distance of 136.784 ;
thence bearing S 77-34-55.927 E a distance of 277.412 ;
thence bearing S 71-8-53.417 E a distance of 301.837 ;
thence bearing S 66-48-51.210 E a distance of 142.471 ;
thence bearing S 67-46-13.885 E a distance of 195.889 ;
thence bearing S 59-50-5.816 E a distance of 263.405 ;
thence bearing S 60-47-5.069 E a distance of 364.513 ;
thence bearing S 60-36-56.387 E a distance of 478.796 ;
thence bearing S 59-13-8.256 E a distance of 378.901 ;
thence bearing S 56-32-24.512 E a distance of 343.515 ;
thence bearing S 55-11-4.074 E a distance of 502.901 ;
thence bearing S 53-1-57.202 E a distance of 401.526 ;
thence bearing S 54-5-51.703 E a distance of 254.592 ;
thence bearing S 54-5-51.892 E a distance of 28.939 ;
thence bearing S 54-5-51.143 E a distance of 70.645 ;
thence bearing S 53-35-17.523 E a distance of 838.218 ;
thence bearing S 52-55-8.258 E a distance of 590.806 ;
thence bearing S 54-45-44.999 E a distance of 314.225 ;
thence bearing S 49-41-59.309 E a distance of 117.266 ;
thence bearing S 46-38-8.192 E a distance of 188.648 ;
thence bearing S 46-38-12.490 E a distance of 10.599 ;
thence bearing S 39-8-14.901 E a distance of 133.898 ;
thence bearing S 40-10-11.633 E a distance of 253.246 ;
thence bearing S 37-12-39.120 E a distance of 167.054 ;
thence bearing S 35-27-20.312 E a distance of 203.217 ;
thence bearing S 41-54-7.275 E a distance of 524.693 ;
thence bearing N 67-47-9.383 E a distance of 224.813 ;
thence bearing N 69-54-9.068 E a distance of 328.623 ;
thence bearing N 74-11-38.872 E a distance of 309.329 ;
thence bearing N 75-34-52.658 E a distance of 420.411 ;
thence bearing N 71-52-18.385 E a distance of 408.476 ;
thence bearing N 68-14-5.926 E a distance of 372.885 ;
thence bearing N 54-50-54.705 E a distance of 661.617 ;
thence bearing N 11-4-3.853 W a distance of 481.404 ;
thence bearing N 87-32-57.894 E a distance of 867.188 ;
thence bearing N 9-22-23.112 E a distance of 206.804 ;
thence bearing N 20-34-19.877 W a distance of 212.473 ;
thence bearing N 21-26-11.627 E a distance of 44.581 ;
thence bearing N 76-17-15.606 E a distance of 548.368 ;
thence bearing S 34-35-52.939 E a distance of 88.263 ;
thence bearing S 61-40-44.297 E a distance of 44.183 ;
thence bearing S 41-22-58.766 E a distance of 71.603 ;

thence bearing S 15-6-26.399 E a distance of 54.730 ;
thence bearing S 5-44-8.929 W a distance of 15.934 ;
thence bearing S 5-44-9.630 W a distance of 37.747 ;
thence bearing S 20-43-35.089 W a distance of 40.237 ;
thence bearing S 60-48-14.076 W a distance of 162.941 ;
thence bearing S 80-6-2.563 E a distance of 105.512 ;
thence bearing S 59-45-19.144 W a distance of 347.768 ;
thence bearing S 27-31-33.506 E a distance of 897.661 ;
thence bearing S 58-41-34.206 W a distance of 1192.269 ;
thence bearing S 27-40-32.527 E a distance of 957.357 ;
thence bearing S 27-40-32.452 E a distance of 493.988 ;
thence bearing N 88-33-21.338 E a distance of 1036.218 ;
thence bearing N 23-9-22.869 E a distance of 480.754 ;
thence bearing N 89-3-13.750 E a distance of 855.173 ;
thence bearing N 89-26-6.340 E a distance of 2684.920 ;
thence bearing S 1-30-57.007 E a distance of 1727.056 ;
thence bearing S 1-30-56.483 E a distance of 56.768 ;
thence bearing S 1-30-57.006 E a distance of 3786.266 ;
thence bearing S 60-56-6.011 E a distance of 88.366 ;
thence bearing S 63-20-8.519 E a distance of 169.596 ;
thence bearing S 63-46-58.547 E a distance of 96.715 ;
thence bearing S 36-48-7.102 W a distance of 526.771 ;
thence bearing S 0-0-0.000 E a distance of 3132.485 ;
thence bearing N 77-54-11.668 W a distance of 2317.664 ;
thence bearing N 80-54-23.679 W a distance of 422.157 ;
thence bearing N 83-1-35.099 W a distance of 369.570 ;
thence bearing S 76-30-6.753 W a distance of 418.730 ;
thence bearing S 58-54-25.070 W a distance of 381.998 ;
thence bearing S 41-40-31.983 W a distance of 471.415 ;
thence bearing S 22-14-16.034 W a distance of 637.471 ;
thence bearing S 22-14-16.034 W a distance of 77.683 ;
thence bearing S 8-1-7.786 W a distance of 483.441 ;
thence bearing S 0-43-30.266 E a distance of 477.674 ;
thence bearing S 16-41-15.320 E a distance of 324.085 ;
thence bearing S 22-10-1.817 E a distance of 398.566 ;
thence bearing S 34-33-4.046 E a distance of 402.300 ;
thence bearing S 56-13-19.936 E a distance of 530.874 ;
thence bearing S 70-53-54.978 E a distance of 427.961 ;
thence bearing S 77-9-43.473 E a distance of 1008.672 ;
thence bearing S 75-52-14.325 E a distance of 656.026 ;
thence bearing S 70-53-54.991 E a distance of 342.369 ;
thence bearing S 69-53-36.470 E a distance of 278.829 ;
thence bearing S 75-17-50.371 E a distance of 318.853 ;
thence bearing S 70-2-36.548 E a distance of 637.259 ;
thence bearing S 0-0-0.000 E a distance of 4174.678 to the point of beginning.

Metes and Bounds description of parcel Property : Service Area #2

Beginning at a point whose Northing is 6913043.701 and whose Easting is 3236350.064 ;
thence bearing S 86-33-59.551 W a distance of 1790.073 ;
thence bearing S 86-48-32.910 W a distance of 393.415 ;
thence bearing S 88-35-41.039 W a distance of 443.876 ;
thence bearing S 1-21-0.600 E a distance of 1339.192 ;
thence bearing N 45-12-10.065 W a distance of 1781.494 ;
thence bearing N 15-5-20.479 E a distance of 17.811 ;
thence bearing N 21-45-24.095 E a distance of 327.711 ;
thence bearing N 28-8-32.040 E a distance of 288.156 ;
thence bearing N 32-28-36.572 E a distance of 258.897 ;
thence bearing N 39-57-3.163 E a distance of 366.150 ;
thence bearing N 45-51-7.849 E a distance of 326.823 ;
thence bearing N 52-26-24.997 E a distance of 297.309 ;
thence bearing N 56-38-49.796 E a distance of 168.948 ;
thence bearing N 62-38-6.975 E a distance of 119.947 ;
thence bearing N 59-12-42.217 E a distance of 63.778 ;
thence bearing S 45-3-14.796 E a distance of 605.080 ;
thence bearing N 87-40-5.184 E a distance of 1984.246 ;
thence bearing S 1-17-54.207 E a distance of 651.235 ;
thence bearing S 2-47-34.979 E a distance of 443.459 to the point of beginning.

ATTACHMENT E

3.D.

FACILITIES 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 F

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

TCEQ INSPECTION REPORT &
ACTIONS TAKEN

EXIT INTERVIEW FORM: Potential Violations and/or Records Requested						
Regulated Entity/Site Name	City of Marshall			TCEQ Additional ID No. RN No. (Optional)	PWS 1020002	
Investigation Type	CCI	Contact Made In-House (Y/N)	Y	Purpose of Investigation	Ensure compliance w/ Public Drinking Water Regulations 30 TAC 290	
Regulated Entity Contact	Nancy Pasel			Telephone No.	903-935-4485	Date Contacted 04/19/2017
Title	Treatment Superintendent			Fax No.	npasel@marshalltexas.net	Date Faxed Via email

NOTICE: The information provided in this Note is intended to provide clarity to issues that have arisen to the date of this Note during the above investigation and *does not represent agency findings related to violations*. Any potential or alleged violations discovered after the date of this Note 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 the 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) 30 TAC	Description of Issue
1	AV	290.111(h)	<p>Failure to properly complete surface water monthly operating reports (SWMOR). Public water systems must properly complete and submit periodic reports to demonstrate compliance with 30 TAC 111(h) regarding the 4-hour turbidity data on page 2. Page 3-5 of RG-211 (Monthly Testing and Reporting at Surface Water Treatment Plants—Revised May 2013) explains that the Turbidity data under the main heading of “Finished Water Quality” refers to combined filter effluent (CFE), which admittedly is confusing (often CFE and finished water are used interchangeably regarding turbidity, but not other parameters such as pH adjustment). RG-211 also defines CFE as follows: “The water produced by all of the filters at a surface water treatment plant after it has been blended. The CFE is the combined water from the individual-filter-effluent (IFE) streams. At most plants, CFE measurements are conducted on the water entering the clearwell—although, at plants with more than one clearwell fill line, the samples may need to be collected at the outlet of the clearwell. A plant must obtain our approval to use a CFE turbidity monitoring point that is not located on the clearwell fill line. The CFE is also frequently called “treated” or “finished” water.”</p> <p>During the investigation, conducted on 04/19/2017, the investigator documented that the 4-Hour turbidity data was from the lab tap that was sourced from the post-clearwell high service line instead of the pre-clearwell combined filter manifold.</p>

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

COPIES: Original: for Regulated Entity Representative, Copy: TCEQ

(Note: use additional pages as necessary) Page 1 of 1



City of Marshall – System ID #1020002 Compliance Schedule for Investigation # 1416191

Track No.	Action to be Taken	Schedule for Completion
643994	Edit daily operational sheet to denote combined filter effluent turbidity readings from finished water turbidity readings. See attached blank and completed daily operational sheets.	June 28, 2017
		Complete June 30, 2017

ATTACHMENT G

5.G.

EFFECT OF GRANTING CERTIFICATE AMENDMENT

5.G. Effect of Granting CCN Amendment:

- 5.G.i. The City of Marshall will benefit by adding the proposed area and its customers.
- 5.G.ii. No other retail public utility is currently serving the proposed areas.
- 5.G.iii. Landowners within the area description will benefit by receiving a safe and reliable water source and service.

ATTACHMENT H

5.H.iv

WATER PURCHASE AGREEMENT

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



FILE COPY

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 18, 2011

Martin C. Rochelle
Lloyd Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Tx 78701

RE: City of Marshall
ADJ 4614
CN600337612, RN103182424
Application No. 04-4614B to Amend Certificate of Adjudication No. 04-4614
Texas Water Code §11.122, Not Requiring Notice
Cypress Creek, Cypress Creek Basin
Harrison County, Texas

Dear Mr. Rochelle:

The draft amendment, subject to revision, and related technical memoranda for the referenced application are enclosed.

We are recommending that the application be granted in accordance with the enclosed draft. Please review the proposed amendment and provide comments by August 29, 2011, as after that date the amendment will be forwarded for final processing.

If you have questions concerning this application, please contact Esteban (Steve) Ramos at (512) 239-6538 or by e-mail at steve.ramos@tceq.texas.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kellye Rila".

Kellye Rila, Manager
Water Rights Permitting Section
Water Supply Division

Enclosures

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDMENT TO A
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 04-4614B

Type: §11.122

Owner: City of Marshall

Address: P.O. Box 698
Marshall, Texas
75671-0698

Filed May 11, 2011

Granted

Purpose Municipal

County Harrison

Watercourse: Cypress Creek

Watersheds: Cypress Creek Basin
and Sabine River Basin

WHEREAS, Certificate of Adjudication No. 04-4614 authorizes the City of Marshall (the City or Owner) to divert and use not to exceed 16,000 acre-feet of water per year for municipal purposes within Harrison County located in both the Cypress Creek Basin and the Sabine River Basin from a point on Cypress Creek in the A. Abrams Survey No. 275, Abstract No. 25, Harrison County, Texas; and

WHEREAS, the time priority of the City's right is April 18, 1947 for the diversion of 7,558 acre-feet of water per year for municipal purposes at a maximum diversion rate of 15.00 cfs (6,750 gpm); and November 27, 1956 for an additional 8,442 acre-feet of water per year for municipal purposes at an additional diversion rate of 35.00 cfs (15,750 gpm); and

WHEREAS, the City is authorized an exempt interbasin transfer of not to exceed 16,000 acre-feet of water per year for municipal purposes from that portion of Harrison County located in the Cypress Creek Basin to that portion of Harrison County in the Sabine River Basin; and

WHEREAS, a Special Condition states all surplus water shall be returned to Cypress Creek; and

WHEREAS, the City has applied to amend Certificate of Adjudication No. 04-4614 to correct the description of the diversion point location, as the Certificate and the Final Determination inaccurately identify the survey in which the diversion point is located; and

WHEREAS, the City also seeks to correct the Special Condition which inaccurately identifies Cypress Creek as the location for the return of surplus water; and

WHEREAS, this application is subject to the obligations of the State of Texas pursuant to the terms of the Red River Compact; and

WHEREAS, the Texas Commission on Environmental Quality (Commission) finds that jurisdiction over the application is established; and

WHEREAS, the Executive Director recommends that a special condition should be included in the amendment; and

WHEREAS, no requests for a contested case hearing were received for this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this amendment;

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 04-4614, designated Certificate of Adjudication No. 04-4614B, is issued to The City of Marshall, subject to the following terms and conditions:

1. DIVERSION

In lieu of DIVERSION paragraph 2.A., Owner is now authorized to divert from a point on Cypress Creek located at Latitude 32.712944°N, Longitude 94.233139°W, bearing N 65.367222 °E, 570.51 feet from the southwest corner of the Sam Long Jr. Survey, Abstract No. 906, Harrison County, Texas.

2. SPECIAL CONDITION

In lieu of the previous Special Condition, all surplus water shall be returned to Eight-Mile Creek, tributary of the Sabine River, Sabine River Basin.

This amendment is issued subject to all terms, conditions and provisions contained in Certificate of Adjudication No. 04-4614, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Cypress Creek Basin.

This amendment is issued subject to the obligations of the State of Texas pursuant to the terms of the Red River Compact.

Owner agrees to be bound by the terms, conditions, and provisions contained herein and such agreement is a condition precedent to the granting of this amendment

All other matters requested in the application which are not specifically granted by this amendment are denied.

This water use amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.


For the Commission


Date Issued:

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Steve Ramos, Project Manager
Water Rights Permitting Team
Water Rights Permitting & Availability Section

Through:  Kathy Alexander, Technical Specialist
Water Rights Permitting & Availability Section

 Stephen Densmore, Team Leader
Surface Water Availability & Interstate Compacts Team

From: Joann A. Eagle, P.E.
Surface Water Availability & Interstate Compacts Team

Subject: City of Marshall
ADJ 4614
CN600337612
Cypress Creek
Cypress Creek Basin
Harrison County

Date: August 10, 2011

HYDROLOGY REVIEW

Application Summary

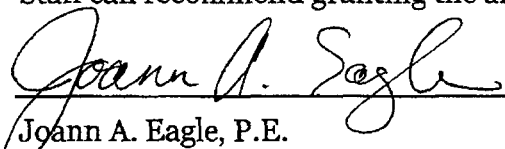
Certificate of Adjudication No. 04-4614 authorizes the City of Marshall (City) to divert and use not to exceed 16,000 acre-feet of water per year from a point on Cypress Creek, Cypress Creek Basin, for municipal purposes within Harrison County located in both the Cypress Creek Basin and the Sabine River Basin.

The City seeks to amend Certificate of Adjudication No. 04-4614 (04-4614B) to correct the description of the City's diversion point location and to clarify that the surplus water from the City is returned to the Sabine River Basin, in accordance with the Final Determination. The application was declared administratively complete on May 11, 2011.

Review

Correcting the description of the City's diversion point location does not require a water availability analysis and would have no affect on other basin water rights because the amount of water diverted will not change. After review of TCEQ records, staff determined that surplus water will, and always has been, returned to a tributary of Eight-Mile Creek in the Sabine Basin. This change does not increase the amount of water to be diverted; therefore, other water rights cannot be affected by the request.

Staff can recommend granting the amendment to Certificate of Adjudication 04-4614.


Joann A. Eagle, P.E.

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Steve Ramos, Project Manager Date: August 10, 2011
Water Rights Permitting Team
Water Rights Permitting & Availability Section

Through: *CL* Chris Loft, Team Leader
8/10/11 Resource Protection Team
Water Rights Permitting & Availability Section

GE Gregg Easley, Aquatic Scientist
8/10/11 Resource Protection Team
Water Rights Permitting & Availability Section

From: *JD* Justin Degrate, Aquatic Scientist
8-10-11 Resource Protection Team
Water Rights Permitting & Availability Section

Subject: City of Marshall
ADJ 4614
Application No. 04-4614B to amend Certificate of Adjudication No. 04-4614
CN600337612
Cypress Creek
Cypress Creek Basin
Harrison County

Environmental reviews of water right applications are conducted in accordance with §11.042, §11.147, §11.1491, §11.150, and §11.152 of the Texas Water Code and with TCEQ administrative rules which include 30 TAC §297.53 through §297.56. These statutes and rules require the TCEQ to consider the possible impacts of the granting of a water right on fish and wildlife habitat, water quality, and instream uses associated with the affected body of water. Possible impacts to bays and estuaries are also addressed.

ENVIRONMENTAL ANALYSIS

Application Summary: Certificate of Adjudication No. 04-4614 authorizes the City of Marshall to divert and use not to exceed 16,000 acre-feet of water per year from a point on Cypress Creek, Cypress Creek Basin, for municipal purposes within Harrison County located in both the Cypress Creek Basin and the Sabine River Basin.

The City of Marshall seeks to amend Certificate of Adjudication No. 04-4614 to correct the description of the City's diversion point location and to clarify that the surplus water from the City is returned to the Sabine River Basin, in accordance with the Final Determination.

The application requests only to make non-substantive changes including: correcting the description of the applicant's diversion point location and to clarify the return point for the applicant's surplus water. The applicant does not seek to change the authorized diversion amount, diversion locations, or diversion rate. The non-substantive changes requested by the applicant should not result in a greater net adverse impact to the environment than under the existing authorizations in the certificate.

SUMMARY

Resource Protection staff has no recommendations for this amendment.

This instream use assessment was conducted using current TCEQ operation procedures and policies and available data and information. Authorizations granted to the permittee by the water rights permit shall comply with all rules of the Texas Commission on Environmental Quality, and other applicable State and Federal authorizations.

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Steve Ramos, Project Manager
Water Rights Permitting Team
Water Supply Division

Date: August 10, 2011

Thru: *CL* Chris Loft, Team Leader
8/10/11 Resource Protection Team
Water Supply Division

KLW Kristin Wang, Senior Water Conservation Specialist
8/10/2011 Resource Protection Team
Water Supply Division

From: *SS* Scott Swanson, Senior Water Conservation Specialist
8/10/11 Resource Protection Team
Water Supply Division

Subject: City of Marshall
ADJ 4614
CN600337612
Application No. 14-4614B to amend Certificate of Adjudication 14-4314
Water Conservation Review

Certificate of Adjudication No. 04-4614 authorizes the City of Marshall to divert and use not to exceed 16,000 acre-feet of water per year from a point on Cypress Creek, Cypress Creek Basin, for municipal purposes within Harrison County located in both the Cypress Creek Basin and the Sabine River Basin.

The City of Marshall seeks to amend Certificate of Adjudication No. 04-4614 to correct the description of the City's diversion point location, and clarify that the surplus water from the City is returned to the Sabine River Basin, to reflect the Final Determination and the rights under Permit No. 1408.

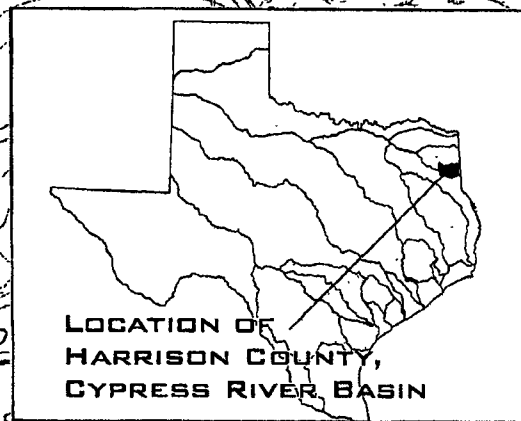
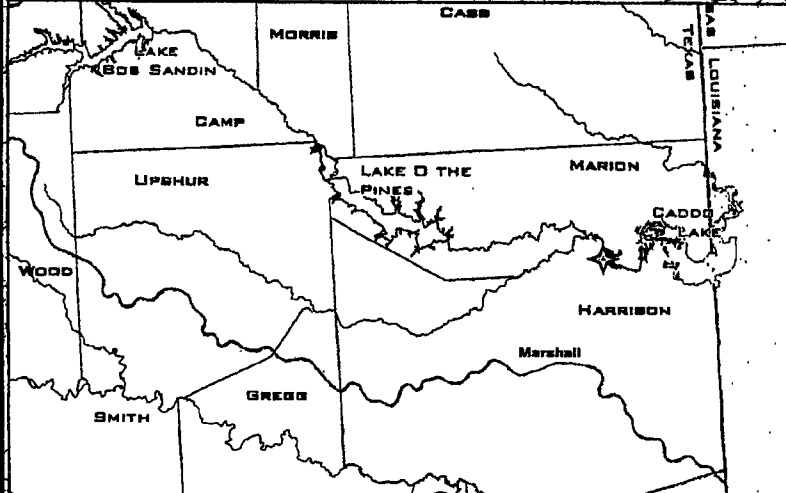
Per 30 TAC Chapter 295.9(4), this application does not require a Water Conservation Plan submittal.

The application is consistent with the approved January 2011 Region D Water Plan and the approved 2007 State Water Plan because there is nothing in the state and regional water plans that conflicts with issuing this amendment.

No further review is required by the conservation staff of the Resource Protection Team.

City of Marshall No. 04 - 4614
 32.663523 Latitude
 -94.236072 Longitude

0 0.125 0.25 0.5 0.75 1 Miles



**NORTHEAST TEXAS MUNICIPAL WATER DISTRICT
RAW WATER PURCHASE CONTRACT**

This Raw Water Purchase Contract (the "Agreement"), is made and entered into this 1st day of February, 2006 (the "Effective Date"), by and between the Northeast Texas Municipal Water District (the "District"), a conservation and reclamation district and political subdivision of the State of Texas, created under the provisions of Acts 1953, 53rd Legislature of the State of Texas, as amended (the "District Act"), and the City of Marshall, Texas (the "City"), a municipal corporation acting pursuant to its home rule charter and the constitution and laws of the State of Texas.

W I T N E S S E T H:

WHEREAS, the District and the City are authorized to enter into this Agreement pursuant to the District Act and other applicable state law;

WHEREAS, pursuant to Certificate of Adjudication No. 04-4590, (Priority date of 1957) (the "District Water Rights"), the District has rights to store water in and divert water from Lake O' the Pines ("LOTP") for domestic, municipal and industrial purposes;

WHEREAS, the District holds contractual rights to water in LOTP by virtue of an agreement dated May 11, 1998 between the District and its member cities;

WHEREAS, the District desires to make available to the City a supply of raw water for use by the City to benefit the City, its citizens and customers, pursuant to the May 11, 1998 agreement with the District's member cities;

WHEREAS, pursuant to Certificate of Adjudication No. 04-4614, (Priority dates of April 1947 and November 1956) (the "City Water Rights"), the City has the right to divert and use water from Big Cypress Creek for supplying its citizens and customers with water;

WHEREAS, this Agreement is intended to provide an additional water supply to supplement the existing City Water Rights that are senior to the District's Water Rights; and, this Agreement shall not diminish the City's existing water rights in the Cypress Basin;

WHEREAS, the District and the City desire to specify the terms and conditions for the purchase and delivery of such water;

WHEREAS, the District determines that its sale of water to the City will be a fair investment for the District and that the public will derive a benefit by the District's efforts to provide a water supply; and,

WHEREAS, the District has determined that entering into this Agreement with the City is within the District's power: (1) under Section 7 of the District Act, and TEX. GOV'T CODE Section 791.026, to store and process water and transport it to cities and others for municipal, domestic, and industrial purposes; and (2) under Section 15 of the District Act, and TEX. GOV'T CODE Section 791.026, to make contracts with municipalities regarding a water supply, the operation of water production, water filtration or water purification for cities.

NOW, THEREFORE, in order to affect said purposes, the District and the City hereby enter into this Agreement, as follows:

1. **Raw Water Supply and Title.** The District agrees to sell, convey and deliver to the City at the Delivery Point water from LOTP in amounts up to and including 9,000 acre-feet per annum for the City's subsequent transfer, diversion and use. The District agrees that the City may take water at any time after the Effective Date of the Agreement, in accordance with the terms and conditions of this Agreement. Title to the water actually delivered by the District to the Delivery Point pursuant to this Agreement shall pass to the City at said Delivery Point.

2. **Delivery Point for Raw Water.** The water supplied hereunder shall be made available to the City at a point in Big Cypress Bayou immediately below the outfall of LOTP. The District shall deliver the raw water upon the request of the City. Such request shall be delivered to the District by the City's City Manager or his designee and shall specify the quantity of raw water to be made available at the Delivery Point. Except in emergencies, the District shall make the delivery by allowing the water to be released out of LOTP by use of the gated facilities located in or near the dam of LOTP. The District shall supply the amount of water requested. Within twenty-four (24) hours of completing the requested release, the District shall provide written confirmation that the requested quantity of water has been released. The District shall have the sole responsibility for the delivery of such water to the Delivery Point, including securing any federal, state, county or local approvals that may be required for such transport and delivery of water. The City shall have the sole responsibility for the conveyance and delivery of such water from the Delivery Point to the City's actual place of diversion from Big Cypress Bayou, including securing any federal, state, county or local approvals required for such transport, diversion and use of such water. The District shall cooperate with the City in securing any and all permits required by any federal, state, county, or local authority to use the beds and banks of any stream as a means of conveyance of the water from the Delivery Point to the City's actual place of diversion on Big Cypress Bayou as authorized in the City's Water Right (the "Diversion Point"). The City shall be responsible for determining how much water the District should deliver at the Delivery Point for the City's transfer, diversion and use. The City shall bear the risk of any carriage loss associated with the transport of the water from the Delivery Point to the Diversion Point on Big Cypress Bayou.

3. **Payment Obligation.** Following the issuance of any and all final and non-appealable permits necessary to lawfully allow the City's transfer, diversion and use of the water supplied by the District pursuant to this Agreement, the City will begin to pay the District based on the schedule, quantities and rates provided for herein.

a. **Payment for first 5,000 acre-feet.** Commencing on the day the City begins actually diverting water delivered by the District to the Delivery Point (the "Initial Delivery Date"), and continuing thereafter for the term of this Agreement, the City shall pay the District \$100.00 per acre-foot of water (the "Delivered Water Fee") actually delivered to the City at the request of the City to the Delivery Point.

b. **Rate adjustments on first 5,000 acre-feet.** On the first anniversary of the Initial Delivery Date, and each anniversary thereafter during the term of the Agreement, the Delivered Water Fee may be adjusted for each succeeding year by changes in the Consumer Price Index - Dallas-Fort Worth SMSA; Series: CUURA316SA0 (CPI-U), as published by the U.S. Department of Labor, Bureau of Labor Statistics with a starting index point of the Initial Delivery Date. Provided, however, that no annual adjustment to the Delivered Water Fee shall reduce or increase the rate to be charged to the City by more than 3% of such fee.

For further clarification, the Delivered Water Fee may be adjusted by multiplying the initial Delivered Water Fee (\$100.00 per acre-foot) as set out above in Section 3. a by an inflation factor calculated in accordance with the following formula:

$$\text{Adjusted Rate per acre-foot} = \text{Delivered Water Fee of \$100 per acre-foot} \times \frac{\text{Current CPI-U}}{\text{Base CPI-U}}$$

Where:

Current CPI-U = The value for the Index for the month of the anniversary of the Initial Delivery Date of the current year; and,

Base CPI-U = The value for the Index for the month of Initial Delivery Date.

If the Consumer Price Index ceases to be made available during the term of this Agreement, then the City and the District shall mutually agree on a substitute index or method to adjust the fee for inflation.

c. **Take or Pay Obligation for the first 5,000 acre-feet.** To the extent that the City is not actually taking water at the Delivery Point, and therefore is not paying the Delivered Water Fee for the volume of water delivered by the District hereunder, the City agrees to pay the following annual take or pay fee (the "Take or Pay Fee") to the District for the difference between the take or pay

amounts referenced in this Paragraph 3. c and the volume of water actually delivered by the District to the Delivery Point, if there be any difference. Commencing on the Initial Delivery Date, and continuing for a period of five (5) years thereafter, and excluding the amount of water the City has paid for pursuant to Paragraph 3: a of this Agreement, the City shall also pay to the District a Take or Pay Fee of up to twenty percent (20%) per annum of the first 5,000 acre-feet of water made available under this Agreement. After the initial five-year period following the Initial Delivery Date, and after reducing the take or pay amount by the amount of water the City has paid for pursuant to Paragraph 3. a of this Agreement, the Take or Pay Fee payment obligation will escalate, as follows:

1. Year 6-10: 22% of 5,000 acre-feet, per annum;
2. Year 11-15: 24% of 5,000 acre-feet, per annum;
3. Year 16-20: 26% of 5,000 acre-feet, per annum;
4. Year 21-25: 28% of 5,000 acre-feet, per annum;
5. Year 26-30: 30% of 5,000 acre-feet, per annum;
6. Year 31-35: 32% of 5,000 acre-feet, per annum;
7. Year 36-40: 34% of 5,000 acre-feet, per annum;
8. Year 41-45: 36% of 5,000 acre-feet, per annum; and,
9. Year 46-50: 38% of 5,000 acre-feet, per annum.

Regardless of the amount of water actually supplied by the District at the Delivery Point in any given fiscal year, the City shall pay to the District the rate(s) applicable to the year in which the water is taken, as set forth in the schedule above.

d. Payment for additional 4,000 acre-feet. The District agrees to reserve to the City an additional 4,000 acre-feet of water, in excess of the 5,000 acre-feet referenced above in Paragraph 3. a of this Agreement, for the City's possible diversion and use under the following conditions:

(1) Commencing on the Initial Delivery Date, the City agrees to pay an annual fee for the reservation of the additional 4,000 acre-feet of water per annum so as to reserve the additional water (the "Reservation Fee"). For the first five (5) years following the Initial Delivery Date, the City shall pay a Reservation Fee in the amount of \$20,000 for 4,000 acre-feet of water reserved under this Agreement. After the initial five-year period following the Initial Delivery Date, the Reservation Fee will be adjusted, as follows:

1. Years 6-10: \$22,000 together with any adjustment for inflation;
2. Years 11-15: \$24,000 together with any adjustment for inflation;
3. Years 16-20: \$26,000 together with any adjustment for inflation;
4. Years 21-25: \$28,000 together with any adjustment for inflation;
5. Years 26-30: \$30,000 together with any adjustment for inflation;

6. Years 31-35: \$32,000 together with any adjustment for inflation;
7. Years 36-40: \$34,000 together with any adjustment for inflation;
8. Years 41-45: \$36,000 together with any adjustment for inflation;
9. Years 46-50: \$38,000 together with any adjustment for inflation.

(2) The Reservation Fee shall be adjusted for inflation. The adjustment shall be made according to changes in the Consumer Price Index - Dallas-Fort Worth SMSA; Series: CUURA316SA0 (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics with a starting index point of the Initial Delivery Date. The first adjustment shall be made on the third anniversary of the Initial Delivery Date and subsequent adjustments shall be made on the anniversary of the Initial Delivery Date in each succeeding year during the term of this Agreement. Provided, however, that no annual adjustment shall reduce or increase the Reservation Fee by more than 3% of the then current rate. If the Consumer Price Index ceases to be made available during the term of this Agreement, then the City and the District shall mutually agree on a substitute index or method to adjust the fee for inflation.

(3) If the City takes the initial 5,000 acre-feet of water per annum made available to it under this Agreement and the City is in need of additional water, up to a total of 9,000 acre-feet of water per annum, the District agrees to provide the City with up to an additional 4,000 acre-feet of water per annum, as may be requested in whole or in part by the City for the remainder of the term of the Agreement, at the same price per acre-foot that is then applicable to the first 5,000 acre-feet of supply, as same may be adjusted herein, and under the terms and conditions of this Agreement.

(4) Following the City's request for additional water pursuant to Paragraph 3. d. (3) above, the District shall have the option to charge a higher price for that portion of the additional 4,000 acre-feet of water requested by the City, in the event that another potential District customer offers to pay the District a price that is greater than the price the City has agreed to pay for such water hereunder, and to the extent that i) the District's other potential customer has agreed to such payment in writing, ii) the District's other potential customer has agreed to purchase at least 4,000 acre-feet per annum of water under terms and conditions similar to those included in this Agreement, and iii) the District's other potential customer has agreed to purchase such water for a similar term of years as contained in this Agreement. The District shall notify the City of the offer and provide a written proposal executed by the District's other potential customer evidencing the price per acre-foot that the District's other potential customer has agreed to pay for the water, the amount of water proposed to be purchased, and the term of years of the purchase. Upon receiving such notice from the District, the City shall have thirty

(30) days to agree to pay the same price agreed upon by the District and such other potential customer for all or part of the additional 4,000 acre-feet of water supply. In the event the City declines to accept the price or the City fails to respond in thirty (30) days to the notice, the District shall have no further duty to make that portion of the 4,000 acre-feet of supply available to the City.

(5) The District and the City agree that this Paragraph 3. d shall not be construed to require the City to pay any additional Delivered Water Fee, Take or Pay Fee, or Reservation Fee other than as expressly set forth herein. Further, the parties agree that the City will not pay more than the Reservation Fee for any of the additional 4,000 acre-feet of water unless or until that amount has been requested by the City pursuant to Paragraph 3. d. (3) of this Agreement. Once so requested, the City will be under no further obligation to pay the Reservation Fee.

e. **Payment.** The District shall present an invoice to the City one time each month following the Initial Delivery Date and during the term of this Agreement and any extension thereof, stating the quantity of water actually delivered to the City at the Delivery Point and the amount owed for same pursuant to Paragraph 3. a, as may be adjusted pursuant to Paragraph 3. b, and 1/12 of any additional Take or Pay Fee and/or Reservation Fee that may be due hereunder. The invoice shall be submitted to the City on or before the twenty-fifth (25th) day of each month, such invoices shall be due and payable on or before the twelfth (12th) day of each succeeding month. Any invoice not timely paid shall bear an interest rate of 7% from the time the invoice was due until the date that the invoice is paid.

4. **Non-availability of Water.** In the event available water in LOTP is not sufficient to meet the requirements of all the District's customers, the City shall be entitled to receive water in accordance with applicable state laws during such period of shortage, such supplies to be distributed among all District customers pro rata, according to the amount each District customer may be entitled to, so that every municipal user suffers alike, and in accordance with the District's Water Conservation Plan and Drought Contingency Plan, as may be amended from time to time. The City agrees to comply with the District's Water Conservation Plan and the Drought Contingency Plan as is now in effect and as may hereafter be amended.

5. **Measurement of Water.** The City shall furnish, install, operate and maintain the necessary equipment and devices of standard type for measuring properly and controlling the quantity of raw water diverted by the City at the Diversion Point pursuant to this Agreement, which facilities shall be located at a location at or near the City's existing point of diversion on Big Cypress Bayou. Such meter or meters or other equipment so installed shall remain the property of the City. The meter and all measuring devices shall conform to the specifications as mutually agreed by the parties.

The City shall furnish any replacements of the meter used to measure the volume of water diverted by the City. The District shall have access to such metering equipment at all reasonable times, but the reading, calibration and adjustment thereof shall be done only by the employees or agents of the City. For the purposes of this Agreement, the original record or reading of the meter or meters shall be in a journal, computer or other record-keeping device maintained by the City in its offices. Upon written request by the District, the City shall give the District a copy of the journal or electronic file, or permit the District to have access to the same in the offices of the City wherein such records are customarily kept during reasonable business hours.

In addition to measuring the raw water actually diverted by the City at the Diversion Point, the City and the District shall cause to be constructed and maintained a USGS Gauging Station on Big Cypress Bayou upstream from the Diversion Point. The obligation of the parties to construct and maintain a USGS Gauging Station continues for the life of this Agreement and any extension of this Agreement.

6. **Use of Water.** The City will use the raw water purchased pursuant to this Agreement, at its discretion, for stream maintenance purposes, municipal use purposes, industrial use purposes, and any other lawful purpose of use. The City is responsible for obtaining any permits that are or may become necessary for the transfer, diversion and use of the water at any location determined by the City. The terms of this Agreement and the parties' obligations hereunder are specifically made contingent upon the City obtaining any and all permits necessary for the City's transfer, diversion and use of the water made available hereunder by the City and its customers, including any Interbasin Transfer Permit for the use of the water in the Sabine River Basin. The District shall be obligated to use all reasonable efforts to assist the City in obtaining any permits necessary for the City to fully utilize the water provided for under this Agreement.

7. **Reporting.**

a. The parties agree to provide each other with any and all information necessary to meet their reporting requirements under state law with respect to the water provided under this Agreement. The District agrees to submit annual reports to the Texas Commission on Environmental Quality (the "TCEQ") in accordance with the rules of the TCEQ, regarding the quantities of water delivered to its customers, including the quantities of water delivered to the Deliver Point. The District will, concurrently, forward a copy of each of those reports to the City.

b. The District shall submit on a monthly basis, by the 10th day of each month, a report showing the amount of Lake O the Pines water delivered to the Delivery Point under this Agreement for the previous month and the amount of water released for other purposes from LOTP into Big Cypress Bayou during the previous month.

8. **Conditions Precedent.** The effectiveness of this Agreement is dependent on the District's and the City's compliance with rules of the TCEQ that are applicable to this Agreement, and upon the filing of the Agreement with the TCEQ, or any successor agency, as required by such agency's rules. Additionally, the obligations of the parties hereunder are contingent on securing any and all necessary approval or authorization from any federal, state, county, or local authority necessary for the City's transfer, delivery, and use of water as contemplated in this Agreement.

9. **Termination by the District.** The obligation of the District to supply water under this Agreement may be terminated by the District if it becomes illegal or impossible for the District to perform such obligations as a result of the occurrence of any one or more of the following:

- a. the cancellation, amendment or other limitation by any local, state, or federal agency of any of the permits, amendments, licenses or authorizations required for the appropriation of water from LOTP for municipal or industrial use, or for the operation of LOTP, despite the District's reasonable efforts to resist or avoid any such cancellation, amendment or other limitation, or

- b. the promulgation or issuance of any order, rule, regulation or determination by a court or governmental agency that prevents the District from performing its obligation under this Agreement to supply water, despite the District's reasonable efforts to resist or avoid any such order, rule, regulation or determination, or

- c. if the City fails to make payment of any monthly charge for water as provided above, plus any additional amount due by reason of delinquency, within thirty (30) days after payment is due to the District under Paragraph 3 above. In the event of any delinquent payment, the District will cause written notice of such delinquency to be given to the City, and the City shall have 10 days from the delivery of such notice to cure such delinquency and/or default, and thereby prevent the termination of this Agreement by the District.

10. **Termination by the City.** The City may terminate the City's obligation under this Agreement related to raw water if:

- a. it becomes illegal or impossible, in the City's sole discretion, for the City to take the raw water as a result of the occurrence of any or more of the following:

- (1) the failure of any local, state or federal agency to issue or approve any of the permits, amendments, licenses or authorizations required for the City to divert the water, despite the City's reasonable efforts to obtain such permits, amendments, licenses, or

(2) the revocation or modification or any such permit, amendment, license or authorization, despite the City's reasonable efforts to resist or avoid any such revocation or modification, or

(3) the promulgation or issuance of any permit, amendment, license or authorization that makes the City's diversion of water purchased under this Agreement unlawful, or

b. it becomes illegal or impossible, in the City's sole discretion, for the City to utilize the water furnished hereunder as a result of the occurrence of any one or more of the following:

(1) the cancellation, amendment or other limitation by any local, state or federal agency of any of the permits, amendments, licenses or authorizations required for the appropriation of water from LOTP for municipal or industrial use, or for the delivery of water to the Delivery Point, or for the purchase and use by the City of the water to be furnished hereunder, or for the construction of the City's projects to enable its use of water supplied by the Cities, despite the City's reasonable efforts to resist or avoid any such cancellation, amendment or other limitation, or

(2) the promulgation or issuance of any order, rule, regulation or determination by a court or governmental agency, despite the City's reasonable efforts to resist or avoid any such order, rule, regulation or determination; or

c. it becomes economically unfeasible for the City to continue its payment obligation due to events beyond the control of the City (For example, closure of a major industry and/or decline in population) and the City can demonstrate to the District why the Agreement is no longer economically feasible.

d. at any time during the term of this Agreement the City determines that the carriage losses occurring between the Delivery Point and the Diversion Point is greater than 10% during any 30-day period; provided however that the City cannot terminate this Agreement due to carriage loss if the District causes the release of an additional volume of the District's water from Lake O' the Pines that assures that the City has access to divert at least 90% of the amount requested by the City to be made available at the Delivery Point. It is acknowledged that the City is not financially obligated for any additional volume voluntarily released by the District from Lake O' the Pines.

11. Notice of Termination. If any party desires to terminate this Agreement by reason of any of the events described in Paragraph 3, 9.a., 9.b., or Paragraph 10 above, it shall, within three (3) months after it acquires knowledge of such event, deliver to the other party a written notice stating such desire, describing the event, and specifying the

date on which supplying raw water under this Agreement is to terminate, which date shall be at least six (6) months from the date of such notice. It is further provided that a party's failure to timely provide written notice of termination is not a waiver of the party's right to terminate this Agreement for the reasons specified in Paragraph 10.

12. **Hold Harmless.** Each party will indemnify and hold harmless the other party from all claims, demands, and causes of action which may be asserted by anyone on account of each party's exercise of its obligations under this Contract.

13. **Default.** If any party defaults in the observance or performance of any of the provisions, agreements or conditions to be observed or performed on its part under the terms of this Agreement related to supplying raw water, the other party may give written notice to the party in default of its intention to terminate this Agreement, specifying the failure or default relied upon. Upon the expiration of forty-five (45) days after the giving of such notice, the provisions of this Agreement related to supplying raw water shall terminate unless, within such forty-five (45) day period, or such longer period as may be specified in such notice of any amendment of or supplement to such notice, the default specified in such notice shall have been fully cured.

14. **Term of Agreement.** The term of the Raw Water Purchase Agreement, as amended, shall continue for a period of fifty (50) years following the Effective Date.

15. **Option to Renew.** If, at the expiration of the initial term of this Agreement, provided the City is not in default and this Agreement is then in full force and effect, the City shall have an absolute right to renew and extend the term of this Agreement up to additional period of fifty (50) years, on terms and conditions providing for the supply of water at a rate which is reasonable, just and nondiscriminatory, and as negotiated by the parties, provided that the City delivers written notice to the District by registered or certified mail of its intention to do so not less than one (1) year prior to the expiration of the initial term as herein provided. The parties agree to commence their negotiations immediately after the giving of the notice.

16. **Force Majeure.** If by reason of force majeure, either party shall be rendered unable, wholly or in part, to carry out its obligations under this Agreement, and if such party gives notice and full particulars of such force majeure, in writing, to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligations of the parties (including obligations for the payment of money), so far as they are affected by such force majeure shall be suspended during the continuance of the inability then claimed, including a reasonable time for removal of the effect thereof. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, act of the public enemy, orders of any kind of Government of the United States, or any state, or any agency or political subdivision of the United States or any state, or any other civil or military authority, insurrections, riots, epidemics, landslides, lightening, earthquakes, fire, hurricanes, tornadoes, storms, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery, transmission pipes or

canals, shortages of labor, material or supplies, or transportation, or any other cause not reasonably within the control of the party claiming such inability. The requirement that any force majeure shall be reasonably beyond the control of the party shall be deemed to be fulfilled even though the existing or impending strike, lockout or other industrial disturbance may not be settled but could have been settled by acceding to the demand of the opposing person or persons. The parties shall use their best efforts to remove the cause of any force majeure; provide further, to the extent the inability does not continue, the City shall retain its right to receive (but not its obligation to take or pay under Section 3) the volume of water that would have otherwise been delivered as soon as is reasonably possible, or upon such other terms as the parties may agree.

17. **Amendments.** This Agreement may not be amended, supplemented or otherwise modified unless done so in writing signed by the Parties, and no provision hereof shall be waived unless such waiver is in writing and signed by the waiving party.

18. **Notices.** Any and all notices and other communications required or permitted to be given, pursuant to this Agreement, shall be deemed given (i) upon personal delivery, or (ii) upon the sender's receipt of electronic confirmation of transmission, if sent by facsimile, or (iii) upon receipt if sent by U.S. mail or courier. The parties designate the following addresses:

If to the City:
City Manager
City of Marshall
P.O. Box 698
Marshall, TX 75671
Attention: Frank Johnson
Telephone: (903) 935-4418
Facsimile: (903) 938-3531

If to the District:
Northeast Texas Municipal Water District
General Manager
P.O. Box 955
Hughes Springs, TX 75656
Attention: Walt Sears
Telephone: (903) 639-7538
Facsimile: (903) 639-2208

19. **No Third Party Beneficiary.** Nothing in this Agreement or any action taken hereunder shall be construed to create any duty, liability or standard of care to any person or entity that is not a party to the Agreement. No person that is not a party shall have any rights or interest, direct or indirect, in this Agreement or the services to be provided hereunder. This Agreement is intended solely for the benefit of the parties, and the

parties expressly disclaim any intent to create any rights in any third party as a third-party beneficiary to this Agreement or the services provided hereunder.

20. **Additional Provisions.** The following miscellaneous provisions are a part of this Agreement:

a. In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the signatories hereto, the signatories agree to submit such disagreement to mediation prior to the initiation of administrative or civil litigation. Such mediation shall be pursued by the parties' selecting a mediator, within thirty (30) days of a party's written notification to the other party of a disagreement or conflict, and such effort shall be completed within ninety (90) days of such notification. In the event that such mediation does not resolve the disagreement or conflict within such time, at the sole discretion of each of the parties, either party is entitled to pursue any other recourse, administrative, civil or other, at its sole discretion. Notwithstanding the foregoing, nothing in this Agreement shall be construed to prevent either party from securing injunctive relief, as may be required in each party's sole discretion, in order to avoid imminent or irreparable harm to the party's interests.

b. No modifications or amendments to this Agreement shall be valid unless in writing and signed by the signatories hereto or their heirs, successors and assigns.

c. This Agreement shall become a binding obligation on the parties upon execution by all signatories hereto. The City warrants and represents that the individual executing this Agreement on behalf of the City has full authority to execute this Agreement and bind the City to the same. The District warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind the District to the same.

d. In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

NORTHEAST TEXAS MUNICIPAL WATER
DISTRICT

By: Stan Wyatt
President - Stan Wyatt

ATTEST:

Kathleen Smith
Secretary

CITY OF MARSHALL

By: _____
City Manager

ATTEST:

William B. Holdreake
Secretary

(Original Number Two of Two Originals.)

ATTACHMENT I

5.I.

ABILITY TO PROVIDE ADEQUATE SERVICE

5.1 Ability to Provide Adequate Service

5.1.i The City of Marshall currently serves approximately 10,817 customers. The existing water treatment plant is rated to provide approximately 19 million gallons per day.

5.1.ii. The proposed service area's is used for residential use.

ATTACHMENT J

6.B.

1) FINANCIAL STATEMENTS

2) RATE SCHEDULE



DRAFT

2019

ANNUAL BUDGET

CITY OF MARSHALL, TEXAS

January 1, 2019 through December 31, 2019

Water & Sewer Enterprise Fund
Estimated Revenues

WATER AND SEWER ENTERPRISE FUND
ESTIMATED REVENUES

<u>ACCT</u>	<u>DESCRIPTION</u>	<u>ACTUAL</u> <u>2017</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>2017</u>	<u>ACTUAL</u> <u>6/30/2018</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>2018</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>2019</u>
<u>PERMITS & FEES</u>						
4135	Discharge Permit	\$800	\$2,500	\$1,200	\$2,500	\$2,500
4150	Back Flow Prevention Fee	729	0	684	0	0
4435	Pollution Control Fees	13,588	14,000	7,555	14,000	12,700
	Subtotal	\$15,117	\$16,500	\$9,439	\$16,500	\$15,200
<u>INTERGOVERNMENTAL REVENUE</u>						
4250	Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$0	\$0	\$0	\$0	\$0
<u>WATER & SEWER CHARGES</u>						
4300	Water Service	\$5,768,924	\$6,031,560	\$2,695,052	\$6,270,450	\$6,194,000
4305	Sewer Service	3,780,691	3,819,440	1,859,097	3,855,290	3,925,000
4308	Recovered Fees	15,353	10,000	8,411	10,000	17,959
4002	Penalty & Interest - W/S	875	0	0	0	0
4310	Water Connections	33,121	22,000	20,683	25,000	48,019
4315	Sewer Connections	9,600	15,000	8,050	12,000	19,320
4320	Water Billing Service Fees	132,224	80,000	58,334	80,000	124,618
4325	Waste Hauler Fees	54,128	50,000	30,050	50,000	61,464
	Subtotal	\$9,794,916	\$10,028,000	\$4,679,677	\$10,302,740	\$10,390,380
<u>MISCELLANEOUS REVENUES</u>						
5100	Interest on Investments	22,038	3,000	16,221	7,000	40,000
5110	Interfund Trsf	0	0	0	0	0
5115	Sale of Assets	0	45,000	0	45,000	20,000
5120	I & S Fund Interest	6,321	0	9,472	0	0
5125	Miscellaneous Revenues	30,190	3,000	1,415	3,000	3,000
	Subtotal	\$58,549	\$51,000	\$27,108	\$55,000	\$63,000
	GRAND TOTAL	\$9,868,582	\$10,095,500	\$4,716,224	\$10,374,240	\$10,468,580

Water and Sewer Enterprise Fund
Estimated Expenses

WATER AND SEWER ENTERPRISE FUND
ESTIMATED EXPENSES

<u>ACCT</u>	<u>DESCRIPTION</u>	<u>ACTUAL</u> <u>2017</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>2017</u>	<u>ACTUAL</u> <u>6/30/2018</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>2018</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>2019</u>
<u>WATER UTILITIES</u>						
40-20-01	Administrative	\$359,272	\$356,918	\$163,265	\$368,536	\$387,060
40-20-02	Water Production	1,219,830	1,297,241	569,606	1,281,549	1,256,445
40-20-03	Distribution & Collection	1,615,250	1,974,830	904,503	2,028,015	2,052,478
40-20-04	Wastewater Treatment	1,566,639	1,347,439	615,548	1,327,092	1,354,259
40-20-06	Water Billing & Collection	449,403	527,476	241,164	521,160	521,643
40-20-07	Engineering	63,375	62,327	29,583	61,471	61,503
Subtotal		<u>\$5,273,769</u>	<u>\$5,566,231</u>	<u>\$2,523,669</u>	<u>\$5,587,823</u>	<u>\$5,633,388</u>
40-21	Non-Departmental	<u>\$890,730</u>	<u>\$793,680</u>	<u>\$478,047</u>	<u>\$891,767</u>	<u>\$936,501</u>
Subtotal		<u>\$890,730</u>	<u>\$793,680</u>	<u>\$478,047</u>	<u>\$891,767</u>	<u>\$936,501</u>
<u>INTERFUND TRANSFERS</u>						
40-22	Debt Service	2,581,643	2,581,643	2,436,825	2,740,730	2,744,468
40-22	Transfer to General Fund	1,153,861	1,153,861	576,930	1,153,861	1,153,861
Subtotal		<u>\$3,735,504</u>	<u>\$3,735,504</u>	<u>\$3,013,755</u>	<u>\$3,894,591</u>	<u>\$3,898,329</u>
GRAND TOTAL		<u>\$9,900,003</u>	<u>\$10,095,415</u>	<u>\$6,015,471</u>	<u>\$10,374,181</u>	<u>\$10,468,218</u>

**Water & Sewer Enterprise Fund
Revenue & Expense Summary**

WATER AND SEWER ENTERPRISE FUND
REVENUE AND EXPENSE SUMMARY

2019
PROPOSED BUDGET

Estimated Revenues	\$10,468,580
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FUNDS AVAILABLE FOR APPROPRIATION	\$10,468,580
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ESTIMATED EXPENDITURES:

Administrative	\$387,060
Water Production	1,256,445
Distribution & Collection	2,052,478
Wastewater Treatment	1,354,259
Water Billing	521,643
Engineering	61,503

Subtotal	\$5,633,388
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Nondepartmental	\$936,501
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Subtotal	\$936,501
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Debt Service	2,744,468
Transfer to General Fund	1,153,861

Subtotal	\$3,898,329
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EXPENDITURES TOTAL	\$10,468,218
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EXCESS REVENUES OVER EXPENSES	\$362
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Water & Sewer Enterprise Fund Debt Service Requirements

WATER AND SEWER ENTERPRISE FUND DEBT SERVICE REQUIREMENTS

2019

ISSUE DATE	MATURITY DATE	DESCRIPTION	DEBT OUTSTANDING 1/1/2019	PAYMENT REQUIREMENTS 2019	
2018	2024	2018 Tax Note Bonds, Series 2018	\$785,000	\$116,535	[P 95,000] [I 21,535]
2018	2021	Water & Sewer GO Refunding Bonds, Series 2018	3,652,000	2,532,053	[P 2,468,000] [I 64,053]
		SUB TOTAL	\$4,437,000	\$2,648,588	[P 2,563,000] [I 85,588]
2015	2021	Loan Repayment - Bio Filter	362,970	95,880	[P 87,757] [I 8,123]
		TOTAL	\$4,799,970	\$2,744,468	

**** Equipment to be purchased:**

Sewer Wash Truck	354,000
Sweep Arm on Bio Filter	148,000
SCADA/PLC Replacement	178,000
SCADA/PLC Replacement	70,000
Total	<u>750,000</u>

Water & Sewer Enterprise Fund **Debt Service Requirements**

WATER AND SEWER ENTERPRISE FUND

DEBT SERVICE REQUIREMENTS

2019

ISSUE DATE	MATURITY DATE	DESCRIPTION	DEBT OUTSTANDING	PAYMENT REQUIREMENTS	
			1/1/2019	2019	
2018	2024	2018 Tax Note Bonds, Series 2018	\$785,000	\$116,535	[P 95,000] [I 21,535]
2018	2021	Water & Sewer GO Refunding Bonds, Series 2018	3,652,000	2,532,053	[P 2,468,000] [I 64,053]
		SUB TOTAL	\$4,437,000	\$2,648,588	[P 2,563,000] [I 85,588]
2015	2021	Loan Repayment - Bio Filter	362,970	95,880	[P 87,757] [I 8,123]
		TOTAL	\$4,799,970	\$2,744,468	

**** Equipment to be purchased:**

Sewer Wash Truck	354,000
Sweep Arm on Bio Filter	148,000
SCADA/PLC Replacement	178,000
SCADA/PLC Replacement	70,000
Total	750,000

ORDINANCE NO. O-16-23

AN ORDINANCE AMENDING CHAPTER 31 OF THE CITY CODE OF ORDINANCES, REVISING THE SCHEDULE OF WATER RATES AND SEWER RATES, PROVIDING FOR MONTHLY CHARGES, AND PROVIDING AN EFFECTIVE DATE FOR THE REVISED CHARGES

NOW, BE IT ORDAINED BY THE CITY COMMISSION OF MARSHALL, TEXAS, THAT:

Section 1. That the findings set out in the preamble to this ordinance are hereby in all things approved.

Section 2. That Article I of Chapter 31, Section 1 of the Code of Ordinances of the City of Marshall is hereby repealed in its entirety and that there is hereby adopted in place of said ordinances a new Section 31-1 Chapter 31 of the Code of Ordinances of the City of Marshall, Texas, said section to read as follows:

Section 31-1. Schedule of water rates.

(a) SCHEDULE OF WATER RATES FOR CITY RESIDENTS

(1) Minimum for first 1,000 gallons or less:

	<u>New Rate</u>
a) ¾ - 5/8" Meter	\$ 8.66
b) 1" Meter	\$ 12.93
c) 2" Meter	\$ 26.01
d) 3" Meter	\$ 43.33
e) 4" Meter	\$ 86.64
f) 6" Meter	\$ 173.29
g) 8" Meter	\$ 259.93
h) 10" Meter	\$ 346.59
i) 12" Meter	\$ 519.86

j) Multiple-Residential units shall be charged a minimum of \$8.66 for each dwelling unit.

k) For Multiple Non-Residential units served by a single meter, each unit shall be charged a monthly minimum based on meter size.

(2) \$4.17 per 1,000 gallons for all over 1,000 gallons.

(b) SCHEDULE OF WATER RATES FOR OUT-OF-CITY CUSTOMERS ON HWY. 43 SOUTH, COOKS ROAD, GRANGEWAY SOUTH, GRANGEWAY ROAD, ROSBOROUGH SPRINGS ROAD, HWY 31, AND BROWN ROAD.

(1) Minimum for first 1,000 gallons or less:

	<u>New Rate</u>
a) ¾ - 5/8" Meter	\$ 10.65
b) 1" Meter	\$ 15.28
c) 2" Meter	\$ 28.41
d) 3" Meter	\$ 49.71
e) 4" Meter	\$ 99.43
f) 6" Meter	\$191.75
g) 8" Meter	\$284.07
h) 10" Meter	\$390.61
i) 12" Meter	\$568.16

j) Multiple-Residential units shall be charged a minimum of \$10.65 for each dwelling unit.

- k) For Multiple Non-Residential units served by a single meter, each unit shall be charged a monthly minimum based on meter size.

(2) \$4.45 per 1,000 gallons for all over 1,000 gallons.

- (c) SCHEDULE OF WATER RATES FOR ALL OTHER OUT-OF-CITY CUSTOMERS (out-of-city customer billing is determined by the location of the unit receiving city service, not by the location of the meter).

The Rate shall be double the regular rates for customers within the City Limits.

- (d) The City of Marshall reserves the right to negotiate a contract with any customer for water sales and sewer usage at a rate other than those contained herein, should it be in the best interests of the City of Marshall.

Section 3. That Article I of Chapter 31, Section 31-3 of the Code of Ordinances of the City of Marshall is hereby repealed in its entirety and that there is hereby adopted in place of said ordinances a new Section 31-3 Chapter 31 of the Code of Ordinances of the City of Marshall, Texas, said section to read as follows:

Section 31-3. Rates – Sewers.

The following sewer rates shall be charged for each monthly period to all users of the sewer system of the City:

- (a) Residential/Apartments/Multiple Family Dwellings:

Applicable to sewer service furnished to each dwelling unit for use as usual in a home:

- (1) \$11.65 for the first 1,000 gallons or less.
- (2) \$4.66 for each additional 1,000 gallons.
- (3) Monthly Basis: Average three (3) month water consumption during the months of December, January and February.
- (4) Where a previous history of usage is absent for a particular service location, an estimate will be made based upon the same or similar service provided at other locations within the same neighborhood of the City. This estimate will be used as a monthly basis until an actual service history can be properly determined during the months of (December, January and February).
- (5) Where a particular service location is not served directly by City water or water consumption cannot otherwise be determined, the sewer charge will be based on citywide average for that type of service.

- (b) Commercial: Applicable to all users other than residential, apartment and multiple family dwelling users:

- (1) \$11.65 for the first 1,000 gallons or less.
- (2) \$4.66 for each additional 1,000 gallons.
- (3) Monthly Basis; based on actual water consumption for each month.

- (c) Out-of-City Customers: The rate for customers located outside the city limits will be double the rates for customers within the city limits (out-of-city customer billing is determined by the location of the unit receiving city service, not by the location of the meter).

- (d) The City of Marshall reserves the right to negotiate a contract with any customer for water sales and sewer usage at a rate other than those contained herein, should it be in the best interests of the City of Marshall.

Section 4. That the meeting at which this ordinance was passed was conducted in strict compliance with the Texas Open Meetings Act (Texas Government Code Chapter 551).

Section 5. That all other prior ordinances or portions of ordinances of the City of Marshall in conflict with the terms and provisions of this ordinance are hereby repealed to the extent of such conflict only.

Section 6. That the repeal of any ordinance or portion of an ordinance by this ordinance shall not affect the validity of any pending enforcement action or fines outstanding and due and payable on or before the effective date of this ordinance.

Section 7. That if any section, paragraph, subdivision, clause, phrase or provision of this ordinance is hereafter determined to be invalid or in violation of the laws of the State of Texas or the Constitution of the United States by a court of appropriate jurisdiction, such finding of invalidity shall affect the continued enforcement only of the provision or provisions so determined to be invalid, it being the intent of the City Commission of the City of Marshall that all other terms and provisions of this ordinance not affected thereby shall remain in full force and effect.

Section 8. That this ordinance shall be effective on December 1, 2016.

PASSED, APPROVED this 27th day of October, 2016.

AYES: 7

NOES: 0

ABSTAINED: 0

PASSED, APPROVED AND ADOPTED this 10th day of November, 2016.

AYES: 6

NOES: 0

ABSTAINED: 0

APPROVED:



CHAIRMAN OF THE CITY COMMISSION
MARSHALL, TEXAS

ATTEST:


CITY SECRETARY

ATTACHMENT K

7.G.iii.

NEIGHBORING CITIES & SYSTEMS

Neighboring Cities & Systems

- Cypress Valley Water Supply Corporation

6585 FM 1997

Marshall, Texas 75670

(903) 938-4426

- Leigh Water Supply Corporation

Route 1, Box 871

Karnack, Texas, 75661

(903) 679-3140

- Blocker Crossroads Water Supply Corporation

721 FM 2983

Marshall, Texas 75672

(903) 766-3979

- Gill Water Supply Corporation

2323 FM 2625

Marshall, Texas 75672

(903) 938-5130

- Talley Water Supply Corporation

P.O. Box 1837

Marshall, Texas 75671

(903) 938-4372

- City of Scottsville

P.O. Box 453

Scottsville, Texas 75688

(903) 930-1313