

Control Number: 50480



Item Number: 1

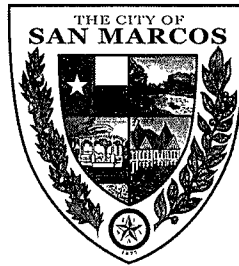
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PUBLIC UTILITY COMMISSION  
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CITY OF SAN MARCOS

APPLICATION FOR SALE, TRANSFER,  
OR MERGER OF A RETAIL  
PUBLIC UTILITY

JANUARY 2020



# Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

## Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
  - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
  - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
  - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
  - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
  - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. **Application is not accepted for filing.**
  - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. **Application is accepted for filing.**
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

**HEARING ON THE MERITS:** An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

### FAQ:

#### Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

#### Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

### Terms

**Transferor:** Seller

**Transferee:** Purchaser

**CCN:** Certificate of Convenience and Necessity

**STM:** Sale, Transfer, or Merger

**IOU:** Investor Owned Utility

## Application Summary

**Transferor:** Crystal Clear Special Utility District

*(selling entity)*

**CCN No.s:** 10297

☒ Sale
 ☐ Transfer
 ☐ Merger
 ☐ Consolidation
 ☐ Lease/Rental

**Transferee:** City of San Marcos

*(acquiring entity)*

**CCN No.s:** 10298

☒ Water
 ☐ Sewer
 ☐ All CCN
 ☐ Portion CCN
 ☐ Facilities transfer

**County(ies):** Hays

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### Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input checked="" type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input checked="" type="checkbox"/> Financial Audit	Part C: Question 10
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input checked="" type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input checked="" type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14



### Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Crystal Clear SUD has agreed to sell to the City of San Marcos (COSM) a portion of their CCN within the Willow Creek subdivision area of San Marcos. The area is mostly built-out with single-family residential homes. Approximately 1/3 of the area is within the city limits of San Marcos (see Attachment D13). 121 homes lie within the city limits and 368 are outside the city limits for a total of 489. The purchase agreement (Attachment A1) provides the terms of the transaction.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- ☐ Obtaining a NEW CCN for Purchaser  
☐ Transfer all CCN into Purchaser's CCN (Merger)  
☒ Transfer Portion of CCN into Purchaser's CCN  
☐ Transfer all CCN to Purchaser and retain Seller CCN  
☐ Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- ☐ Cancellation of Seller's CCN  
☒ Transfer of a Portion of Seller's CCN to Purchaser  
☐ Only Transfer of Facilities, No CCN or Customers  
☐ Only Transfer of Customers, No CCN or Facilities  
☐ Only Transfer CCN Area, No Customers or Facilities

### Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Crystal Clear Special Utility District

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other: Special Utility District

- B. Mailing Address: 2370 FM 1979, San Marcos, TX 78666

Phone: (830) 372-1031

Email: miket@crystalclearsud.org

- C. **Contact Person.** Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Mike Taylor

Title: General Manager

Mailing Address: 2370 FM 1979, San Marcos, TX 78666

Phone: (830) 372-1031

Email: miket@crystalclearsud.org

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

- A. Effective date for most recent rates: \_\_\_\_\_

- B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No ☐ Yes Application or Docket Number: N/A

**If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.**

See Attachment B4 - CCSUD Water Rates

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are no customers that will be transferred

☒ # of customers without deposits held by the transferor 249

☒ # of customers with deposits held by the transferor\* 240

\*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.  
See Attachment B5 - Customers to be Transferred

### Part C: Transferee Information

Questions 6 through 10 apply only to the transferee (purchaser or proposed service provider)

6. A. Name: City of San Marcos

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other: Municipality

B. Mailing Address: 630 East Hopkins, San Marcos, TX 78666

Phone: (512) 393-8010

Email: waterwastewaterinfo@sanmarcostx.gov

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Jon Clack

Title: Asst. Director of Public Services - W/WW

Address: 630 East Hopkins, San Marcos, TX 78666

Phone: (512) 393-8003

Email: jclack@sanmarcostx.gov

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☐ Yes ☒ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☐ Yes ☒ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☐ Corporation

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

☐ Articles of Incorporation and By-Laws established (*attach*)

☒ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): \_\_\_\_\_

**8. If the transferee operates under any d/b/a, provide the name below:**

Name: N/A

**9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:**

Name: Bert Lumbreras  
 Position: City Manager Ownership % (if applicable): 0.00%  
 Address: 630 East Hopkins, San Marcos, TX 78666  
 Phone: (512) 393-8103 Email: blumbreras@sanmarcostx.gov

Name: \_\_\_\_\_  
 Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: \_\_\_\_\_  
 Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: \_\_\_\_\_  
 Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**10. Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

**Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:**

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

<https://www.sanmarcostx.gov/DocumentCenter/View/12957/Fiscal-Year-2018-Comprehensive-Annual-Financial-Report--CAFR--PDF>

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ 1,144,680.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☒ N/A

Total Original Cost of Plant in Service: \$ \_\_\_\_\_

Accumulated Depreciation: \$ \_\_\_\_\_

Net Book Value: \$ \_\_\_\_\_

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☐ No ☐ Yes

Total Customer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☐ No ☐ Yes

Total developer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

**B.** If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

**13.** Provide any other information concerning the nature of the transaction you believe should be given consideration:

As shown on the Attachment D13 - Area Map with City Limits, the area being purchased from Crystal Clear SUD is almost completely bound by the City of San Marcos. A portion of the area also falls within the city limits of San Marcos.

**14.** Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: \$ \_\_\_\_\_

N/A

Accumulated Depreciation of Plant: \$ \_\_\_\_\_

Cash: \$ \_\_\_\_\_

Notes Payable: \$ \_\_\_\_\_

Mortgage Payable: \$ \_\_\_\_\_

(Proposed) Acquisition Adjustment\*: \$ \_\_\_\_\_

\*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

Other (NARUC account name & No.): \_\_\_\_\_

Other (NARUC account name & No.): \_\_\_\_\_

**15. A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

The tables in Attachment D15 - Rate Comparison shows a comparison of the current Crystal Clear rates to the City of San Marcos rates and how the rate change will affect an average bill. The majority of customers will see lower monthly water bills.

**B.** If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

N/A



**Part E: CCN Obtain or Amend Criteria Considerations**

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The City of San Marcos will provide a high level of utility service to new and existing customers through its experienced staff, financial capability, water supply availability, and system redundancy.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The City of San Marcos has owned and operated the public water supply for more than 100 years and currently serves more than 60,000 residents. San Marcos has 55 certified water system operators on its staff. San Marcos supplies both surface water and ground water with a combined capacity of 38,490 gallons per minute, 4,467,650 gallons of ground storage, and 1,000,000 gallons of elevated storage, giving it an overall appreciable excess capacity for providing service in the requested area. San Marcos maintains approximately 255 miles of transmission and distribution mains within its current service area.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☐ No

☒ Yes

See Attachment E18 - TTHM Agreed Order

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

This transaction will have no environmental impact. The area is mostly developed with single-family residential housing.

20. How will the proposed transaction serve the public interest?

As seen in Attachment D13, Crystal Clear SUD's CCN affected by this transaction is almost completely bound by the City of San Marcos public water system and separated from remainder of Crystal Clear SUD's CCN. This transaction will provide a high level of utility service from the City of San Marcos to new and existing customers, through its experienced staff, financial capability, water supply availability, and system redundancy.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

No other water service providers within two miles from outer boundary

**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

Complete Part F for **EACH** Public Water or Sewer system to be transferred subject to approval of the transaction.  
Attach a separate sheet with this information if you need more space for additional systems being transferred.

**22. A. For Public Water System (PWS):**TCEQ PWS Identification Number: 0940015 (7 digit ID)Name of PWS: Crystal Clear SUDDate of last TCEQ compliance inspection: May 22, 2017 (attach TCEQ letter)Subdivisions served: Willow Creek**B. For Sewer service:**See Attachment F-22 - TCEQ Compliance CorrespondenceTCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_**23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:**

Water				Sewer	
0	Non-metered	0	2"		Residential
489	5/8" or 3/4"	0	3"		Commercial
0	1"	0	4"		Industrial
0	1 1/2"	0	Other		Other
Total Water Connections:			489	Total Sewer Connections:	

**24. A. Are any improvements required to meet TCEQ or Commission standards?**☒ No ☐ Yes**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

**C. Is there a moratorium on new connections?**☒ No ☐ Yes:**25. Does the system being transferred operate within the corporate boundaries of a municipality?**☐ No ☒ Yes: Some customers are within the City of San Marcos city limits. (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: 121 Sewer: \_\_\_\_\_

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☒ No ☐ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☒ No ☐ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☐ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☒ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
See Attachment F28 - CoSM Water Operators			

#### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**

***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
  - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
  - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
  - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
  - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.
- B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:
  - 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
  - 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
  - 3. One of the following identifying the requested area:
    - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
    - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
    - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
      - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
      - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
      - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

### Part H: Notice Information

The following information will be used to generate the proposed notice for the application.  
**DO NOT provide notice** of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 475.00

Number of customer connections in the requested area: 489

Affected subdivision : Willow Creek

The closest city or town: San Marcos

Approximate mileage to closest city or town center: 2

Direction to closest city or town: This area is mostly bordered by City of San Marcos city limits, with a portion within the city limits.

The requested area is generally bounded on the North by: Purgatory Creek Natural Area, San Marcos city limits

on the East by: Hunter's Hill subdivision and Hunter Road

on the South by: Hunter Road and W. McCarty Lane

on the West by: W McCarty Lane

31. A copy of the proposed map will be available at: <https://www.sanmarcostx.gov/205/Water-Wastewater>

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

☐ All of the customers will be charged the same rates they were charged before the transaction.

☒ All of the customers will be charged different rates than they were charged before the transaction.

☐ higher monthly bill ☒ lower monthly bill

☐ Some customers will be charged different rates than they were charged before  
(i.e. inside city limit customers)

☐ higher monthly bill ☒ lower monthly bill



Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Hays

I, Mike Taylor being duly sworn, file this application for sale, transfer,

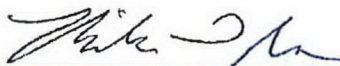
merger, consolidation, acquisition, lease, or rental, as

General Manager, Crystal Clear Special Utility District

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).



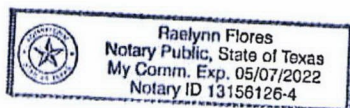
AFFIANT

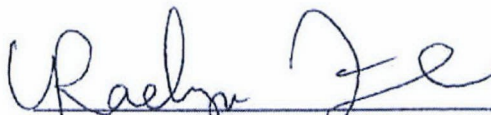
(Utility's Authorized Representative)

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 BEFORE ME, a Notary Public in and for the State of Texas  
this day the 14th of JANUARY, 2020

SEAL





NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Raelynn Flores

PRINT OR TYPE NAME OF NOTARY

My commission expires:

05/07/2022

### Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Hays

I, Bert Lumberras being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as City Manager, City of San Marcos  
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.



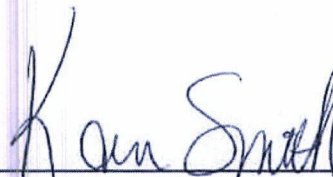
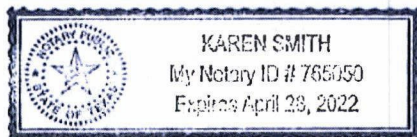
**AFFIANT**  
(Utility's Authorized Representative)

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.

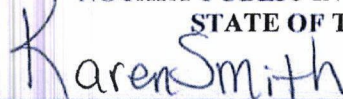
SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the January of January, 2020  
15th

SEAL



**NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS**



**PRINT OR TYPE NAME OF NOTARY**

My commission expires:

February 28, 2022



See attachments: C10 - CoSM FY18 CAFR  
C10 - CoSM 10 Year CIP  
C10 - CoSM Water Master Plan

## Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A – D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (E / G)</b>						

**DO NOT INCLUDE ATTACHMENTS A OR B IN FILED APPLICATION IF LEFT BLANK**

See attachments: C10 - CoSM FY18 CAFR  
C10 - CoSM 10 Year CIP  
C10 - CoSM Water Master Plan

HISTORICAL NET INCOME INFORMATION						
(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						



See attachments: C10 - CoSM FY18 CAFR  
C10 - CoSM 10 Year CIP  
C10 - CoSM Water Master Plan

<b>HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END )</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits–Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
<b>Total General Admin. Expenses (G&amp;A)</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONS &amp; MAINTENANCE EXPENSES</b>						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
<b>Total Operational Expenses (O&amp;M)</b>						
<b>Total Expense (Total G&amp;A + O&amp;M)</b>						
<b>Historical % Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						



Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A - D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (F / G)</b>						



See attachments: C10 - CoSM FY18 CAFR  
C10 - CoSM 10 Year CIP  
C10 - CoSM Water Master Plan

### PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Interest						
Other						
<b>Total</b>						
<b>% Increase Per projected Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Interest						
Other						
<b>Total</b>						



See attachments: C10 - CoSM FY18 CAFR  
 C10 - CoSM 10 Year CIP  
 C10 - CoSM Water Master Plan

<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
<b>C: Total CADS (A + B = C)</b>						
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest						
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)						

# ATTACHMENT A1

## **AGREEMENT FOR PURCHASE OF WATER UTILITY ASSETS AND TRANSFER OF WATER CCN AREA**

This agreement (the "Agreement") is entered into on January \_\_, 2020 (the "Effective Date") by and between Crystal Clear Special Utility District ("Crystal Clear") and the City of San Marcos, Texas, a home rule municipal corporation (the "City"), for the purchase by the City of certain retail water utility assets of Crystal Clear. Crystal Clear and the City may be referred to individually as a "Party" or, collectively, as the "Parties."

### **I. RECITALS**

1. Crystal Clear is a special utility district created under Chapter 65 of the Texas Water Code for the purpose of providing potable water to retail customers under a Certificate of Convenience and Necessity ("CCN") issued by the Public Utility Commission of Texas ("PUC") numbered 10297 for an area that includes parts of the corporate limits of the City.

2. In connection with such purpose, Crystal Clear owns assets, including real property and easements, equipment, facilities and pipelines necessary for potable water production, transmission and distribution, together with associated retail water customer service agreements and accounts.

3. The City is a home rule municipal corporation that owns and operates a municipal water system providing potable water to customers within its corporate boundaries under PUC water CCN numbered 10298.

4. Crystal Clear wants to sell a portion of its assets related to the provision of potable water to an area in the southwest quadrant of the City limits as described in Exhibit A, attached hereto and made a part hereof (the "Service Area") and to release the Service Area from its water CCN.

5. The City wants to purchase such assets from Crystal Clear and to assume the obligation to provide potable water service to customers presently in the Service Area sought to be released from Crystal Clear's CCN.

6. The purpose of this Agreement is to set forth the terms and conditions under which the City will purchase such assets from Crystal Clear and the Parties will seek approval of the associated CCN transfer for the Service Area. In consideration of the foregoing and the mutual benefits and obligations of the Parties herein, the Parties enter into this Agreement.

### **II. AGREEMENT**

#### **1. Preliminary Matters.**

A. **Delegation of Authority.** Subject to applicable laws or applicable internal policies and procedures of the Parties, by approval of this Agreement, the City Council of the City authorizes its City Manager and the Board of Directors of Crystal Clear authorizes



its General Manager to execute all agreements, instruments, applications and requests, to retain any professionals and consultants and to assign appropriate staff representatives as reasonably necessary to complete the activities under this Agreement.

**B. State Agency Approvals.** Within 30 days after the Effective Date, the duly assigned representatives of the Parties shall approve a written schedule of required state agency or political subdivision approvals necessary to enable the purposes of this Agreement. The written schedule shall outline each specific approval needed and the dates by which formal applications, petitions or other forms of request shall be submitted to the approving state agency or political subdivision. The City shall be responsible for submitting all necessary applications under this paragraph. Among the anticipated approvals required are the PUC's approval of the sale of assets and transfer of the Service Area from Crystal Clear's water CCN to the City's water CCN, the Edwards Aquifer Authority's approval or modification of rights under applicable permits for: (1) the City to withdraw water from a well site to be conveyed by Crystal Clear under this Agreement; and (2) for Crystal Clear to change the location of withdrawal of its Edwards Aquifer Authority rights from the well site to be conveyed to the City to another well site, and Crystal Clear's lienholders' approval to remove the Service Area assets from the respective liens.

**i. Responsible Party.** The City shall be responsible for submitting all necessary applications for all required agency and political subdivision approvals required to transfer the Service Area assets from Crystal Clear.

**ii. Expenses.** The City shall be responsible for paying all associated agency filing fees and any fees for contracted professionals and consultants assisting in the preparation or prosecution of applications for approvals required to transfer the Service Area Assets from Crystal Clear to the City. Crystal Clear will procure, at its sole expense, a boundary survey of the Service Area to be transferred to the City to the extent a definite boundary is not ascertainable from any documents submitted to the City under paragraph 6.

**iii. Information.** The Parties agree to cooperate in good faith to provide such information as is reasonably necessary to submit any requests required to be submitted under the written schedule.

**iv. Agreement Subject to Agency Approvals.** This Agreement and the obligations of the Parties herein are subject to all necessary state agency approvals under the written schedule and as otherwise required by applicable laws. If all necessary approvals are not obtained, then this Agreement shall terminate at the option of either Party by providing written notice of termination to the other or by written mutual agreement to terminate.

**2. Property conveyed by Crystal Clear.** Upon Closing, Crystal Clear shall sell, transfer and convey to the City all of Crystal Clear's rights, title and interest in and to the real and personal property assets described in Exhibit B, attached hereto and made a part hereof (the

“Service Area Assets”). The Service Area Assets shall be conveyed free and clear of all liens, assessments, security agreements and encumbrances, except for matters of record agreed to be accepted by the City, in its sole discretion.

**A. Manner of Conveyance.** Any conveyance of a fee simple interest in real property shall be conveyed by general warranty deed based upon the form of deed promulgated by the State Bar of Texas. Personal property shall be conveyed by a bill of sale in a form agreed to by the assigned representatives of and legal counsel for the Parties.

**B. Surveys.** As a proper legal description is necessary to convey an interest in real property, Crystal Clear will procure, at its sole expense, surveys for any portions of the real property interests for which a definite boundary is not ascertainable from any documents submitted to the City under paragraph 6.

**3. Purchase Price.** The total purchase price for the Service Area Assets to be paid by the City shall be \$1,144,680.00. Payment of the purchase price shall be made in full upon Closing by check or wire transfer.

**4. Closing.**

**A. Date.** The Parties hereto shall use their best efforts to close the purchase transaction provided herein within 15 days of the date of the last state agency or political subdivision approval required under this Agreement.

**B. Closing Agent and Closing Location.** The City may acquire, at its own option and expense, a policy of title insurance or title review services from a title company in San Marcos, Texas selected by the City (the “Title Company”). In such event, the Title Company shall act as the Closing agent and the Closing shall occur at the offices of the Title Company. If the City elects to not utilize the services of a title company, the Closing shall occur at the offices of the City at 630 East Hopkins Street, San Marcos, Texas.

**5. Representations and Agreements of Crystal Clear.** Crystal Clear hereby represents and agrees that on or after the Effective Date of this Agreement and until Closing:

**A.** Crystal Clear will not encumber the Service Area Assets with any liens, security Agreements or other encumbrances associated with the issuance of bonds or other indebtedness;

**B.** Crystal Clear is and will be the legal and equitable owner of the Service Area Assets;

**C.** Crystal Clear will not make any alterations to any real or personal property which is a part of the Service Area Assets, except for routine or required maintenance and repairs, and will notify the City of any alterations, change in condition or damage to such property, reasonable wear and tear alone excepted;

**D.** There will be no judgment in existence and no lawsuits or governmental sanctions threatened or pending against Crystal Clear that affect the Service Area Assets, except as specifically disclosed in writing to the City;

**E.** Crystal Clear is not bound by any contract or agreement that prevents the sale of the Service Area Assets or transfer of the Service Area from Crystal Clear's water CCN to the City; and

**F.** Crystal Clear will maintain in full force and effect, all insurance policies presently in effect in relation to the Service Area Assets.

**6. Documents and Reports.** Within 30 days after the Effective Date of this Agreement, Crystal Clear shall furnish to the City of San Marcos the following:

**A.** Copies of all engineering plans, specifications and surveys of existing pipelines, equipment and appurtenances within the Service Area;

**B.** Copies of any inspection reports and repair or maintenance information for such pipelines, equipment and appurtenances;

**C.** Copies of all conveyance instruments, surveys, and title reports, commitments or policies for all real property interests, both fee simple and easement, being conveyed under this Agreement;

**D.** Copies of all geological and environmental assessments in connection with any real property interests, pipelines, equipment or appurtenance within the Service Area;

**E.** A complete list of customers within the Service Area, together with the deposit amounts in hand for each customer; and

**F.** Copies any and all other documents which, in the opinion of the City and in the ordinary and prudent conduct of its affairs, are necessary for the proper and diligent analysis of the Service Area Assets and potential liabilities.

**7. Inspections.** Until the date of the last state agency or political subdivision approval under paragraph 1(B), the City shall have the right and Crystal Clear shall afford the City, its employees, agents, contractors and representatives the opportunity to make such inspections of the Service Area Assets, including books and records related to Service Area customer accounts, during regular business hours. If any inspections require digging or excavation, the City shall restore the surface area of the area that was disturbed.

**8. Allocation of Customer Account Revenues.** All revenues for water utility services and related charges accruing to, but not collected by Crystal Clear as of the date of Closing ("Accounts Receivable"), for services furnished to customers in the Service Area prior to the date of Closing, shall remain the property of Crystal Clear and the City shall have no right title, interest or claim in or to the Accounts Receivable.

9. **Default and Cure.** If one Party believes the other Party to be in default of any obligation under this Agreement, the Party will notify the other Party of the specific nature of the default in writing by email, hand-delivery or certified mail, return receipt requested. The other Party will have 15 business days from the date the notice is received to cure the default. If the default is not cured within this period, the Party asserting the default may terminate this Agreement by written notice and it may exercise any other remedy at law or in equity for enforcement of this Agreement. For defaults that occur after the date of Closing, either Party may pursue any remedy available at law or in equity to enforce the continuing obligations under this Agreement.

### III. MISCELLANEOUS.

1. **Terms Survive.** All of the terms, representations, and covenants set forth in this Agreement are continuing terms and representations and shall survive the Closing.

2. **Notices.** The following contact information shall be used for notices and communications by the Parties and shall remain in effect until changed by written notice to the other Party:

CITY:

City of San Marcos  
Attn: City Manager  
630 East Hopkins Street  
San Marcos, TX 78666  
citymanagerinfo@sanmarcostx.gov

CRYSTAL CLEAR:

Crystal Clear Special Utility District  
Attn: General Manager  
2370 FM 1979  
San Marcos, TX 78666

miket@crystalclear.org

Crystalclear.sud.org 3)

3. **Taxes and Assessments.** Taxes and assessments against the Service Area Assets shall be prorated through the date of Closing. It is understood and agreed by Crystal Clear that, after Closing, the City may forward any tax bills attributable to Crystal Clear's ownership of the Service Area Assets directly to Crystal Clear and Crystal Clear shall promptly pay such bill. If the City pays such bill, it may forward an invoice to Crystal Clear for reimbursement and Crystal Clear shall promptly pay such invoice.

4. **Subject to Applicable Laws.** All activities under this Agreement, including recommendations and actions of the duly assigned representatives of the Parties, are subject to applicable rules, laws, ordinances and procedures governing such activities and neither Party may rely upon nor be bound by the unauthorized actions of such duly assigned representatives.

5. **Entire Agreement.** The full Agreement of the Parties is set forth in the text of this instrument, and no other representations or obligations other than those set forth herein will be recognized.

6. **Venue:** Venue for any dispute arising under this Agreement shall be in the appropriate state court in Hays County, Texas having jurisdiction or, if in federal court, the United States District Court for the Western District of Texas, Austin Division.


7. **Binding on Successors:** This Agreement shall bind and inure to the benefit of the Crystal Clear and the City and their respective successors and assigns.

8. **Multiple Counterparts.** This Agreement may be executed in identical multiple copies, all of which shall be deemed to be an original.

EXECUTED by the Parties to be effective as of the Effective Date stated above.

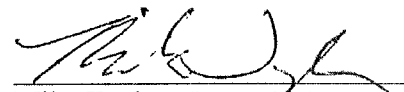
**CITY:**

By:

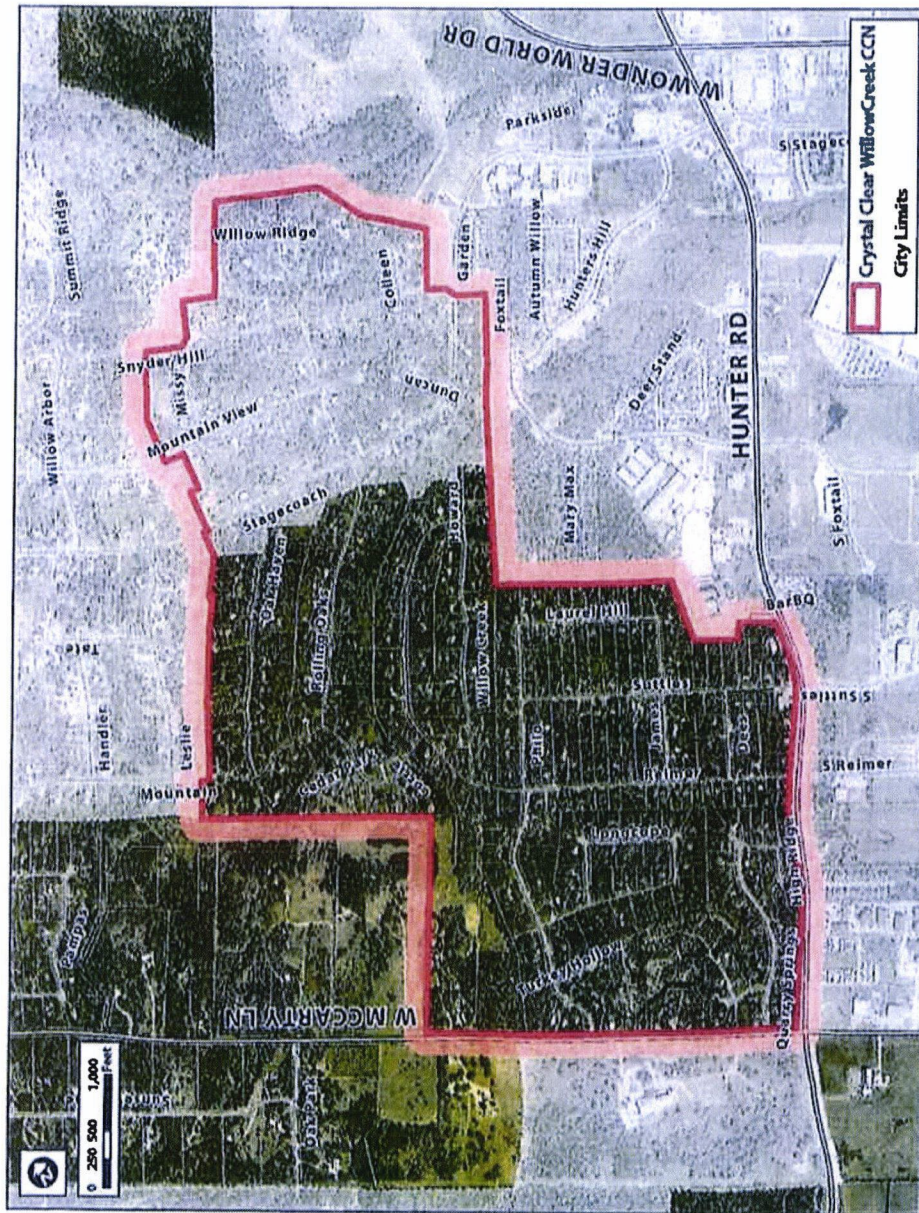
  
Bert Lumbreras, City Manager

**CRYSTAL CLEAR:**

By:

  
Mike Taylor, General Manager

**EXHIBIT A**  
Service Area Boundary Map





**EXHIBIT B-1**  
Fee Simple Interests in Real Property

1. 0.08 Acres of land as described in Special Warranty Deed from Springtown Water Supply Corporation to Crystal Clear Water Supply Corporation, recorded in Volume 2733, Page 544, Official Public Records of Hays County, Texas
2. 0.057 and 0.12 acre tracts of land as described in Deed from John Skarovsky and wife, Ruby Alma Skarovsky to Crystal Clear Water Supply Corporation, recorded in Volume 203, Page 484, Deed Records of Hays County, Texas.
3. 0.58 acres of land as described in Warranty Deed from Handler Smith, *et. al*, to Crystal Clear Water Supply Corporation, recorded in Volume 342, Page 675, Deed records of Hays County, Texas.
4. Lot No. 67, Willow Creek Estates, Section II, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Book 2, Page 225, Plat Records of Hays County, Texas.
5. All improvements to the foregoing real property in place as of the Effective Date or added between the Effective Date and the Closing date.

**EXHIBIT B-2**  
Easement Interests to be Conveyed

GRANTOR	GRANTEE	VOL/PG	FILE DATE	CONVEYANCE	LEGAL/SURVEY	NOTES/LOCATION
Skarovsky, John, et ux	CCWSC	203/484	12/31/1964	(Min 20') Access and Pipeline Easement	J. Veramendi	re: Laurel Estates Subd. To include Philo, Reimer Ave. and Suttles Ave. (see Deed Plot)
Longcope, Edmund M.	CCWSC	259/88	5/25/1973	15' Utility Easement	283.218ac TJ Chambers, J.M. Veramendi and John Williams	re: from Well Site along McCarty Lane past McCarty Elevated (1416' +/-)
Longcope, Edmund M.	CCWSC	256/626	2/20/1973	15' Utility Easement	283.218ac TJ Chambers, J.M. Veramendi and John Williams	re: along McCarty Lane past McCarty Elevated to Hunter Road (1438' +/-)
McKinster, Michael Palmer	CCWSC	1515/23	3/24/1999	15' Utility Easement	10.016ac TJ Chambers Survey	re: adjusted original 15' easement (259/88) for road widening
CCSUD	Rocha, Joe, Jr., et ux	18027338	8/1/2018	Access Easement	0.100ac TJ Chambers	access across corner of owned tract
McCarty 40, Inc.	CCSUD	16031709	9/20/2016	Sanitary Control Easement	V4069 P0285, John Williams Survey	re: McCarty Wells
Hays County	CCSUD	16030937	9/13/2019	Sanitary Control Easement	McCarty Lane, CR 233	re: McCarty Wells
Rocha, Joe and Alice	CCSUD	19031449	9/6/19	Sanitary Control Easement	McCarty Lane	Re: McCarty Wells

### **1. Laurel Estates Subdivision**

05/13/1966 Vol. 1, Pg. 24 PLAT Records, Hays County, TX

John Skarovsky

Subdivision of that land in J. M. Veramendi Survey (no acreage/deed provided).

PER PLAT:

- (1) No assigned water utility – but reference to Well Site and Standpipe/Plant Site.
- (2) Called 30' Easement and 50' Easement related to water appurtenances (LOTS 5, 6 and 7).
- (3) Re-subdivision of LOTS in 1985-1986 states "Domestic water supplied by Crystal Clear Water Company".

### **2. Laurel Estates Restrictions**

06/13/1966 Vol. 212, Pg. 0228 OPR, Hays County, TX

John Skarovsky, et ux to The Public

Listed conveyances to CCWSC: 0.057 acre Plant Site, 0.12 acre Well Site, Access and Pipeline Easements out of that tract described in Vol. 153, Pg. 0221 (southwestern half of 97.5 acres +/- being the remainder of 105.5 acres L&E 8.0 acres).

PER RESTRICTIONS: along with Pipeline and Access Easements previously conveyed, there is a 10 feet wide (10') utility easement over the rear of LOTS 1 through 47 (not depicted on the actual PLAT).

### **3. Laurel Estates UNIT 2 Subdivision**

05/20/1968 Vol. 1, Pg. 62 PLAT Records, Hays County, TX

John Skarovsky and his wife Ruby Skarovsky

Subdivision of that land in J. M. Veramendi Survey (no acreage/deed provided).

PER PLAT:

- (1) No assigned water utility – but reference to Easements.
- (2) Re-subdivision of LOT in 1991 states "Domestic water supplied by Crystal Clear Water Company", and notes a 5' Public Utility Easement perpendicular to Philo St. between LOTS 52 and 52 A.

### **4. Laurel Estates UNIT 2 Restrictions**

05/20/1968 Vol. 224, Pg. 0074 OPR, Hays County, TX

John Skarovsky, et ux to The Public

Subdivision of northeastern half of 97.5 acres +/- being the remainder of 105.5 acres L&E 8.0 acres.

PER RESTRICTIONS: a 10 feet wide (10') utility easement over the rear of LOTS 48 through 92 (not depicted on the actual PLAT).

### **5. Willow Creek Estates Subdivision**

02/26/1973 Vol. 1, Pg. 203 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 56.64 acres (part of 87.35 acres in Volume 255, Pg. 558)

PER PLAT:

- (1) No assigned water utility.
- (2) 10' Public Utility Easement depicted along the back of all lots (20' through LOTS 11 through 16).
- (3) Re-subdivision of multiple LOTS in 1983 depict setback lines and reference septic/sewer, but no reference to water line easements.

### **6. Willow Creek Estates Section 2 Subdivision**

08/14/1978 Vol. 2, Pg. 33 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 51.67 acres (30.71 acres out of 87.35 acres in Volume 255, Pg. 558, and 20.96 acres out of 100.13 acres in File # 120147)

PER PLAT:

- (1) No assigned water utility.

- (2) 10' Public Utility Easement depicted throughout (intermittent 20').
- (3) Re-subdivision of "PARK" LOT in 1983 (Vol. 2, Pg. 371, PLAT Records) states public water will be provided by Crystal Clear Water Supply Corporation.

#### **7. Turkey Hollow Subdivision**

01/28/1980 Vol. 2, Pg. 135-136 PLAT Records, Hays County, TX

Edmund M. Longcope, et al

Subdivision of 59.96 acres (out of 368.436 acres in Volume 249, Pg. 950)

PER PLAT:

- (1) No assigned water utility – only reference to septic.
- (2) Called 13' WTR. LINE ESMNT along frontage of LOTS 11 and 12 parallel and adjacent to McCarty Lane.
- (3) 35' Set back plotted along the frontage of all lots parallel and adjacent to roadways (Philo St. and Longcope Loop).
- (4) Re-subdivision of multiple LOTS in 1983 depict setback lines and reference septic/sewer, but no reference to water line easements.

#### **8. Willow Creek Estates Section 3 Subdivision**

09/28/1981 Vol. 2, Pg. 225-226 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 75.59 acres (53.42 acres out of 100.13 acres in Volume 231, Pg. 399, and 22.17 acres in Vol. 356, Pg. 562)

PER PLAT:

- (1) Public water will be provided to each lot by Crystal Clear Water Supply Corporation.
- (2) 10' Public Utility Easement depicted on the back of LOTS adjacent to Section 2 (intermittent 20').

#### **9. The Ridge at Willow Creek Subdivision**

03/12/1984 Vol. 3, Pg. 93-94 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 27.51 acres (part of 78.66 acres in Volume 426, Pg. 799)

PER PLAT:

- (1) Public water will be provided to each lot by Crystal Clear Water Supply Corporation.
- (2) No Public Utility Easements depicted.

#### **10. Willow Creek Estates Section 4 Subdivision**

03/12/1984 Vol. 3, Pg. 95-96 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 51.15 acres (part of 78.66 acres in Volume 426, Pg. 799)

PER PLAT:

- (1) Public water will be provided to each lot by Crystal Clear Water Supply Corporation.
- (2) No Public Utility Easements depicted.

#### **11. Willow Creek Estates Section 5 Subdivision**

09/10/1984 Vol. 3, Pg. 193 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 9.13 acres (no deed reference)

PER PLAT:

- (1) Public water will be provided to each lot by Crystal Clear Water Supply Corporation.
- (2) No Public Utility Easements depicted.

#### **12. Willow Creek Estates Section 6 Subdivision**

03/10/1986 Vol. 4, Pg. 154-156 PLAT Records, Hays County, TX

S & S Land & Cattle Company (Handler Smith, et al)

Subdivision of 43.024 acres (Volume 576, Pg. 588)

PER PLAT:

- (1) Public water will be provided to each lot by Crystal Clear Water Supply Corporation.
- (2) 20' Public Utility Easement along the street frontage of each lot ("Notes", Pg. 156).

**13. The Ridge at Willow Creek Section 2 Subdivision**

04/04/1994 Vol. 6, Pg. 183-184 PLAT Records, Hays County, TX

San Marcos Affordable Housing Inc.

Subdivision of 30.04 acres (Volume 1057, Pg. 548)

PER PLAT:

- (1) Public water will be provided to each lot by Crystal Clear Water Supply Corporation.
- (2) 20' Public Utility Easements adjacent to all street/row lines ("Notes", Pg. 183).
- (3) 10' Public Utility Easements adjacent to all non-street lines ("Notes", Pg. 183).
- (4) 20' Water Main Easement to City of San Marcos (Vol. 792, Pg. 467) depicted at Willow Arbor and Snyder Hill Drive.

**14. Quarry Spring Section 1 Subdivision**

07/11/1994 Vol. 6, Pg. 297-298 PLAT Records, Hays County, TX

Edmund M. Longcope

Subdivision of 19.54 acres (out of 58.79 acres in Volume 249, Pg. 950)

PER PLAT:

- (1) Public water will be provided to each lot by K & L Water Supply Company.
  - (2) Unless otherwise noted, 10' Public Utility Easements adjacent to all street lines ("Notes", Pg. 297).
- Subject to: 15'Easement 256/626, 15' Easement 259/88, 398/638, 404/353 and 424/688*

**15. Quarry Spring Section 2 Subdivision**

07/11/1994 Vol. 6, Pg. 299-300 PLAT Records, Hays County, TX

Edmund M. Longcope

Subdivision of 39.25 acres (out of 58.79 acres in Volume 249, Pg. 950)

PER PLAT:

- (1) Public water will be provided to each lot by K & L Water Supply Company.
- (2) Unless otherwise noted, 10' Public Utility Easements adjacent to all street lines ("Notes", Pg. 300).

### **EXHIBIT B-3**

#### **Personal Property to be Conveyed**

1. All pipes, tanks, meters, structures, fixtures, meters, machinery, and above ground and underground appurtenances and equipment associated with, and in place as of the Effective Date within, the easements being conveyed to the City by this Agreement.
2. All customer accounts as of the Closing Date for customers being served within the Crystal Clear Willow Creek CCN described in Exhibit A (subject to Section 8 of this Agreement), together with all deposits on hand for such accounts.



# ATTACHMENT B4

**CCSUD WATER RATES EFFECTIVE OCTOBER 1, 2019**

City of San Marcos  
630 E. Hopkins  
San Marcos, TX 78666

**WATER CONSUMPTION RATE**  
**(UNCHANGED)**

Consumption in Gallons	Rate per 1,000 Gallons
0 to 5,000	\$ 5.09
5,000.1 to 10,000	\$ 5.60
10,000.1 to 20,000	\$ 6.66
20,000.1 to 50,000	\$ 9.00
50,000.1 to 70,000	\$ 11.50
OVER 70,000	\$ 12.00

**WATER BASE RATE**  
**(UNCHANGED)**

Meter Size	Base Rate
5/8" x 3/4"	\$ 41.21
3/4" x 3/4"	\$ 61.31
1"	\$ 101.52
1 1/2"	\$ 202.04
2"	\$ 322.67
3"	\$ 644.33
4"	\$1,006.21
6"	\$2011.42

**WASTEWATER RATES (UNCHANGED)**

Base Rate	\$33.64
Water usage > or = 5,000 gallons	60% of \$4.87/1,000
Water usage < 5,000 gallons	60% of \$4.43/1,000

**Regulatory Assessment Fee (UNCHANGED)**

In accordance with TCEQ regulation, the District shall collect from each customer a regulatory assessment equal to 0.5% of the monthly charges for water and wastewater service.

**R & R Depreciation Fee (UNCHANGED)**

\$6.95 per customer account per month will be assessed to pay for repair and replacement of assets of the District.

**CRWA Bond Fee (INCREASED 10/01/2019)**

\$9.00 per customer account per month will be assessed to pay the bond debts which the District is responsible for paying to the Canyon Regional Water Authority for the District's long term water.

**Texas Commission on Environmental Quality (TCEQ) Regulatory Compliance Fee (UNCHANGED)**

\$1.32 per customer account per month will be assessed to pay for costs incurred by the District to comply with TCEQ regulations and testing requirements.

**Texas Water Development Board (TWDB) Bond Fee (UNCHANGED)**

\$5.00 per customer account per month will be assessed to pay the bond debts the District is responsible for paying to the TWDB for water system improvements and upgrades.

**Credit/Debit Card Convenience Fee (UNCHANGED)**

Customers which choose to pay using a credit/debit card bearing the MasterCard, Visa, AMEX and/or Discover logo, will incur a convenience fee **charged directly by the processing company**. CCSUD is not responsible for this fee.

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The hours of operations for Crystal Clear Special Utility District (CCSUD) are Monday through Friday, 7AM to 5PM. We will not open our doors prior to 7AM on any day, including disconnect day. In order to prevent disconnection and fees, payments **must be received before 7AM on disconnect day**. If your payment is not received **before 7AM on disconnect day**, a \$150 Non-Payment Fee will be added. The Non-payment fee, as well as the delinquent amount, **must be paid in full before water service will be restored**.

**ANY PAYMENT ARRANGEMENTS MUST BE MADE PRIOR TO 5PM ON THE 10<sup>TH</sup> (PAYMENT DUE DATE). NO ARRANGEMENTS WILL BE MADE ON DISCONNECT DAY.**

CCSUD has a convenient after hours drop box located on the south side of the building. In addition to our drop box, other methods of payment include credit/debit card online at our website through bill pay, auto-payment using either a bank account (bank draft) or credit/debit card, or by phone at 1-888-617-7454 English or 1-888-626-9065 Spanish. The correct web address to Crystal Clears Special Utility District (CCSUD) is <http://crystalclearsud.org>

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The most recent copy of the CCSUD Rules and Regulations can be found at the following link: [https://crystalclearsud.org/documents/296/compresspdf\\_3GiB95c5.pdf](https://crystalclearsud.org/documents/296/compresspdf_3GiB95c5.pdf)

**Please be sure to check your favorites or bookmarks to ensure you are not being directed to an incorrect web address.**

# ATTACHMENT B5



Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
919 00 98	ACTIVE	JASKA, LORRAINE A	111 SUTTLES AVE	111 SUTTLES AVE	SAN MARCOS	TX	12/07/1972	50 00	0 00
1013 00 98	ACTIVE	ORTIZ, RICHARD	812 WILLOW CREEK CIR	812 WILLOW CREEK CIR	SAN MARCOS	TX	08/19/1975	50 00	0 00
918 00 98	ACTIVE	MENDEZ JR, BLAS	201 SUTTLES AVE	201 SUTTLES AVE	SAN MARCOS	TX	07/01/1974	50 00	0 00
995 00 98	ACTIVE	BARRETT, EVELYN P	933 WILLOW CREEK CIR	933 WILLOW CREEK CIR	SAN MARCOS	TX	05/28/1975	50 00	0 00
1003 00 98	ACTIVE	HARRELL, JAMES N	909 WILLOW CREEK CIR	909 WILLOW CREEK CIR	SAN MARCOS	TX	02/25/1974	50 00	0 00
862 00 98	ACTIVE	O'BRYANT, KENNETH	2606 PHILO ST	PO BOX 1569	KYLE	TX	02/20/1973	50 00	0 00
1186 00 96	ACTIVE	PASTERNAK, NAZISH	712 SNYDER HILL DR	712 SNYDER HILL DR	SAN MARCOS	TX	12/28/2017	300 00	0 00
901 00 97	ACTIVE	SANTOS JR, JULIO C	402 SUTTLES AVE	402 SUTTLES AVE	SAN MARCOS	TX	12/21/2015	300 00	0 00
1200 00 97	ACTIVE	HOLLAND, FRANK AND JAN	505 STAGECOACH TRL	505 STAGECOACH TRL	SAN MARCOS	TX	12/20/2018	300 00	0 00
984 00 97	ACTIVE	CAMPBELL, ROBERT	418 LONGCOPE LP	418 LONGCOPE LP	SAN MARCOS	TX	12/20/2016	300 00	0 00
902 00 97	ACTIVE	GROVES, JERRY AND DIANE	309 SUTTLES AVE	224 CALIXTO CT	SAN MARCOS	TX	12/18/2018	300 00	0 00
954 00 97	ACTIVE	SCHMIDT, THOMAS AND ASHLEY	2920 PHILO ST	2920 PHILO ST	SAN MARCOS	TX	12/17/2018	300 00	0 00
1181 00 97	ACTIVE	ORTIZ, STAGGAR LEE	2416 MISSY LN	2416 MISSY LN	SAN MARCOS	TX	12/12/2016	300 00	0 00
892 00 94	ACTIVE	DUBOIS, KATHLEEN	210 SUTTLES AVE	210 SUTTLES AVE	SAN MARCOS	TX	12/12/2016	300 00	0 00
1092 00 97	ACTIVE	UPSHAW, PAUL	722 STAGECOACH TRL	722 STAGECOACH TRL	SAN MARCOS	TX	12/07/2015	300 00	0 00
990 00 97	ACTIVE	MCKINNEY, KENNETH	520 WILLOW CREEK CIR	520 WILLOW CREEK CIR	SAN MARCOS	TX	12/05/2017	300 00	0 00
948 00 97	ACTIVE	CONTRERAS, ERICA	110 TURKEY HOLLOW CIR	110 TURKEY HOLLOW CIR	SAN MARCOS	TX	11/21/2017	300 00	0 00
3551 00 97	ACTIVE	CALCOTE, LAURA	404 QUARRY SPRINGS DR	404 QUARRY SPRINGS DR	SAN MARCOS	TX	11/15/2018	300 00	0 00
1093 00 97	ACTIVE	MORENO, MARIANELA L	721 STAGECOACH TRL	721 STAGECOACH TRL	SAN MARCOS	TX	11/15/2016	300 00	0 00
978 00 96	ACTIVE	HOUE, JOHN HENRY	222 LONGCOPE LP	P O BOX 387	MARLBORO	VT	11/11/2015	300 00	0 00
928 00 95	ACTIVE	LMD INVESTMENTS LLC	102 SUTTLES AVE	LYNN PEACH	SAN MARCOS	TX	11/02/2017	300 00	0 00
937 00 97	ACTIVE	RUBENDALL, MICHAEL	2823 PHILO ST	2823 PHILO ST	SAN MARCOS	TX	11/01/2017	300 00	0 00
1011 00 97	ACTIVE	SANCHEZ, EDWARD J	818 WILLOW CREEK CIR	P O BOX 195	SAN MARCOS	TX	11/01/2017	300 00	0 00
3438 00 97	ACTIVE	KRAATZ, DUSTY	307 QUARRY SPRINGS DR	307 QUARRY SPRINGS DR	SAN MARCOS	TX	10/23/2017	300 00	0 00
6150 00 98	ACTIVE	RAMIREZ, PAZ	106 CORRIE CT	9000 S US HWY 123	AUSTIN	TX	10/22/2018	300 00	0 00
1066 00 97	ACTIVE	YOE, CHARLES E	2709 ROLLING OAKS	2709 ROLLING OAKS	SAN MARCOS	TX	10/20/2016	300 00	0 00
1143 00 96	ACTIVE	PEDROZA, LUDIM	741 WILLOW RIDGE DR	741 WILLOW RIDGE DR	SAN MARCOS	TX	10/19/2018	300 00	0 00
796 00 96	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 10A	RUBEN AND MARIA TREVINO	SAN MARCOS	TX	10/19/2018	300 00	0 00
808 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 10B	LOURDES TREJO	SAN MARCOS	TX	10/19/2018	300 00	0 00
797 00 96	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 11A	OLGA RODRIGUEZ	SAN MARCOS	TX	10/19/2018	300 00	0 00
798 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 12A	PHILLIP FLETCHER	SAN MARCOS	TX	10/19/2018	300 00	0 00
787 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 1A	LISA LIBERATO	SAN MARCOS	TX	10/19/2018	300 00	0 00
799 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 1B	HENRY AND JESSICA GONZALES	SAN MARCOS	TX	10/19/2018	300 00	0 00
788 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 2A	ART AND SOPHIA GARZA	SAN MARCOS	TX	10/19/2018	300 00	0 00
800 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 2B	ELICIA JARVIS	SAN MARCOS	TX	10/19/2018	300 00	0 00
789 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 3A	NANCY GARCIA	SAN MARCOS	TX	10/19/2018	300 00	0 00
801 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 3B	2805 HUNTER RD APT 3B	SAN MARCOS	TX	10/19/2018	300 00	0 00
790 00 95	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 4A	4221 SOUTH 1ST	AUSTIN	TX	10/19/2018	300 00	0 00
802 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 4B	2805 HUNTER RD APT 4B	SAN MARCOS	TX	10/19/2018	300 00	0 00
791 00 95	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 5A	LILIANA TORRES	SAN MARCOS	TX	10/19/2018	300 00	0 00
803 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 5B	JACKIE MAGALLANEZ	SAN MARCOS	TX	10/19/2018	300 00	0 00
792 00 96	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 6A	SONIA MARTINEZ	SAN MARCOS	TX	10/19/2018	300 00	0 00
804 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 6B	JACKIE MAGALLANEZ	SAN MARCOS	TX	10/19/2018	300 00	0 00
793 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 7A	RUBEN AND MARIA TREVINO	SAN MARCOS	TX	10/19/2018	300 00	0 00
805 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 7B	MARIA SALINAS	SAN MARCOS	TX	10/19/2018	300 00	0 00
794 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 8A	CHRISTINA CARDENAS	SAN MARCOS	TX	10/19/2018	300 00	0 00
806 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 8B	JOHN ALDERSON	SAN MARCOS	TX	10/19/2018	300 00	0 00
795 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 9A	JESSICA SALINAS	SAN MARCOS	TX	10/19/2018	300 00	0 00
807 00 97	ACTIVE	2805 HUNTER LLC	2805 HUNTER RD APT 9B	JOSE RAMOS	SAN MARCOS	TX	10/19/2018	300 00	0 00
1189 00 97	ACTIVE	ZUMWALT, JOHN AND ANGELA	505 DUNCAN DR	505 DUNCAN DR	SAN MARCOS	TX	10/16/2019	300 00	0 00

Attachment B5 - Customers to be Transferred										
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount	
1012 00 97	ACTIVE	HARBERT, REBECCA	811 WILLOW CREEK CIR	811 WILLOW CREEK CIR	SAN MARCOS	TX	10/16/2019	300 00	0 00	
4160 00 96	ACTIVE	STEPHENS, RICK	401 QUARRY SPRINGS DR	401 QUARRY SPRINGS DR	SAN MARCOS	TX	10/16/2017	300 00	0 00	
4281 00 97	ACTIVE	MCBETH, RANDY AND MARY	306 QUARRY SPRINGS DR	306 QUARRY SPRINGS DR	SAN MARCOS	TX	10/15/2018	300 00	0 00	
2943 00 97	ACTIVE	WERLEIN, BRIAN	307 SUTTLES AVE	307 SUTTLES AVE	SAN MARCOS	TX	10/15/2018	300 00	0 00	
2842 00 95	ACTIVE	DEVILLE, RICHARD AND CINDY	715 WILLOW RIDGE DR	715 WILLOW RIDGE DR	SAN MARCOS	TX	10/14/2018	300 00	0 00	
1019 00 97	ACTIVE	HANDER, LEX	739 WILLOW CREEK CIR	739 WILLOW CREEK CIR	SAN MARCOS	TX	10/13/2016	300 00	0 00	
1095 00 96	ACTIVE	HARRIS, WILEY D	2608 OAK HAVEN DR	2608 OAK HAVEN DR	SAN MARCOS	TX	10/12/2015	300 00	0 00	
4435 00 97	ACTIVE	CARROLL, ALTON	321 QUARRY SPRINGS DR	321 QUARRY SPRINGS DR	SAN MARCOS	TX	10/08/2015	300 00	0 00	
852 00 97	ACTIVE	MCCREADY, JOSHUA	2708 PHILO ST	2708 PHILO ST	SAN MARCOS	TX	09/27/2016	300 00	0 00	
5288 00 98	ACTIVE	GONZALES, MELISSA M	2811 PHILO ST	PO BOX 412	SAN MARCOS	TX	09/25/2013	300 00	0 00	
850 00 97	ACTIVE	MCVEY, CHERYL	2707 PHILO ST	2707 PHILO ST	SAN MARCOS	TX	09/23/2018	300 00	0 00	
1086 00 97	ACTIVE	ERWIN, RYAN	2603 ROLLING OAKS	2603 ROLLING OAKS	SAN MARCOS	TX	09/23/2018	300 00	0 00	
1047 00 97	ACTIVE	MORELAND, BRIAN	2827 ROLLING OAKS	2827 ROLLING OAKS	SAN MARCOS	TX	09/20/2016	300 00	0 00	
1198 00 95	ACTIVE	NICHOLS, CHRISTOPHER	106 COLLEEN CT	106 COLLEEN CT	SAN MARCOS	TX	09/18/2017	300 00	0 00	
1107 00 97	ACTIVE	ALEXANDER, MELVIN	2624 OAK HAVEN DR	KERRI ALEXANDER OVERFELT	SAN MARCOS	TX	09/18/2015	300 00	0 00	
4540 00 97	ACTIVE	STOCKTON FINANCE INC	3220 ROLLING OAKS DR	PO BOX 312657	NEW BRAUNFELS	TX	09/17/2015	300 00	0 00	
4541 00 97	ACTIVE	STOCKTON FINANCE INC	ROLLING OAKS DR	PO BOX 312657	NEW BRAUNFELS	TX	09/17/2015	300 00	0 00	
1154 00 97	ACTIVE	CASPARIAN, MARGUERITE	705 SNYDER HILL DR	705 SNYDER HILL DR	SAN MARCOS	TX	09/15/2014	300 00	0 00	
930 00 97	ACTIVE	HARRISON, REACE	2710 HUNTER RD	22 PALMER GREEN PL	THE WOODLANDS	TX	09/14/2017	300 00	0 00	
2887 00 97	ACTIVE	CAVENDER, JOHN	501 DUNCAN DR	501 DUNCAN DR	SAN MARCOS	TX	09/13/2017	300 00	0 00	
6110 00 98	ACTIVE	E KNEESE TRUST	103 REIMER AVE	103 A REIMER AVE	SAN MARCOS	TX	09/05/2018	300 00	0 00	
1027 00 97	ACTIVE	RICHARDSON, CANDICE	709 WILLOW CREEK CIR	709 WILLOW CREEK CIR	SAN MARCOS	TX	09/03/2014	300 00	0 00	
2811 00 96	ACTIVE	DAVIS, TRAVIS	740 WILLOW RIDGE DR	740 WILLOW RIDGE DR	SAN MARCOS	TX	09/01/2015	300 00	0 00	
963 00 97	ACTIVE	RAMOS, THOMAS	103 LONGCOPE LP	103 LONGCOPE LP	SAN MARCOS	TX	08/23/2019	300 00	0 00	
830 00 97	ACTIVE	LEE, RACHEL	211 REIMER AVE	211 REIMER AVE	SAN MARCOS	TX	08/23/2019	300 00	0 00	
1144 00 96	ACTIVE	GRIGSBY, BRITTANY AND KEVIN	736 WILLOW RIDGE DR	736 WILLOW RIDGE DR	SAN MARCOS	TX	08/23/2019	300 00	0 00	
2891 00 97	ACTIVE	CANTU, ENEDELIA AND JOE R	725 WILLOW RIDGE DR	725 WILLOW RIDGE DR	SAN MARCOS	TX	08/23/2019	300 00	0 00	
4263 00 97	ACTIVE	KRAMPETZ, DANA	410 QUARRY SPRINGS DR	410 QUARRY SPRINGS DR	SAN MARCOS	TX	08/18/2015	300 00	0 00	
3979 00 96	ACTIVE	RODRIGUEZ, TRINIDAD P	318 QUARRY SPRINGS DR	318 QUARRY SPRINGS DR	SAN MARCOS	TX	08/15/2018	300 00	0 00	
1072 00 97	ACTIVE	BADGER, MICHELE	2650 ROLLING OAKS	2650 ROLLING OAKS	SAN MARCOS	TX	08/15/2018	300 00	0 00	
3996 00 95	ACTIVE	ALLEN, JOHN L	701 WILLOW RIDGE	701 WILLOW RIDGE	SAN MARCOS	TX	08/15/2017	300 00	0 00	
1141 00 97	ACTIVE	ROSSI, PHILLIP	733 WILLOW RIDGE DR	733 WILLOW RIDGE DR	SAN MARCOS	TX	08/14/2015	300 00	0 00	
4323 00 97	ACTIVE	LOPEZ, JOHN	102 QUARRY SPRINGS DR	102 QUARRY SPRINGS DR	SAN MARCOS	TX	07/27/2016	300 00	0 00	
3127 00 97	ACTIVE	BOUWSMA, OTIS	300 QUARRY SPRINGS DR	JASON PENA AND RAQUEL MORAIDA	SAN MARCOS	TX	07/26/2017	300 00	0 00	
1140 00 97	ACTIVE	MESQUITE OASIS, INC	721 WILLOW RIDGE DR	8405 W 42ND STREET	ODESSA	TX	07/22/2019	300 00	0 00	
1021 00 97	ACTIVE	TERRELL, RANDALL	733 WILLOW CREEK CIR	733 WILLOW CREEK CIR	SAN MARCOS	TX	07/20/2015	300 00	0 00	
997 00 97	ACTIVE	GUTIERREZ, MARCO & KELCI	928 WILLOW CREEK CIR	928 WILLOW CREEK CIR	SAN MARCOS	TX	07/17/2018	300 00	0 00	
1131 00 97	ACTIVE	KELLOGG, SHELLY	806 MOUNTAIN DR	806 MOUNTAIN DR	SAN MARCOS	TX	07/14/2016	300 00	0 00	
1056 00 97	ACTIVE	TIPPETT, TIM	2813 ROLLING OAKS	2813 ROLLING OAKS	SAN MARCOS	TX	07/13/2017	300 00	0 00	
999 00 97	ACTIVE	PORTER, KIMBERLY	921 WILLOW CREEK CIR	921 WILLOW CREEK CIR	SAN MARCOS	TX	07/11/2017	300 00	0 00	
1089 00 96	ACTIVE	WHITHERSPOON, KELLY	703 STAGECOACH TRL	NICOLE & TYSON THOMAS	SAN MARCOS	TX	07/07/2014	300 00	0 00	
1153 00 97	ACTIVE	BRADLEY, JOHN	701 SNYDER HILL DR	701 SNYDER HILL DR	SAN MARCOS	TX	06/29/2016	300 00	0 00	
1113 00 96	ACTIVE	FERRELL, JEAN AND JOHNNY	2640 OAK HAVEN DR	2640 OAK HAVEN DR	SAN MARCOS	TX	06/28/2019	300 00	0 00	
3660 00 97	ACTIVE	MURDOCK, SAMUEL	611 WILLOW CREEK CIR	611 WILLOW CREEK CIR	SAN MARCOS	TX	06/28/2019	300 00	0 00	
812 00 97	ACTIVE	TXREALSTATE HOME BUYERS	2804 HUNTER RD	2804 HUNTER RD	SAN MARCOS	TX	06/28/2019	300 00	0 00	
1135 00 97	ACTIVE	FEELER, DODGE	714 MOUNTAIN DR	714 MOUNTAIN DR	SAN MARCOS	TX	06/26/2015	300 00	0 00	
2927 00 96	ACTIVE	MCGINTY, ALLAN AND MARY	2404 ROLLING OAKS	6020 WARD PARKWAY	KANSAS CITY	MO	06/21/2019	300 00	0 00	
924 00 96	ACTIVE	YARBROUGH, SCOTT	104 SUTTLES AVE	PO BOX 1168	SAN MARCOS	TX	06/15/2015	300 00	0 00	
2895 00 97	ACTIVE	WILHITE, MONICA	729 WILLOW RIDGE DR	729 Willow Ridge Drive	San Marcos	TX	06/14/2019	300 00	0 00	
4078 00 95	ACTIVE	GILLENLINE, CLAY	218 QUARRY SPRINGS DR	218 QUARRY SPRINGS DR	SAN MARCOS	TX	06/08/2016	300 00	0 00	

Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
966 00 97	ACTIVE	DELRIE, KEVIN TODD	111 LONGCOPE LP	111 LONGCOPE LP	SAN MARCOS	TX	06/05/2018	300 00	0 00
856 00 97	ACTIVE	STILL, ROD	2702 PHILO ST	2702 PHILO ST	SAN MARCOS	TX	06/02/2014	300 00	0 00
1165 00 96	ACTIVE	ROBERTS, DAVID	2405 ROLLING OAKS	1250 WONDER WORLD DR	SAN MARCOS	TX	06/02/2014	300 00	0 00
873 00 97	ACTIVE	ROSS, WORTH D	404 LAUREL HL	404 LAUREL HL	SAN MARCOS	TX	06/01/2016	300 00	0 00
939 00 97	ACTIVE	ELLSWORTH, DUSTINE	2830 PHILO ST	2830 PHILO ST	SAN MARCOS	TX	05/30/2014	300 00	0 00
767 00 97	ACTIVE	1501 E MCCARTY, LLC	1501 E MCCARTY LN	ALEX HERNANDEZ	MARTINDALE	TX	05/23/2016	300 00	0 00
4059 00 97	ACTIVE	STRATTON, BRANDON	100 FOX CREEK CIR	100 FOX CREEK CIR	SAN MARCOS	TX	05/22/2018	300 00	0 00
764 00 98	ACTIVE	PEREZ, JULIAN	2200 E MCCARTY LN	2200 E MCCARTY LN	SAN MARCOS	TX	05/21/2014	300 00	0 00
3128 00 97	ACTIVE	CHARRON, DENICE	221 QUARRY SPRINGS DR	221 QUARRY SPRINGS DR	SAN MARCOS	TX	05/18/2018	300 00	0 00
1190 00 97	ACTIVE	NICHOLS, MATTHEW	507 DUNCAN DR	507 DUNCAN DR	SAN MARCOS	TX	05/11/2015	300 00	0 00
1134 00 97	ACTIVE	GRANATO, NANCY	2741 OAK HAVEN DR	2741 OAK HAVEN DR	SAN MARCOS	TX	05/11/2015	300 00	0 00
360 00 97	ACTIVE	DAVIO, REBECCA	302 SUTTLES AVE	302 SUTTLES	SAN MARCOS	TX	05/09/2018	300 00	0 00
926 00 96	ACTIVE	7 ELEVEN, INC	2700 HUNTER RD	ENGIE INSIGHT	SPOKANE	WA	05/09/2018	300 00	0 00
927 00 96	ACTIVE	7 ELEVEN, INC	2700 HUNTER RD	ENGIE INSIGHT	SPOKANE	WA	05/09/2018	300 00	0 00
1018 00 97	ACTIVE	MUNOZ, STEPHANIE	745 WILLOW CREEK CIR	745 WILLOW CREEK CIRCLE	SAN MARCOS	TX	05/09/2016	300 00	0 00
1032 00 97	ACTIVE	CLAYTON, QUINTON	629 WILLOW CREEK CIR	629 WILLOW CREEK CIRCLE	SAN MARCOS	TX	05/09/2014	300 00	0 00
1002 00 96	ACTIVE	DELANEY, JOHN	910 WILLOW CREEK CIR	910 WILLOW CREEK CIR	SAN MARCOS	TX	04/30/2019	300 00	0 00
1194 00 96	ACTIVE	LYLES, LARRY AND VIRGINIA	101 COLLEEN CT	501 W NOLANA	MCALLEN	TX	04/23/2019	300 00	0 00
1111 00 97	ACTIVE	BECK, BRICH	2634 OAK HAVEN DR	2634 OAK HAVEN DR	SAN MARCOS	TX	04/16/2018	300 00	0 00
1069 00 97	ACTIVE	REESE, BECKY	2655 ROLLING OAKS	2655 ROLLING OAKS	SAN MARCOS	TX	04/08/2014	300 00	0 00
1028 00 97	ACTIVE	POPE, DOREAN	703 WILLOW CREEK CIR	703 WILLOW CREEK CIRCLE	SAN MARCOS	TX	04/04/2014	300 00	0 00
5908 00 98	ACTIVE	JAQUES, KEN	112 SUTTLES AVE B	206 DEERWOOD DR	SAN MARCOS	TX	03/30/2017	300 00	0 00
5909 00 98	ACTIVE	JAQUES, KEN	112 SUTTLES AVE A	206 DEERWOOD DR	SAN MARCOS	TX	03/30/2017	300 00	0 00
2865 00 97	ACTIVE	STOKES, FRAYE	521 STAGECOACH TRL	521 STAGECOACH TRL	SAN MARCOS	TX	03/27/2019	300 00	0 00
989 00 95	ACTIVE	CARTER, RUSSELL	509 REIMER AVE	1581 County Rd 448	Taylor	TX	03/18/2015	300 00	0 00
2930 00 97	ACTIVE	MCGARVEY, JAMES	815 MOUNTAIN DR	815 MOUNTAIN DR	SAN MARCOS	TX	03/09/2017	300 00	0 00
1037 00 96	ACTIVE	GONZALES, PATRICIA E	601 WILLOW CREEK CIR	601 WILLOW CREEK CIR	SAN MARCOS	TX	02/21/2019	300 00	0 00
4192 00 97	ACTIVE	HARBER, PATRICIA B	101 HIGH RDG CIR	101 HIGH RDG CIR	SAN MARCOS	TX	02/15/2017	300 00	0 00
925 00 96	ACTIVE	JUREK, FRED	107 SUTTLES AVE	107 SUTTLES AVE	SAN MARCOS	TX	02/15/2017	300 00	0 00
894 00 96	ACTIVE	BURTSCHELL, HUNTER	408 SUTTLES AVE	2301 WILLOW ARBOR	SAN MARCOS	TX	02/12/2018	300 00	0 00
1201 00 97	ACTIVE	IACONA JR, ANTHONY	613 STAGECOACH TRL	613 STAGECOACH TRL	SAN MARCOS	TX	02/11/2014	300 00	0 00
1149 00 97	ACTIVE	ABIDE, WILLIAM	712 WILLOW RIDGE DR	712 WILLOW RIDGE DR	SAN MARCOS	TX	02/06/2015	300 00	0 00
2926 00 97	ACTIVE	ABIDE, WILLIAM	712 WILLOW RIDGE DR	712 WILLOW RIDGE DR	SAN MARCOS	TX	02/06/2015	300 00	0 00
1161 00 97	ACTIVE	GONZALEZ, KRISTINE	716 MOUNTAIN VIEW DR	716 MOUNTAIN VIEW DR	SAN MARCOS	TX	01/29/2018	300 00	0 00
1005 00 96	ACTIVE	KENNEDY, BLAYNE	835 WILLOW CREEK CIR	835 WILLOW CREEK CIR	SAN MARCOS	TX	01/29/2018	300 00	0 00
956 00 98	ACTIVE	FIORE, ROBERT	2910 PHILO ST	2910 PHILO ST	SAN MARCOS	TX	01/24/2017	300 00	0 00
1058 00 96	ACTIVE	PONTRELLI, DANIEL	2808 ROLLING OAKS	2808 ROLLING OAKS	SAN MARCOS	TX	01/19/2016	300 00	0 00
1042 00 95	ACTIVE	HANLY, RICHARD AND CHRISTINE	519 WILLOW CREEK CIR	519 WILLOW CREEK CIRCLE LOT B	SAN MARCOS	TX	01/18/2019	300 00	0 00
5411 00 96	ACTIVE	HANLY, RICHARD AND CHRISTINE	519 WILLOW CREEK CIR	519 WILLOW CREEK CIR	SAN MARCOS	TX	01/18/2019	300 00	0 00
3033 00 96	ACTIVE	BARB, DAROLD	732 STAGECOACH TRL	PO BOX 1026	SAN MARCOS	TX	01/14/2015	300 00	0 00
958 00 97	ACTIVE	ANDERSON, MARGARET A	2903 PHILO ST	PO BOX 1973	SAN MARCOS	TX	01/06/2016	300 00	0 00
4556 00 97	ACTIVE	KIRKCONNELL, ROBERT	200 QUARRY SPRINGS DR	200 QUARRY SPRINGS DRIVE	SAN MARCOS	TX	01/06/2016	300 00	0 00
1170 00 97	ACTIVE	CUMMINGS, TRAVIS AND EMILY	2500 ROLLING OAKS	PO BOX 141	SAN MARCOS	TX	01/03/2019	300 00	0 00
1088 00 97	ACTIVE	GONZALEZ, EDITH	710 STAGECOACH TRL	710 STAGECOACH TRL	SAN MARCOS	TX	01/03/2018	300 00	0 00
970 00 98	ACTIVE	GARZA, MARIO	209 LONGCOPE LP	209 LONGCOPE LOOP	SAN MARCOS	TX	12/16/1985	100 00	0 00
1132 00 98	ACTIVE	HEALY, WILLIAM H	725 MOUNTAIN DR	725 MOUNTAIN DR	SAN MARCOS	TX	12/10/1985	100 00	0 00
819 00 98	ACTIVE	LUCIO, JOSE A	2706 DEES ST	2706 DEES ST	SAN MARCOS	TX	12/07/1977	100 00	0 00
3215 00 98	ACTIVE	RUSSO, CARLOS	728 SNYDER HILL DR	728 SNYDER HILL DR	SAN MARCOS	TX	12/04/1995	100 00	0 00
2807 00 98	ACTIVE	FLOYD, STEPHEN	2404 MISSY LN	2404 MISSY LN	SAN MARCOS	TX	11/30/1990	100 00	0 00
981 00 98	ACTIVE	GOSSETT, MIKE	401 LONGCOPE LP	401 LONGCOPE LOOP	SAN MARCOS	TX	11/20/1986	100 00	0 00

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Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
2886 00 98	ACTIVE	SULLIVAN, JOSEPH C	709 SNYDER HILL DR	709 SNYDER HILL DR	SAN MARCOS	TX	11/05/1992	100 00	0 00
2883 00 98	ACTIVE	SCHNEIDER, DAVID	601 STAGECOACH TRL	601 STAGECOACH TRL	SAN MARCOS	TX	11/03/1992	100 00	0 00
1159 00 98	ACTIVE	NUSBAUM JR, NICK	2417 MISSY LN	PO BOX 76	SAN MARCOS	TX	10/22/1985	100 00	0 00
1048 00 98	ACTIVE	RAMIREZ, PAZ	106 CORRIE CT	9000 S US HWY 183	AUSTIN	TX	10/17/1979	100 00	0 00
2832 00 98	ACTIVE	FORD, SHELLEY BROWN	513 STAGECOACH TRL	513 STAGECOACH TRL	SAN MARCOS	TX	10/09/1991	100 00	0 00
3908 00 98	ACTIVE	BAKER, TERI L	618 WILLOW CREEK CIR	PHILLIP L BAKER	SAN MARCOS	TX	10/05/2000	100 00	0 00
2882 00 98	ACTIVE	ORTH, PATRICIA C	517 STAGECOACH TRL	517 STAGECOACH TRL	SAN MARCOS	TX	10/02/1992	100 00	0 00
1162 00 98	ACTIVE	MURPHREE, LARRY W	712 MOUNTAIN VIEW DR	712 MOUNTAIN VIEW DR	SAN MARCOS	TX	09/20/1984	100 00	0 00
1146 00 98	ACTIVE	GAMBLIN, HAROLD	728 WILLOW RIDGE DR	728 WILLOW RIDGE DR	SAN MARCOS	TX	09/20/1984	100 00	0 00
3902 00 98	ACTIVE	BOLTON, JAMES E	224 QUARRY SPRINGS DR	224 QUARRY SPRINGS DR	SAN MARCOS	TX	09/19/2000	100 00	0 00
1182 00 98	ACTIVE	HILL, JEFFREY	2412 MISSY LN	2412 MISSY LN	SAN MARCOS	TX	09/12/1986	100 00	0 00
1157 00 98	ACTIVE	STERN, JOHN K	721 SNYDER HILL DR	KAREN STERN	SAN MARCOS	TX	09/06/1986	100 00	0 00
3314 00 98	ACTIVE	WHITE, ALEXANDER	105 FOX CREEK CIR	105 FOX CREEK CIR	SAN MARCOS	TX	09/05/1996	100 00	0 00
2603 00 98	ACTIVE	NICKELL, CHERYL	2644 ROLLING OAKS DR	2644 ROLLING OAKS DR	SAN MARCOS	TX	09/05/1990	100 00	0 00
1192 00 98	ACTIVE	DISHMAN, MIKE	509 SNYDER HILL DR	509 SNYDER HILL DR	SAN MARCOS	TX	08/23/1988	100 00	0 00
821 00 98	ACTIVE	MITCHELL, M FRANCES	2701 DEES ST	2701 DEES ST	SAN MARCOS	TX	08/22/1983	100 00	0 00
2826 00 98	ACTIVE	TODD, MARK	508 DUNCAN DR	508 DUNCAN DR	SAN MARCOS	TX	08/20/1991	100 00	0 00
3448 00 98	ACTIVE	HAMILTON, MARY J	322 QUARRY SPRINGS DR	322 QUARRY SPRINGS DR	SAN MARCOS	TX	08/19/1997	100 00	0 00
1139 00 98	ACTIVE	WINEK, GARY J	613 SNYDER HILL DR	613 SNYDER HILL DR	SAN MARCOS	TX	08/11/1987	100 00	0 00
960 00 98	ACTIVE	AROHER, RICK	435 LONGCOPE LP	435 LONGCOPE LOOP	SAN MARCOS	TX	08/06/1986	100 00	0 00
973 00 98	ACTIVE	NEWELL, RICHARD G	217 LONGCOPE LP	217 LONGCOPE LOOP	SAN MARCOS	TX	08/06/1986	100 00	0 00
3140 00 98	ACTIVE	SAN MARCOS CHURCH OF CHRIST	2660 HUNTER RD	PO BOX 669	SAN MARCOS	TX	08/04/1995	100 00	0 00
1151 00 98	ACTIVE	THE RIDGE HOMEOWNER'S	WILLOW RIDGE DR	JANET BUTLER	SAN MARCOS	TX	07/31/1984	100 00	0 00
864 00 98	ACTIVE	SMITH, L ROGER	2603 PHILO ST	2603 PHILO ST	SAN MARCOS	TX	07/29/1983	100 00	0 00
3126 00 98	ACTIVE	LOPEZ JR, JESUS G	405 QUARRY SPRINGS DR	405 QUARRY SPRINGS DR	SAN MARCOS	TX	07/19/1995	100 00	0 00
2869 00 98	ACTIVE	GONZALES, SAUL	816 STAGECOACH TRL	816 STAGECOACH TRL	SAN MARCOS	TX	07/16/1992	100 00	0 00
4135 00 98	ACTIVE	RODRIGUEZ, CARLOS S	105 HIGH RDG CIR	105 HIGH RDG CIR	SAN MARCOS	TX	07/07/2003	100 00	0 00
4136 00 98	ACTIVE	TRELLES, ROBERTO	223 LONGCOPE LOOP	223 LONGCOPE LOOP	SAN MARCOS	TX	07/07/2003	100 00	0 00
994 00 98	ACTIVE	PEREZ, MIKE	934 WILLOW CREEK CIR	934 WILLOW CREEK CIR	SAN MARCOS	TX	07/02/1984	100 00	0 00
1148 00 98	ACTIVE	LOEPER, BRYAN	720 WILLOW RIDGE DR	720 WILLOW RIDGE DR	SAN MARCOS	TX	07/01/1987	100 00	0 00
2820 00 98	ACTIVE	TRAEGER, STEPHEN A	102 COLLEEN CT	102 COLLEEN CT	SAN MARCOS	TX	06/19/1991	100 00	0 00
967 00 98	ACTIVE	WILLIAMS, THURSTON N	115 LONGCOPE LP	115 LONGCOPE LOOP	SAN MARCOS	TX	06/16/1981	100 00	0 00
4352 00 98	ACTIVE	MCBRIDE, RICHARD F	724 SNYDER HILL DR	724 SNYDER HILL DR	SAN MARCOS	TX	06/14/2006	100 00	0 00
1188 00 98	ACTIVE	ROMANO, ANTHONY	704 SNYDER HILL DR	704 SNYDER HILL DR	SAN MARCOS	TX	06/10/1986	100 00	0 00
1050 00 98	ACTIVE	MANZANARES, REBECCA A	2824 ROLLING OAKS	HUMBERTO MANZANARES	SAN MARCOS	TX	06/07/1982	100 00	0 00
941 00 98	ACTIVE	PULCIPHER, JULIE	2835 PHILO ST	2835 PHILO ST	SAN MARCOS	TX	06/04/1980	100 00	0 00
1138 00 98	ACTIVE	ANDERSON, ELIZABETH	609 SNYDER HILL DR	609 SNYDER HILL DR	SAN MARCOS	TX	06/02/1995	100 00	0 00
4346 00 98	ACTIVE	PINA, IGNACIO N	120 QUARRY SPRINGS DR	120 QUARRY SPRINGS DR	SAN MARCOS	TX	06/01/2006	100 00	0 00
982 00 98	ACTIVE	DANAT JR, ALFRED W	411 LONGCOPE LP	411 LONGCOPE LOOP	SAN MARCOS	TX	05/27/1980	100 00	0 00
936 00 98	ACTIVE	SMITH, RUSSELL L	2824 PHILO ST	2824 PHILO ST	SAN MARCOS	TX	05/24/1989	100 00	0 00
1193 00 98	ACTIVE	WALLIS, WES	601 SNYDER HILL DR	601 SNYDER HILL DR	SAN MARCOS	TX	05/21/1990	100 00	0 00
2918 00 98	ACTIVE	COE, CARLOS J	617 SNYDER HILL DR	617 SNYDER HILL DR	SAN MARCOS	TX	05/14/1993	100 00	0 00
4037 00 98	ACTIVE	BAGLEY, JOANNA K	2706 OAK HAVEN DR	2706 OAK HAVEN DR	SAN MARCOS	TX	05/10/2002	100 00	0 00
1065 00 98	ACTIVE	COLLIER, JAMES L	2715 ROLLING OAKS	2715 ROLLING OAKS	SAN MARCOS	TX	05/09/1984	100 00	0 00
4340 00 98	ACTIVE	SPRINGER, GARY	100 HIGH RDG CIR	100 HIGH RDG CIR	SAN MARCOS	TX	05/08/2006	100 00	0 00
1191 00 98	ACTIVE	BLANTON, MICHAEL O	501 SNYDER HILL DR	501 SNYDER HILL DR	SAN MARCOS	TX	04/30/1990	100 00	0 00
4276 00 98	ACTIVE	CURBOW, KELLY	206 QUARRY SPRINGS DR	206 QUARRY SPRINGS DR	SAN MARCOS	TX	04/18/2005	100 00	0 00
3946 00 98	ACTIVE	DUNN, NELDA	310 QUARRY SPRINGS DR	310 QUARRY SPRINGS DR	SAN MARCOS	TX	04/18/2001	100 00	0 00
4118 00 98	ACTIVE	WILKERSON, GLENN	103 FOX CREEK CIR	103 FOX CREEK CIR	SAN MARCOS	TX	04/15/2003	100 00	0 00
2911 00 98	ACTIVE	ERICKSON, MARK	620 STAGECOACH TRL	620 STAGECOACH TRL	SAN MARCOS	TX	04/13/1993	100.00	0 00



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Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
1000 00 98	ACTIVE	BOUNDS JR, ROBERT L	915 WILLOW CREEK CIR	915 WILLOW CREEK CIRCLE	SAN MARCOS	TX	04/12/1990	100 00	0 00
1026 00 98	ACTIVE	CARBAJAL, GUADALUPE	714 WILLOW CREEK CIR	714 WILLOW CREEK CIR	SAN MARCOS	TX	04/12/1978	100 00	0 00
2859 00 98	ACTIVE	HENSON JR, ROBERT	510 STAGECOACH TRL	LINDA HENSON	SAN MARCOS	TX	04/10/1992	100 00	0 00
1145 00 98	ACTIVE	PULVER, ELEANOR P	732 WILLOW RIDGE DR	732 WILLOW RIDGE DR	SAN MARCOS	TX	04/10/1989	100 00	0 00
4337 00 98	ACTIVE	CRUZ FERNANDEZ, DELIA M	231 QUARRY SPRINGS DR	PO BOX 1920	SAN MARCOS	TX	04/04/2006	100 00	0 00
3540 00 98	ACTIVE	VIRAMONTES FLORES, ROSAURA	114 QUARRY SPRINGS DR	114 QUARRY SPRINGS DR	SAN MARCOS	TX	03/25/1998	100 00	0 00
2953 00 98	ACTIVE	RODRIGUEZ, RENITA HANSEN	625 STAGECOACH TRL	625 STAGECOACH TRL	SAN MARCOS	TX	03/24/1994	100 00	0 00
3067 00 98	ACTIVE	CASTILLO, RAY	836 WILLOW CREEK CIR	836 WILLOW CREEK CIR	SAN MARCOS	TX	03/23/1995	100 00	0 00
1196 00 98	ACTIVE	SAMP, RAYMOND	113 COLLEEN CT	113 COLLEEN CT	SAN MARCOS	TX	03/22/1988	100 00	0 00
4332 00 98	ACTIVE	APOSTOL, ALEXANDRU	305 QUARRY SPRINGS DR	305 QUARRY SPRINGS DR	SAN MARCOS	TX	03/20/2006	100 00	0 00
1038 00 98	ACTIVE	CLTIETT JR, JOEL	612 WILLOW CREEK CIR	612 WILLOW CREEK CIRCLE	SAN MARCOS	TX	03/20/1978	100 00	0 00
1036 00 98	ACTIVE	HIGGINS, SUZANNE	613 WILLOW CREEK CIR	613 WILLOW CREEK CIR	SAN MARCOS	TX	03/16/1983	100 00	0 00
2816 00 98	ACTIVE	VENTURA, NORMA A	107 CORRIE CT	107 CORRIE CT	SAN MARCOS	TX	03/14/1991	100 00	0 00
1128 00 98	ACTIVE	SHELLMAN, CAROLYN	803 MOUNTAIN DR	803 MOUNTAIN DR	SAN MARCOS	TX	03/12/1982	100 00	0 00
1052 00 98	ACTIVE	MAREK, JOHN	115 CEDAR PARK	115 CEDAR PARK	SAN MARCOS	TX	03/06/1979	100 00	0 00
1073 00 98	ACTIVE	LAWRENCE, RANDY	2643 ROLLING OAKS	2643 ROLLING OAKS	SAN MARCOS	TX	03/05/1982	100 00	0 00
2902 00 97	ACTIVE	LITWINOWICH, JEFFREY	700 WILLOW RIDGE DR	700 WILLOW RIDGE DR	SAN MARCOS	TX	03/04/1993	100 00	0 00
1147 00 98	ACTIVE	DONNELLY, J ROBERT	724 WILLOW RIDGE DR	1337 THORPE LN	SAN MARCOS	TX	03/04/1986	100 00	0 00
1016 00 98	ACTIVE	MCCLINTOCK, DAN	108 HOWARD PL	BEVERLY J MCCLINTOCK	SAN MARCOS	TX	03/04/1980	100 00	0 00
1167 00 98	ACTIVE	CLENDENNEN III, THOMAS	604 MOUNTAIN VIEW DR	604 MOUNTAIN VIEW DR	SAN MARCOS	TX	03/03/1987	100 00	0 00
2814 00 98	ACTIVE	MILLS, JERRY R	509 STAGECOACH TRL	509 STAGECOACH TRL	SAN MARCOS	TX	03/01/1991	100 00	0 00
1099 00 98	ACTIVE	HOERNER JR, CLINTON C	810 STAGECOACH TRL	810 STAGECOACH TRL	SAN MARCOS	TX	02/28/1984	100 00	0 00
1123 00 98	ACTIVE	VELA, MICHELLE	2728 OAK HAVEN DR	2728 OAK HAVEN DR	SAN MARCOS	TX	02/23/1983	100 00	0 00
2845 00 97	ACTIVE	HIGGS, BOB	605 MOUNTAIN VIEW DR	605 MOUNTAIN VIEW DR	SAN MARCOS	TX	02/21/1992	100 00	0 00
988 00 98	ACTIVE	CASTILLO, JOE S	947 WILLOW CREEK CIR	947 WILLOW CREEK CIR	SAN MARCOS	TX	02/20/1980	100 00	0 00
1386 00 98	ACTIVE	GEORG, TIM	2710 ROLLING OAKS	2710 ROLLING OAKS	SAN MARCOS	TX	02/19/1985	100 00	0 00
4770 00 98	ACTIVE	KNUDSON, DUANE V	311 QUARRY SPRINGS DR	LOIS M KNUDSON	SAN MARCOS	TX	02/15/2010	100 00	0 00
2944 00 98	ACTIVE	COON, GRANT	616 STAGECOACH TRL	616 STAGECOACH TRL	SAN MARCOS	TX	02/11/1994	100 00	0 00
2897 00 98	ACTIVE	KRUEGER, HELEN M	605 STAGECOACH TRL	605 STAGECOACH TRL	SAN MARCOS	TX	02/08/1993	100 00	0 00
4012 00 98	ACTIVE	COE, KATHY	403 QUARRY SPRINGS DR	403 QUARRY SPRINGS DR	SAN MARCOS	TX	02/07/2002	100 00	0 00
4015 00 98	ACTIVE	REYES, JOSE A	108 QUARRY SPRINGS DR	MARIA REYES	SAN MARCOS	TX	02/07/2002	100 00	0 00
3796 00 98	ACTIVE	PURDUM, DON L	720 MOUNTAIN VIEW	3504 E ORANGE ST	PEARLAND	TX	02/02/2000	100 00	0 00
2894 00 98	ACTIVE	RANEY, LEAH P	630 STAGECOACH TRL	630 STAGECOACH TRL	SAN MARCOS	TX	02/01/1993	100 00	0 00
4097 00 98	ACTIVE	MALDONADO, CARLOS U	230 QUARRY SPRINGS DR	230 QUARRY SPRINGS DR	SAN MARCOS	TX	01/22/2003	100 00	0 00
2809 00 98	ACTIVE	NIEMIEC, JEROME P	704 WILLOW RIDGE DR	704 WILLOW RIDGE DR	SAN MARCOS	TX	01/15/1991	100 00	0 00
1197 00 98	ACTIVE	VALLE, DAVID G	110 COLLEEN CT	110 COLLEEN CT	SAN MARCOS	TX	01/08/1990	100 00	0 00
2890 00 98	ACTIVE	AUSTIN, CHARLES	514 DUNCAN DR	514 DUNCAN DR	SAN MARCOS	TX	01/05/1993	100 00	0 00
2840 00 98	ACTIVE	CHIRAS, JUNE	513 SNYDER HILL DR	513 SNYDER HILL DR	SAN MARCOS	TX	01/02/1992	100 00	0 00
2841 00 98	ACTIVE	BUTLER, JANET	705 WILLOW RIDGE DR	705 WILLOW RIDGE DR	SAN MARCOS	TX	01/02/1992	100 00	0 00
4240 00 98	ACTIVE	MCKINSTER, MICHAEL	2848 PHILO ST	602 W MCCARTY LN	SAN MARCOS	TX	01/01/2013	100 00	0 00
1051 00 98	ACTIVE	GALAVIZ, ABEL	109 CEDAR PARK	109 CEDAR PARK	SAN MARCOS	TX			
1053 00 98	ACTIVE	LAUE, RICHARD R	116 CEDAR PARK	Mary Laue	SAN MARCOS	TX			
1054 00 98	ACTIVE	ZAMORA, CARLOS E	110 CEDAR PARK	PO BOX 1343	SAN MARCOS	TX			
1195 00 98	ACTIVE	HILBURN, PEGGY	105 COLLEEN CT	105 COLLEEN CT	SAN MARCOS	TX			
2856 00 97	ACTIVE	ANDREWS, GREGORY	109 COLLEEN CT	109 COLLEEN CT	SAN MARCOS	TX			
1044 00 98	ACTIVE	INGRAM JR, RALPH	103 CORRIE CT	103 CORRIE CT	SAN MARCOS	TX			
1045 00 98	ACTIVE	SCHWARTZ, JOEL	113 CORRIE CT	113 CORRIE CT	SAN MARCOS	TX			
818 00 98	ACTIVE	BLANKENSHIP, C E	2710 DEES ST	2710 DEES ST	SAN MARCOS	TX			
820 00 98	ACTIVE	BAILES, RUTH	2707 DEES ST	KAREN GRAVES	SAN MARCOS	TX			
3030 00 98	ACTIVE	EDMUND JASTER HAYS COUNTY PARTNERSHIP	1600 E MCCARTY LN	C/O GEORGE JASTER MANAGER	MADISONVILLE	TX			

Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
3435 00 96	ACTIVE	HERRERA, STEVEN	409 E MCCARTY LN	MANDO HERRERA	SAN MARCOS	TX			
4615 00 98	ACTIVE	HERRERA, STEVEN	411 E MCCARTY LN	411 E MCCARTY LN	SAN MARCOS	TX			
766 00 98	ACTIVE	JASTER, ALBERT A	1601 E MCCARTY LN	1601 E MCCARTY LN	SAN MARCOS	TX			
778 00 97	ACTIVE	HERRERA, STEVEN	425 E MCCARTY LN	411 E MCCARTY LN	SAN MARCOS	TX			
781 00 98	ACTIVE	LONGORIA, LUIS	405 E MCCARTY LN	405 E MCCARTY LN	SAN MARCOS	TX			
1015 00 98	ACTIVE	FOX, ROBERT M	109 HOWARD PL	109 HOWARD PL	SAN MARCOS	TX			
885 00 98	ACTIVE	WEATHERFORD, JOHN P	2601 JAMES ST	2601 JAMES ST	SAN MARCOS	TX			
886 00 98	ACTIVE	GARCIA, GILBERTO	2603 JAMES ST	2603 JAMES ST	SAN MARCOS	TX			
887 00 98	ACTIVE	KHOSH KHUI, SAM A	2606 JAMES ST	2606 JAMES ST	SAN MARCOS	TX			
888 00 98	ACTIVE	WALSH, BRENDA	2605 JAMES ST	2605 JAMES ST	SAN MARCOS	TX			
889 00 98	ACTIVE	PADILLA, JOSE	2610 JAMES ST	2610 JAMES ST	SAN MARCOS	TX			
890 00 98	ACTIVE	STOVALL, MARGARET P	2609 JAMES ST	2609 JAMES ST	SAN MARCOS	TX			
891 00 98	ACTIVE	FRANKLIN, CHIZUKO T	2611 JAMES ST	2611 JAMES ST	SAN MARCOS	TX			
911 00 98	ACTIVE	HABINGREITHER, ROBERT	2706 JAMES ST	MELINDA HABINGREITHER	SAN MARCOS	TX			
912.00 98	ACTIVE	STEWART, RICHARD E	2705 JAMES ST	PEGGY STEWART	SAN MARCOS	TX			
913 00 98	ACTIVE	PAVIA, JOSE	2709 JAMES ST	2709 JAMES ST	SAN MARCOS	TX			
914 00 95	ACTIVE	STAVENA, JASON	2701 JAMES ST	2701 JAMES STEET	SAN MARCOS	TX			
865 00 98	ACTIVE	HODGES, TIMOTHY	412 LAUREL HL	412 LAUREL HILL DR	SAN MARCOS	TX			
866 00 98	ACTIVE	DAUBENDECK, JOE E	410 LAUREL HL	410 LAUREL HL	SAN MARCOS	TX			
868 00 95	ACTIVE	MIGL, C/O KAITLYN	407 LAUREL HL	407 LAUREL HL	SAN MARCOS	TX			
869 00 94	ACTIVE	PACHECO, JOE	408 LAUREL HL	408 LAUREL HILL	SAN MARCOS	TX			
870 00 98	ACTIVE	PETTEY, GENE L	406 LAUREL HL	406 LAUREL HILL	SAN MARCOS	TX			
871 00 95	ACTIVE	BUCKALEW- CAMPUZANO, C/O JORGE E	405 LAUREL HL	LESLIE A MARQUEZ	SAN MARCOS	TX			
872 00 98	ACTIVE	GARCIA, GEORGE	403 LAUREL HL	403 LAUREL HL	SAN MARCOS	TX			
874 00 98	ACTIVE	ROBERTS, LUCAS C	402 LAUREL HL	402 LAUREL HL	SAN MARCOS	TX			
875 00 98	ACTIVE	CHIU, DAVID	311 LAUREL HL	311 LAUREL HILL	SAN MARCOS	TX			
876 00 98	ACTIVE	GUERRERO, ROLAND	312 LAUREL HL	312 LAUREL HL	SAN MARCOS	TX			
877 00 98	ACTIVE	TUREAUD, CHRISTOPHER	310 LAUREL HL	310 LAUREL HL	SAN MARCOS	TX			
878 00 98	ACTIVE	SCHNEIDER, YVONNE	309 LAUREL HL	309 LAUREL HL	SAN MARCOS	TX			
879 00 98	ACTIVE	SLAVIK, STEVEN	307 LAUREL HL	307 LAUREL HL	SAN MARCOS	TX			
880 00 98	ACTIVE	JOHNSON, MARION	308 LAUREL HL	308 LAUREL HL	SAN MARCOS	TX			
881 00 97	ACTIVE	SMITH, AMY	306 LAUREL HL	306 LAUREL HILL	SAN MARCOS	TX			
882 00 98	ACTIVE	BLUE, SHARON	305 LAUREL HL	305 LAUREL HL	SAN MARCOS	TX			
883 00 98	ACTIVE	RUFF, JOE F	301 LAUREL HL	301 LAUREL HL	SAN MARCOS	TX			
884.00 98	ACTIVE	DAVIS, L M	302 LAUREL HL	302 LAUREL HILL	SAN MARCOS	TX			
942 00 98	ACTIVE	SANDERS, LARRY M	444 LONGCOPE LOOP	444 LONGCOPE LOOP	SAN MARCOS	TX			
961 00 98	ACTIVE	HELMCAMP, STEVE	429 LONGCOPE LP	429 LONGCOPE LOOP	SAN MARCOS	TX			
962 00 98	ACTIVE	DAVIS, BOB	425 LONGCOPE LP	425 LONGCOPE LOOP	SAN MARCOS	TX			
964 00 98	ACTIVE	THOMAS, SCOTT	436 LONGCOPE LP	436 LONGCOPE LOOP	SAN MARCOS	TX			
965 00 98	ACTIVE	LOGUE, MUREL T	107 LONGCOPE LP	107 LONGCOPE LOOP	SAN MARCOS	TX			
968 00 98	ACTIVE	POND, PAULA	121 LONGCOPE LP	121 LONGCOPE LOOP	SAN MARCOS	TX			
969 00 97	ACTIVE	BOOHER, BETH	203 LONGCOPE LP	203 LONGCOPE LOOP	SAN MARCOS	TX			
971 00 98	ACTIVE	GILMORE, TERRY P	208 LONGCOPE LP	208 LONGCOPE LOOP	SAN MARCOS	TX			
972 00 98	ACTIVE	GOODE, MICHAEL	216 LONGCOPE LP	216 LONGCOPE LOOP	SAN MARCOS	TX			
974 00 98	ACTIVE	BAGLEY, PATRICIA J	229 LONGCOPE LP	229 LONGCOPE LOOP	SAN MARCOS	TX			
975 00 98	ACTIVE	FILLIP, GEORGE	303 LONGCOPE LP	303 LONGCOPE LOOP	SAN MARCOS	TX			
976 00 98	ACTIVE	DUNKIN, ADRIENNE	309 LONGCOPE LOOP	309 LONGCOPE LOOP	SAN MARCOS	TX			
977 00 98	ACTIVE	MENDEZ SR, RUDY R	311 LONGCOPE LP	311 LONGCOPE LOOP	SAN MARCOS	TX			
979 00 98	ACTIVE	WARMS, RICHARD L	312 LONGCOPE LP	312 LONGCOPE LOOP	SAN MARCOS	TX			
980 00 98	ACTIVE	SALAFIA, CELESTE B	412 LONGCOPE LP	412 LONGCOPE LOOP	SAN MARCOS	TX			

Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
983 00 98	ACTIVE	PRUITT, GREG	417 LONGCOPE LP	417 LONGCOPE LOOP	SAN MARCOS	TX			
985 00 98	ACTIVE	CLACK, JON L	106 LONGCOPE LP	106 LONGCOPE LP	SAN MARCOS	TX			
1158 00 98	ACTIVE	ASWELL, RANDY	2401 MISSY LN	2401 MISSY LN	SAN MARCOS	TX			
1160 00 98	ACTIVE	DEES, KENNA G	2421 MISSY LN	2421 MISSY LN	SAN MARCOS	TX			
1180 00 98	ACTIVE	SEARLE, STEVE	2420 MISSY LN	2420 MISSY LN	SAN MARCOS	TX			
1183 00 98	ACTIVE	SLADEK, PHILLIP	2408 MISSY LN	2408 MISSY LN	SAN MARCOS	TX			
1130 00 98	ACTIVE	SORRELL, DICK	812 MOUNTAIN DR	812 MOUNTAIN DR	SAN MARCOS	TX			
1133 00 98	ACTIVE	GALINGER III, BOYD R	723 MOUNTAIN DR	723 MOUNTAIN DR	SAN MARCOS	TX			
1136 00 98	ACTIVE	CLAMONS, FRED M	713 MOUNTAIN DR	SARA H CLAMONS	SAN MARCOS	TX			
1163 00 98	ACTIVE	BREED, JEFF	708 MOUNTAIN VIEW DR	708 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1164 00 98	ACTIVE	BRASHEARS, MAXEY R	704 MOUNTAIN VIEW DR	704 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1166 00 98	ACTIVE	GIPS, CLIFTON R	608 MOUNTAIN VIEW	608 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1168 00 98	ACTIVE	STATON, FRANKLIN C	601 MOUNTAIN VIEW DR	PEGGY A STATON	SAN MARCOS	TX			
1169 00 98	ACTIVE	FLYNN, STEVEN T	613 MOUNTAIN VIEW DR	613 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1171.00 98	ACTIVE	RAY, KAYLENE	705 MOUNTAIN VIEW DR	705 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1172 00 98	ACTIVE	MAYFIELD, JOHN W	709 MOUNTAIN VIEW DR	709 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1173 00 98	ACTIVE	IKELS, ANN	713 MOUNTAIN VIEW DR	713 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1174 00 98	ACTIVE	GARZA, MARCOS	719 MOUNTAIN VIEW DR	LAURA GARZA	SAN MARCOS	TX			
1175 00 98	ACTIVE	WRIGHT, LOYD S	721 MOUNTAIN VIEW DR	721 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1176 00 98	ACTIVE	PRADO, DAVID	725 MOUNTAIN VIEW DR	725 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1177 00 98	ACTIVE	JONES, JERROLD A	729 MOUNTAIN VIEW DR	729 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1178 00 97	ACTIVE	HELBIG, SOPHIA	733 MOUNTAIN VIEW DR	733 MOUNTAIN VIEW DR	SAN MARCOS	TX			
1179 00 98	ACTIVE	BRYANT, R T	801 MOUNTAIN VIEW DR	1542 YORKTOWN	CORPUS CHRISTI	TX			
1102 00 98	ACTIVE	SONES, JEFF & KAREN	2605 OAK HAVEN DR	2605 OAK HAVEN DR	SAN MARCOS	TX			
1103 00 98	ACTIVE	BENSON, JAMES D	2609 OAK HAVEN DR	2609 OAK HAVEN DR	SAN MARCOS	TX			
1104 00 98	ACTIVE	TIDWELL, JOYCE	2615 OAK HAVEN DR	2615 OAK HAVEN DR	SAN MARCOS	TX			
1105 00 98	ACTIVE	SEATON, MARK E	2621 OAK HAVEN DR	2621 OAK HAVEN DR	SAN MARCOS	TX			
1106.00 98	ACTIVE	TURNER, DANNY K	2620 OAK HAVEN DR	2620 OAK HAVEN DR	SAN MARCOS	TX			
1108 00 98	ACTIVE	SHIMEK, GARY L	2625 OAK HAVEN DR	2625 OAK HAVEN DR	SAN MARCOS	TX			
1109.00 97	ACTIVE	BOYETT, SHARRI	2631 OAK HAVEN DR	2631 OAK HAVEN DR	SAN MARCOS	TX			
1110 00 98	ACTIVE	DAVIS, FREDERICK J	2630 OAK HAVEN DR	PO BOX 1308	SAN MARCOS	TX			
1112 00 98	ACTIVE	SEALE, RICHARD	2635 OAK HAVEN DR	2635 OAK HAVEN DR	SAN MARCOS	TX			
1114 00 97	ACTIVE	SUDELA, ROBERT J	2641 OAK HAVEN DR	P O BOX 1051	SAN MARCOS	TX			
1115 00 98	ACTIVE	BENITEZ, M A	2703 OAK HAVEN DR	2703 OAK HAVEN DR	SAN MARCOS	TX			
1116 00 98	ACTIVE	LOVE, GORDON	2702 OAK HAVEN DR	2702 OAK HAVEN DR	SAN MARCOS	TX			
1117 00 97	ACTIVE	TURLEY, ROY	2710 OAK HAVEN DR	2710 OAK HAVEN DR	SAN MARCOS	TX			
1118 00 98	ACTIVE	JEWETT, JEFFREY V	2709 OAK HAVEN DR	2709 OAK HAVEN DR	SAN MARCOS	TX			
1119 00 98	ACTIVE	BROWN, PAULA	2715 OAK HAVEN DR	2715 OAK HAVEN DR	SAN MARCOS	TX			
1120 00 98	ACTIVE	HAAKE, KARL	2716 OAK HAVEN DR	LUCIE HAAKE	SAN MARCOS	TX			
1121 00 98	ACTIVE	WILSON, NEAL	2721 OAK HAVEN DR	2721 OAK HAVEN DR	SAN MARCOS	TX			
1122 00 98	ACTIVE	WELCH, JONATHAN	2722 OAK HAVEN DR	2722 OAK HAVEN DR	SAN MARCOS	TX			
1124 00 98	ACTIVE	BOWMAN, JAMES	2727 OAK HAVEN DR	2727 OAK HAVEN DR	SAN MARCOS	TX			
1125 00 98	ACTIVE	DUFFY, SHEILA	2733 OAK HAVEN DR	2733 OAK HAVEN DR	SAN MARCOS	TX			
1126 00 98	ACTIVE	CRUSIUS, DAVID P	2734 OAK HAVEN DR	2734 OAK HAVEN DR	SAN MARCOS	TX			
1127 00 97	ACTIVE	ARREDONDO, C/O ROSE & NACHO	2738 OAK HAVEN DR	2738 OAK HAVEN DR	SAN MARCOS	TX			
238 00 98	ACTIVE	DORSEY, RONALD E	2808 PHILO ST	2808 PHILO ST	SAN MARCOS	TX			
719 00 91	ACTIVE	JOHNSON, C/O WILLIAM	2615 PHILO ST	2615 PHILO ST	SAN MARCOS	TX			
847 00 98	ACTIVE	CRUZ, R REINE	2709 PHILO ST	2709 PHILO ST	SAN MARCOS	TX			
849 00 97	ACTIVE	WILLIAMS, NANCY	2714 PHILO ST	7401 SHOAL CREEK BLVD	AUSTIN	TX			
851 00 98	ACTIVE	BEEGLE, WALTER L	2710 PHILO ST	2710 PHILO ST	SAN MARCOS	TX			

Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
853 00 98	ACTIVE	SOTO, DELIA	2705 PHILO ST	2705 PHILO ST	SAN MARCOS	TX			
854 00 98	ACTIVE	KING, JOHN D	2706 PHILO ST	2706 PHILO ST	SAN MARCOS	TX			
855 00 97	ACTIVE	FOSTER, MELINDA	2704 PHILO ST	PHILIP & SYLVIA MUZZY	SAN MARCOS	TX			
857 00 98	ACTIVE	CAIN, JAMES D	2612 PHILO ST	2612 PHILO ST	SAN MARCOS	TX			
858 00 98	ACTIVE	PIAZZA, JANIS	2610 PHILO ST	2610 PHILO ST	SAN MARCOS	TX			
859 00 94	ACTIVE	GIBSON, C/O CHERYL	2611 PHILO ST	2611 PHILO ST	SAN MARCOS	TX			
860 00 97	ACTIVE	LANDRUM, ROBERT L	2608 PHILO ST	955 BARTH RD	DALE	TX			
861 00 96	ACTIVE	DUROCHER, MARYANN	2605 PHILO ST	2605 PHILO ST	SAN MARCOS	TX			
863 00 98	ACTIVE	BANTA, MARILYN	2602 PHILO ST	2602 PHILO ST	SAN MARCOS	TX			
867 00 98	ACTIVE	JUAREZ JR, THEODORE	2601 PHILO ST	2601 PHILO ST	SAN MARCOS	TX			
893 00 98	ACTIVE	GRANT, TED	2703 PHILO ST	2703 PHILO ST	SAN MARCOS	TX			
932 00 94	ACTIVE	JONES, C/O CHRISTINA	2812 PHILO ST	2812 PHILO ST	SAN MARCOS	TX			
933 00 98	ACTIVE	TURMAN, FREIDA	2814 PHILO ST	2814 PHILO ST	SAN MARCOS	TX			
934 00 98	ACTIVE	WEBB, JAMES P	2818 PHILO ST	2818 PHILO ST	SAN MARCOS	TX			
935 00 98	ACTIVE	KENT, ALLAN	2817 PHILO ST	2817 PHILO ST	SAN MARCOS	TX			
938 00 98	ACTIVE	LATTEO, JOE J	2829 PHILO ST	602 WILLOW CREEK CIRCLE	SAN MARCOS	TX			
940 00 98	ACTIVE	MCBRYDE, GARY	2836 PHILO ST	2836 PHILO ST	SAN MARCOS	TX			
943 00 98	ACTIVE	GONZALES, RICHARD M	2842 PHILO ST	2842 PHILO ST	SAN MARCOS	TX			
944 00 98	ACTIVE	BEACHLY, BRYAN	2913 PHILO ST	2913 PHILO ST	SAN MARCOS	TX			
950 00 97	ACTIVE	HENRY, ERIC	2935 PHILO ST	2935 PHILO ST	SAN MARCOS	TX			
951 00 98	ACTIVE	GAERTNER, RUSSELL	2936 PHILO ST	2936 PHILO ST	SAN MARCOS	TX			
952 00 98	ACTIVE	OAKS, BEATRICE	2930 PHILO ST	2930 PHILO ST	SAN MARCOS	TX			
953 00 98	ACTIVE	LEDBETTER, JOHN	2924 PHILO ST	2924 PHILO ST	SAN MARCOS	TX			
955 00 98	ACTIVE	BAKER, M R	2914 PHILO ST	2914 PHILO ST	SAN MARCOS	TX			
957 00 96	ACTIVE	TYUS, WILLIAM	2904 PHILO ST	2904 PHILO ST	SAN MARCOS	TX			
959 00 98	ACTIVE	YDERINA, MARY S	2909 PHILO ST	2909 PHILO ST	SAN MARCOS	TX			
4013 00 97	ACTIVE	MARTIN, CHRISTOPHER	212 QUARRY SPRINGS DR	212 QUARRY SPRINGS DR	SAN MARCOS	TX			
4107 00 97	ACTIVE	SULLIVAN, TERRANCE	317 QUARRY SPRINGS DR	317 QUARRY SPRINGS DR	SAN MARCOS	TX			
4405 00 98	ACTIVE	PARKS, EMILY	100 QUARRY SPRINGS DR	100 QUARRY SPRINGS DR	SAN MARCOS	TX			
4482 00 97	ACTIVE	DANIELL, JOHN	327 QUARRY SPRINGS DR	327 QUARRY SPRINGS DR	SAN MARCOS	TX			
4552 00 98	ACTIVE	VASVANI, KALPANA	201 QUARRY SPRINGS DR	201 QUARRY SPRINGS DR	SAN MARCOS	TX			
1046 00 98	ACTIVE	LEDBETTER, SUSAN	2833 ROLLING OAKS	2833 ROLLING OAKS	SAN MARCOS	TX			
1049 00 98	ACTIVE	WOLPMAN, ANTHONY J	2828 ROLLING OAKS	2828 ROLLING OAKS	SAN MARCOS	TX			
1055 00 97	ACTIVE	MARTIN, IRIS	2814 ROLLING OAKS	2814 ROLLING OAKS	SAN MARCOS	TX			
1057 00 98	ACTIVE	SPRINGER, DAVID	2807 ROLLING OAKS	2807 ROLLING OAKS	SAN MARCOS	TX			
1059 00 98	ACTIVE	WILEY, BRENT	2727 ROLLING OAKS	2727 ROLLING OAKS	SAN MARCOS	TX			
1060 00 98	ACTIVE	CLEVELAND, KATHIE	2732 ROLLING OAKS	2732 ROLLING OAKS	SAN MARCOS	TX			
1061 00 97	ACTIVE	KOGER, DENNIS	2728 ROLLING OAKS	2728 ROLLING OAKS	SAN MARCOS	TX			
1062 00 97	ACTIVE	MORRIS, DAVID	2721 ROLLING OAKS	2721 ROLLING OAKS	SAN MARCOS	TX			
1063 00 98	ACTIVE	BUNTYN, PAUL	2722 ROLLING OAKS	2722 ROLLING OAKS	SAN MARCOS	TX			
1064 00 98	ACTIVE	WILSON, STEVE L	2716 ROLLING OAKS	2716 ROLLING OAKS	SAN MARCOS	TX			
1067 00 97	ACTIVE	LARRABEE, BETSY	2703 ROLLING OAKS	2703 ROLLING OAKS	SAN MARCOS	TX			
1068 00 98	ACTIVE	PILOCHER, WALTER C	2704 ROLLING OAKS	2704 ROLLING OAKS	SAN MARCOS	TX			
1070 00 95	ACTIVE	BAEN, PETER	2649 ROLLING OAKS	AMBER STEADMAN	SAN MARCOS	TX			
1071 00 98	ACTIVE	MONTGOMERY, REBECCA	2656 ROLLING OAKS	2656 ROLLING OAKS	SAN MARCOS	TX			
1074 00 98	ACTIVE	COLLINS, RONALD E	2638 ROLLING OAKS	2638 ROLLING OAKS	SAN MARCOS	TX			
1075 00 98	ACTIVE	HAMLIN, ALLAN G	2631 ROLLING OAKS	2631 ROLLING OAKS	SAN MARCOS	TX			
1076 00 98	ACTIVE	JONES, STEPHEN	2632 ROLLING OAKS	2632 ROLLING OAKS	SAN MARCOS	TX			
1077 00 98	ACTIVE	MARINI, DENNIS A	2626 ROLLING OAKS	2626 ROLLING OAKS	SAN MARCOS	TX			
1078 00 98	ACTIVE	THRASHER, MIKE	2625 ROLLING OAKS	2625 ROLLING OAKS	SAN MARCOS	TX			

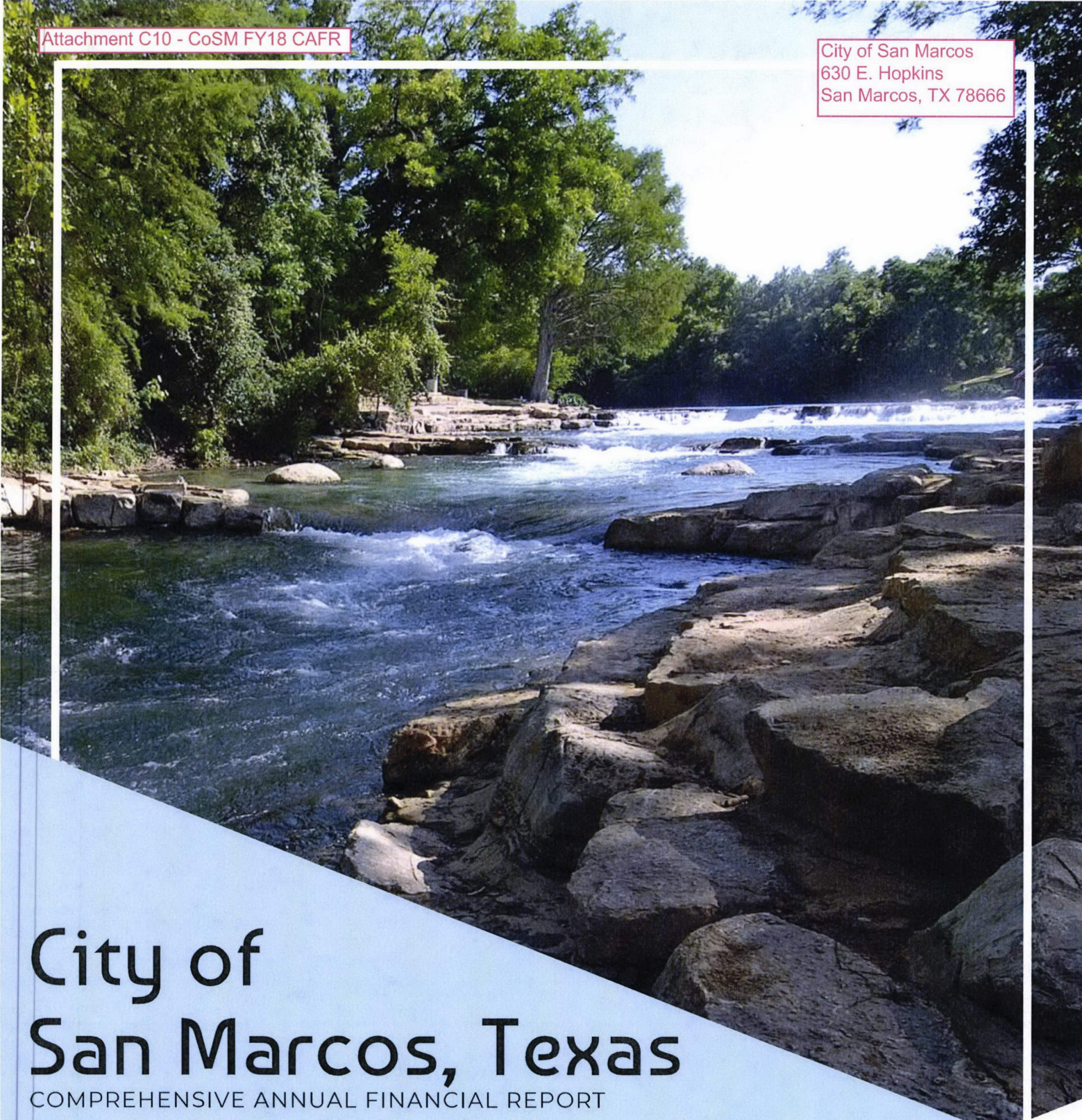


Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
1079 00 98	ACTIVE	EVANS, CECIL	2619 ROLLING OAKS	2619 ROLLING OAKS	SAN MARCOS	TX			
1080 00 98	ACTIVE	HABBIT, SCOTT D	2618 ROLLING OAKS	2618 ROLLING OAKS	SAN MARCOS	TX			
1081 00 98	ACTIVE	KIDD, ROGER	2612 ROLLING OAKS	PO BOX 1325	SAN MARCOS	TX			
1082 00 98	ACTIVE	JESTER, TERRY	2615 ROLLING OAKS	2615 ROLLING OAKS	SAN MARCOS	TX			
1083 00 98	ACTIVE	PLOCEK, FRANCES J	2611 ROLLING OAKS	2611 ROLLING OAKS	SAN MARCOS	TX			
1152 00 98	ACTIVE	MORROW, DANNA	2401 ROLLING OAKS	2401 ROLLING OAKS	SAN MARCOS	TX			
1137 00 98	ACTIVE	RAY, ROWE	605 SNYDER HILL DR	605 SNYDER HILL DR	SAN MARCOS	TX			
1155 00 98	ACTIVE	BONNIKEN, CHRISTINE	713 SNYDER HILL DR	1419 SHORE DR	EDGEWATER	TX			
1156 00 98	ACTIVE	MALLARD, RICHARD	717 SNYDER HILL DR	717 SNYDER HILL DR	SAN MARCOS	TX			
1184 00 98	ACTIVE	BRANN, PHILLIP	720 SNYDER HILL DR	720 SNYDER HILL DR	SAN MARCOS	TX			
1185 00 98	ACTIVE	SYKES, ROBERT M	716 SNYDER HILL DR	716 SNYDER HILL DR	SAN MARCOS	TX			
1187 00 98	ACTIVE	AMAN, JENE T	708 SNYDER HILL DR	708 SNYDER HILL DR	SAN MARCOS	TX			
1084 00 98	ACTIVE	WILSON, MIKE	624 STAGECOACH TRL	624 STAGECOACH TRL	SAN MARCOS	TX			
1087 00 98	ACTIVE	BRIMBERRY, MIKE	704 STAGECOACH TRL	704 STAGECOACH TRL	SAN MARCOS	TX			
1090 00 98	ACTIVE	COLEMAN, KYLE	715 STAGECOACH TRL	PO BOX 1426	SAN MARCOS	TX			
1091 00 98	ACTIVE	PRUITT, CLOVIS DON	716 STAGECOACH TRL	716 STAGECOACH TRL	SAN MARCOS	TX			
1094 00 98	ACTIVE	BRYAN, RANDALL G	728 STAGECOACH TRL	728 STAGECOACH TRL	SAN MARCOS	TX			
1096 00 98	ACTIVE	MCDOWELL, DAVID	809 STAGECOACH TRL	809 STAGECOACH TRL	SAN MARCOS	TX			
1097 00 98	ACTIVE	MEHRENS, MARK	815 STAGECOACH TRL	815 STAGECOACH TRL	SAN MARCOS	TX			
1100 00 98	ACTIVE	WEBSTER, JUDITH S	804 STAGECOACH TRL	PO BOX 1282	SAN MARCOS	TX			
1199 00 98	ACTIVE	HALL, CHARLES D	501 STAGECOACH TRL	501 STAGECOACH TRL	SAN MARCOS	TX			
1202 00 98	ACTIVE	BRISTER, MICHAEL D	617 STAGECOACH TRL	617 STAGECOACH TRL	SAN MARCOS	TX			
1203 00 97	ACTIVE	ADLE, DORIS	621 STAGECOACH TRL	621 STAGECOACH TRAIL	SAN MARCOS	TX			
3686 00 97	ACTIVE	GUTIERREZ, DENNIS	609 STAGECOACH TRL	PO BOX 1164	SAN MARCOS	TX			
895 00 97	ACTIVE	SWINNEY, EVERETTE	407 SUTTLES AVE	407 SUTTLES AVE	SAN MARCOS	TX			
896 00 98	ACTIVE	SWINNEY, LAWRENCE E	405 SUTTLES AVE	405 SUTTLES AVE	SAN MARCOS	TX			
897 00 98	ACTIVE	WILSON, KERI	406 SUTTLES AVE	406 SUTTLES AVE	SAN MARCOS	TX			
898 00 97	ACTIVE	ELLIOTT, DEBORAH P	403 SUTTLES AVE	901 OLD RR 12	SAN MARCOS	TX			
899 00 97	ACTIVE	ANDERSON III, CARL C	401 SUTTLES AVE	401 SUTTLES AVE	SAN MARCOS	TX			
900 00 97	ACTIVE	JONES, C/O WESLEY	404 SUTTLES AVE	404 SUTTLES AVE	SAN MARCOS	TX			
903 00 98	ACTIVE	PENA, DOMINGO	310 SUTTLES AVE	310 SUTTLES AVE	SAN MARCOS	TX			
904 00 98	ACTIVE	GOLDSMITH, JAMES	305 SUTTLES AVE	305 SUTTLES AVE	SAN MARCOS	TX			
905 00 98	ACTIVE	DIÁZ, JOHN A	308 SUTTLES AVE	205 CHEATHAM ST	SAN MARCOS	TX			
906 00 98	ACTIVE	JOHNSON, MARSHA	306 SUTTLES AVE	C/O MAXIE JOHNSON	SAN MARCOS	TX			
908 00 98	ACTIVE	JOHNSON, CHARLES	304 SUTTLES AVE	304 SUTTLES AVE	SAN MARCOS	TX			
909 00 98	ACTIVE	SCHLIMGEN, MICHAEL	303 SUTTLES AVE	303 SUTTLES AVE	SAN MARCOS	TX			
910 00 98	ACTIVE	HARGIS, CONNIE VILLARREAL	301 SUTTLES AVE	301 SUTTLES AVE	SAN MARCOS	TX			
915 00 98	ACTIVE	FULGHAM, RICHARD L	207 SUTTLES AVE	207 SUTTLES AVE	SAN MARCOS	TX			
916 00 98	ACTIVE	NAGY, BETTYE G	208 SUTTLES AVE	208 SUTTLES AVE	SAN MARCOS	TX			
917 00 98	ACTIVE	CHAVKIN, ALLAN	206 SUTTLES AVE	206 SUTTLES AVE	SAN MARCOS	TX			
920 00 97	ACTIVE	GILLIAM, DALTON R	110 SUTTLES AVE	PO BOX 1736	SAN MARCOS	TX			
921 00 98	ACTIVE	MURRY, ERNEST	109 SUTTLES AVE	C/O ASSET MANAGEMENT SPECIALIST INC	SAN MARCOS	TX			
922 00 98	ACTIVE	SAPPINGTON, DAVID	108 SUTTLES AVE	1292 CO RD 312	EDNA	TX			
923 00 96	ACTIVE	R LAMOYNE LIVINGSTON FAMILY TRUST	106 SUTTLES AVE	JACQUELINE LIVINGSTON, TRUSTEE	AUSTIN	TX			
945 00 98	ACTIVE	SANDERS, DIANE	109 TURKEY HOLLOW CIR	DAMIEN ENGLEHART	SAN MARCOS	TX			
946 00 98	ACTIVE	CLARK, R CHARLES	116 TURKEY HOLLOW CIR	LAURA J GREEK	SAN MARCOS	TX			
947 00 98	ACTIVE	HERNANDEZ, SAMUEL	115 TURKEY HOLLOW CIR	115 TURKEY HOLLOW CIR	SAN MARCOS	TX			
949 00 98	ACTIVE	LOGUE, MUREL	104 TURKEY HOLLOW CIR	104 TURKEY HOLLOW CIRCLE	SAN MARCOS	TX			
3732 00 98	ACTIVE	MCCARTY LANE GROUP INC	109 W MCCARTY LN	JAMES PENDERGAST	SAN MARCOS	TX			
773 00 98	ACTIVE	SAN MARCOS AQUATIC REOURCES CENTER	500 W MCCARTY LN	SMARC, KENNETH OSTRAND	SAN MARCOS	TX			

Attachment B5 - Customers to be Transferred									
Account	Status	Full Name	Service Address	Address 1	City	State	Initial Date	Deposit Amount	Interest Amount
779 00 98	ACTIVE	QUINTERO, JOE A	489 W MCCARTY LN	489 W MCCARTY LN	SAN MARCOS	TX			
782 00 98	ACTIVE	COY, JANIE O	401 W MCCARTY LN	401 W MCCARTY LN	SAN MARCOS	TX			
784 00 98	ACTIVE	ROCHA JR, JOE	710 W MCCARTY LN	710 W MCCARTY LN	SAN MARCOS	TX			
1001 00 98	ACTIVE	BATTS, THOMAS L	916 WILLOW CREEK CIR	916 WILLOW CREEK CIR	SAN MARCOS	TX			
1004 00 98	ACTIVE	ELLIS, RHONDA	904 WILLOW CREEK CIR	904 WILLOW CREEK CIR	SAN MARCOS	TX			
1006 00 98	ACTIVE	MOREAU, JOHN A	829 WILLOW CREEK CIR	829 WILLOW CREEK CIR	SAN MARCOS	TX			
1007 00 98	ACTIVE	WEAVER, WARDEN	830 WILLOW CREEK CIR	830 WILLOW CREEK CIR	SAN MARCOS	TX			
1009 00 98	ACTIVE	BROWN, RONALD C	823 WILLOW CREEK CIR	823 WILLOW CREEK CIR	SAN MARCOS	TX			
1010 00 96	ACTIVE	LEAVITT, ERIN	817 WILLOW CREEK CIR	817 WILLOW CREEK CIR	SAN MARCOS	TX			
1014 00 97	ACTIVE	BOLLES, WILLIAM	749 WILLOW CREEK CIR	PO BOX 434	SAN MARCOS	TX			
1017 00 98	ACTIVE	JOHNSON, JAMES E	801 WILLOW CREEK CIR	801 WILLOW CREEK CIR	SAN MARCOS	TX			
1020 00 98	ACTIVE	DELAROSA, HERBERT	738 WILLOW CREEK CIR	738 WILLOW CREEK CIR	SAN MARCOS	TX			
1022 00 98	ACTIVE	ISLAS, JOSIE E	726 WILLOW CREEK CIR	726 WILLOW CREEK CIR	SAN MARCOS	TX			
1023 00 98	ACTIVE	CLARKE, JOHN F	720 WILLOW CREEK CIR	720 WILLOW CREEK CIR	SAN MARCOS	TX			
1025 00 98	ACTIVE	BETHANCOURT, DAVID	715 WILLOW CREEK CIR	715 WILLOW CREEK CIR	SAN MARCOS	TX			
1029 00 97	ACTIVE	TEGMEYER, JOANNA	708 WILLOW CREEK CIR	708 WILLOW CREEK CIRCLE	SAN MARCOS	TX			
1030 00 98	ACTIVE	MCCABE, T F	702 WILLOW CREEK CIR	702 WILLOW CREEK CIR	SAN MARCOS	TX			
1031 00 98	ACTIVE	CARSWELL, VIOLA C	633 WILLOW CREEK CIR	633 WILLOW CREEK CIRCLE	SAN MARCOS	TX			
1033 00 98	ACTIVE	SMITH, FORREST	628 WILLOW CREEK CIR	628 WILLOW CREEK CIR	SAN MARCOS	TX			
1034 00 98	ACTIVE	RENICK, OREN	623 WILLOW CREEK CIR	623 WILLOW CREEK CIR	SAN MARCOS	TX			
1035 00 98	ACTIVE	MCMABB, MONICA M	617 WILLOW CREEK CIR	617 WILLOW CREEK CIRCLE	SAN MARCOS	TX			
1039 00 98	ACTIVE	LATTEO, CHRISTINE	602 WILLOW CREEK CIR	602 WILLOW CREEK CIR	SAN MARCOS	TX			
1040 00 98	ACTIVE	HILLE, RICHARD R	529 WILLOW CREEK CIR	529 WILLOW CREEK CIR	SAN MARCOS	TX			
1041 00 98	ACTIVE	GAITHER, CECELIA M	523 WILLOW CREEK CIR	523 WILLOW CREEK CIR	SAN MARCOS	TX			
1043 00 98	ACTIVE	CLAYTON, RUTH	513 WILLOW CREEK CIR	513 WILLOW CREEK CIR	SAN MARCOS	TX			
4041 00 97	ACTIVE	SIMMONS, AUBREY	528 WILLOW CREEK CIR	528 WILLOW CREEK CIRCLE	SAN MARCOS	TX			
991 00 96	ACTIVE	MAYHEW, MARK P	940 WILLOW CREEK CIR	DENNIS BULLOCK	SAN MARCOS	TX			
992 00 98	ACTIVE	FISHER, DANNY R	943 WILLOW CREEK CIR	943 WILLOW CREEK CIR	SAN MARCOS	TX			
993 00 98	ACTIVE	SCHOTT, JOHN R	939 WILLOW CREEK CIR	939 WILLOW CREEK CIR	SAN MARCOS	TX			
996 00 98	ACTIVE	BRITTAIN, BARRY	927 WILLOW CREEK CIR	927 WILLOW CREEK CIR	SAN MARCOS	TX			
998 00 98	ACTIVE	HAMON, ANNETTE	922 WILLOW CREEK CIR	922 WILLOW CREEK CIR	SAN MARCOS	TX			
1142 00 92	ACTIVE	HUNTLEY, C/O BENJAMIN AND TERESA	737 WILLOW RIDGE DR	737 WILLOW RIDGE DR	SAN MARCOS	TX			
1150 00 97	ACTIVE	MAYS, DIANA	708 WILLOW RIDGE DR	708 WILLOW RIDGE	SAN MARCOS	TX			
2969 00 97	ACTIVE	BLUE SKY MORTGAGE	2700 HUNTER RD	2700 HUNTER RD STE B	SAN MARCOS	TX			
3040 00 98	ACTIVE	PARTNERSHIP, SEEBECK	2626 HUNTER RD	JUNE P SEEBECK	SAN MARCOS	TX			
786 00 98	ACTIVE	CENTURY TELEPHONE	HUNTER RD	UNKNOWN CABINET TXL009	COLUMBUS	OH			
809 00 98	ACTIVE	GALBREATH, HAROLYN ABEL	2903 HUNTER RD	2903 HUNTER RD	SAN MARCOS	TX			
810 00 98	ACTIVE	MCDONALD, WILLIAM A	2807 HUNTER RD	2807 HUNTER RD	SAN MARCOS	TX			
929 00 97	ACTIVE	SCRUTON, DAVID H	2706 HUNTER RD	KATY SCRUTON	SAN MARCOS	TX			

**ATTACHMENT C10**  
**COSM FY18 CAFR**





# City of San Marcos, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended  
**September 30, 2018**

Prepared by:  
City of San Marcos Finance Department

**SAN MARCOS**



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## **INTRODUCTORY SECTION**

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**CITY OF SAN MARCOS, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2018**

**PRINCIPAL PUBLIC OFFICIALS**

**CITY COUNCIL**

**John Thomaides – Mayor**

**Lisa Prewitt – Place 1**

**Saul Gonzales – Place 2**

**Ed Mihalkanin – Place 3**

**Jane Hughson – Place 4**

**Scott Gregson – Place 5**

**Melissa Derrick – Place 6**

**ADMINISTRATION**

**Bert Lumbreras – City Manager**  
**Collette Jamison – Assistant City Manager**  
**Steve Parker – Assistant City Manager**

**Heather Hurlbert – Director of Finance**  
**Ismael Garcia – Accounting Manager**

**Presented by**  
**The Finance Department**

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of San Marcos  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO

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Transmittal Letter

For the Fiscal Year  
Ended  
September 30,  
2018

City of San Marcos  
San Marcos,  
Texas

March 5, 2019

To the Honorable Mayor, Members of the City Council,  
And Citizens of the City of San Marcos, Texas:

The Finance Department and City Manager's office are pleased to submit the Comprehensive Annual Financial Report (the CAFR) of the City of San Marcos, Texas (the City) for the fiscal year ended September 30, 2018. This report is submitted in accordance with Section 3.16 of the City Charter. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and have been audited by independent auditors in accordance with generally accepted auditing standards. ABIP, PC, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

The CAFR includes all funds of the City. The City provides a full range of services, which include police and fire protection; construction and maintenance of streets and other infrastructure; recreational activities and cultural events. In addition to general government activities, the City also provides electric, water, wastewater, storm water drainage, resource recovery, WIC, transit, and airport services which are included in the reporting entity.

Management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a comprehensive framework of internal control that it established for this purpose. Because the cost of internal controls should not outweigh their anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. The disclosures included in this report are intended to provide the reader a good understanding of the City's financial activities.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit report.

## CITY OF SAN MARCOS PROFILE

San Marcos is located on the IH-35 corridor 15 miles south of Austin and 30 miles north of San Antonio. The greater San Marcos region is situated between two of the fastest growing MSAs (Metropolitan Statistical Area) in the United States. The City has a 2010 census population of 44,894 but currently estimated at over 60,000 with a daytime service population of 80,000. The City covers a total of 32.21 square miles within its city limits.

The City operates under a council-manager form of government as provided by its Charter. The Mayor and six City Council members are elected "at large" on a non-partisan ballot. All members of the City Council, except the Mayor, are elected to staggered three-year terms. The Mayor is elected for a two-year term. The City Council appoints the City Manager, City Clerk, City Attorney, and Municipal Court Judge. The City Council also appoints members to certain boards, committees and commissions, as it deems necessary for the operation of the City.

The City Manager is the chief executive officer for the City and has full responsibility for carrying out Council policies and administering City operations, including hiring department Directors and all other City employees. City service departments provide a full range of services including police and fire protection, health and social services, sanitation services, construction and maintenance of highways, streets and infrastructure, planning and zoning, recreational activities and cultural events, and general administrative services.

The City is the home of Texas State University which has over 38,000 enrolled students, making the university the 5th largest public university by enrollment in Texas, as well as the 34th largest public university by enrollment in the United States. Texas State University is composed of 9 colleges and about 50 schools and departments across multiple disciplines, including nationally recognized programs in Geography, Criminal Justice and Music and offering 98 bachelor's, 91 master's and 13 doctoral degrees. In 2016, Texas State was granted the designation of Doctoral University with Higher Research Activity with over 400 doctoral students and \$48.0 million in research spending. The university became the first in the country to offer a PhD in Materials Science, Engineering, and Commercialization and the City is home to the new Science, Technology and Advanced Research (STAR) Park which opened in 2012. This partnership between Texas State University and the City is made possible through a \$1.85 million award from the U.S. Economic Development Administration. This grant funded the construction of a state-of-the-art research and commercialization center that will serve as a technology accelerator for start-up and early-stage businesses with green and bio-technology focus. The second phase of this project is currently under construction due to the enormous success of the first phase.

The San Marcos River originates at San Marcos Springs, where approximately 200 springs emerge from the Edwards Aquifer, to fill Spring Lake. Archaeological research indicates that the area surrounding the springs has been inhabited for some 12,000 years. The springs provide an environment for eight federally listed endangered or threatened species. The river is a constant 72 degrees F and is used year round for recreational activities.

## Economic Outlook and Financial Condition

San Marcos was ranked as the fastest growing city in the U.S. with a population over 50,000 for three consecutive years from 2013 – 2015 and the Greater San Marcos Region continues to be one of the fastest growing areas in the country. Hays County, the county for which San Marcos sits as the county seat, has been ranked as the fastest growing county with a population over 50,000 for the past two years.

Founded on the banks of the San Marcos River, San Marcos is thought to be among the oldest continually inhabited locations in North America with more parkland per capita than any other city in Central Texas. Other accolades the city has received include:

- Top 4 “Charming” College Town by Better Homes and Gardens Magazine;
- 9th Most Exciting Small City in America by movoto.com;
- One of ten Most Beautiful Cities in the Country by Travel + Leisure Magazine;
- One of the top ten cities in America for raising kids by BusinessWeek; and
- One of the top Cities in America to retire by Forbes.

Tourism, retail and construction activities have continued to show sign of growth and prosperity. The City continues to benefit from other favorable conditions associated with San Marcos, including a stable, diversified economic base and a desirable location for work, destination, and living.

### Property Values

The continued low mortgage interest rates and new residential developments within San Marcos continue to bring in residential growth and commercial development. This continuing growth contributed to the increase of taxable value on new improvements of \$91.3 million, on existing properties of \$393.7 million for a total valuation of \$ 5.1 billion for the 2018 tax year. The City expects this trend to continue as a result of the City’s commitment to targeted economic development efforts that focus on industry segments that complement the existing business mix. In late 2015, the on-line retail giant, Amazon, announced the construction of a \$191 million facility in San Marcos. Construction was completed in late 2016 and the facility employed up to 3,000 permanent employees during 2017 with additional temporary workers added during the holiday season.

### Retail Sales

The City’s largest General Fund revenue source is sales tax generated from a well-balanced variety of business categories including automotive, construction, food stores, hotels/motels, department stores, retail stores, restaurants, utilities and rentals. In FY 2018 the City of San Marcos recognized a \$7.4M increase, or 26.9%, in sales tax collections. A large portion of this increase was generated by the Best Buy Call Center that began operations in 2017. Base sales taxes collections and Prime and Tanger outlet malls increased 1% and 6% respectively over the prior year for total collections of \$35.2 million in FY 2018.

The City is perhaps best known for its Outlet Malls – Premium and Tanger – which have made San Marcos a popular tourist destination in Texas. The Outlet Malls provide access to hundreds of stores in the 1.2 million square foot complex and attracts shoppers from all over the United States and internationally. The City has seen steady growth in sales tax revenues, with a slight decrease in 2016 and 2017, but this negative growth reversed in 2018. The sales from the outlet mall make up 32% of the total sales tax revenue received by the City.



## Employment

Most recently available data showed San Marcos at a low unemployment rate of 2.8% rate in December 2018, lower than the state rate of 3.7% and the national rate of 3.7%. As a result of this low rate, San Marcos residents have greater job opportunities locally. Along with Amazon mentioned above, San Marcos has added several large employers to the City over the past several years including Epic Piping, several national hotels, and Texas's sole Best Buy E-Commerce Center. In addition, Urban Mining has announced that it will be relocating its headquarters to San Marcos.

## Tourism

Travel and tourism is one of San Marcos' largest industries and contributes significantly to the City's economy. The City offers numerous tourist attractions, including the beautiful San Marcos River and the San Marcos Outlets which is one of Texas' most visited destinations. San Marcos is known as a great destination for outdoor enthusiasts who like to kayak, tube, snorkel, standup paddle, surf the falls, bird watch or hike and bike in town trails. The City of San Marcos Conference Center hosts more than 112,000 guests per year. The City's soccer, softball, baseball and tennis facilities host 100,000 youth and adult participants, coaches, family and fans. In addition to traditional sport fans, our well-kept natural area trails and rolling hills draw runners to the variety of races from 5K to half marathons. Hotels and bed and breakfasts in the area provide more than 2,311 guest rooms with an average annual occupancy of 60%. More than 1,200 retail shops and boutiques are located throughout the City and a selection of over 200 restaurants is available. These services and facilities, complemented by the mild winter, have made San Marcos a popular annual vacation destination for more than 14 million visitors.

Hotel/motel occupancy tax receipts remained flat in FY 2018 over the previous year. The current forecast is that tourism will continue to experience positive gains, reflected by continued increases in occupancy, available rooms and room rates.

## CITY INITIATIVES

In January 2019, the San Marcos City Council held a Visioning Workshop to explore important key priorities. The following strategic initiatives became the City Management's guiding principles and direction to the City staff to make the City fully sustainable long into the future:

- ✓ Workforce Development
- ✓ Multi Model Transportation
- ✓ Workforce Housing
- ✓ Downtown Vitalization
- ✓ City Facilities

## Fiscal Responsibility

Responsible finances has been a top priority and the main focus for the past several fiscal years. During this time the City has put policies in place to ensure the City continues being financially responsible and sound.

- Creation of Self-Financed Capital Funds through various funding sources to provide a cash funding source for improvements to streets, parks, city facilities, and technology infrastructure.
- Creation of rate stabilization funds in both the Water/Wastewater and Electric Utility Funds. These funds will help the City alleviate future rate increases that are needed due to fluctuations in seasonal weather patterns.
- Adjusting fees annually during the budget process based on the positive average Consumer Price Index (CPI) for the prior calendar year CPI to ensure fees for services are keeping pace with the cost of providing these services. In addition to adjusting fees annually, user fee studies will be done every three years for the function areas including development services, community services, and other user fees. Staff has recommended to the City Council that fees be adjusted annually for positive increases in the CPI to ensure fees for services are keeping pace with the cost of providing these services.
- Voter approved bond election to renovate and construct new public safety facilities and expand the library.

## Water/Wastewater Rates

A Water / Wastewater rate study has been conducted every year for the last several years including 2017. For the 2019 budget, the Citizens Utility Advisory Board (CUAB) recommends a 5% rate adjustment in water and 2% rate adjustment in wastewater. The CUAB spent several months looking at the updated rate study modeling, cost of operations, and the long range plans on the water/wastewater utility including the effect of the Hays County Public Utility Agency (HCPUA).

The City is continuing to explore future water supplies through the Hays County Public Utility Agency (HCPUA). This is a joint venture between San Marcos, Kyle, Buda, and some regional water corporations to firm up future water supplies through the year 2060. The HCPUA reached a major milestone in developing a sustainable long-term water supply. A small project related to Phase I began in 2018 to construct a pipeline between San Marcos, Kyle and Buda. The City of San Marcos' share of the total construction cost related to Phase 1 of the project is approximately \$70 million and is anticipated to be expensed during the year 2019. The City is still exploring water supply alternatives in hopes that this future expense can be reduced as much as possible.

## Long Range Planning

The City's Comprehensive Master Plan was completed in 2013. The purpose of that plan was to guide the growth and development in appropriate areas of the City and identify land for preservation. The plan is divided into six focus areas which are linked to the Vision Statements for Economic Development; Environment and Resource Protection; Land Use; Neighborhoods and Housing; Parks, Public Spaces and Facilities and Transportation. A Citizens Advisory Subcommittee has been assigned for each topic throughout the process.

Changes presented in this plan ultimately resulted in a necessary revision to the Land Development Code (LDC) in order to ensure development aligns with the intent of the plan. The Code Development Rewrite currently referred to as CODE SMTX has been underway for the past several years and was adopted in 2018. The City's Planning and Development Services Team worked with the consultant team of Dover Kohl and a Think Tank group of community volunteers to update the code. A preferred scenario map was created during the design rodeo that illustrates locations where residents of San Marcos wish to see growth and development. The Land Use Intensity Matrix outlines general uses for the various development areas and will be utilized as a guide in updating the LDC.

Congruent to the CODE SMTX project, City staff is currently updating the Transportation Master Plan along with the Drainage Master Plan. These four items will be key elements toward the creation of the City's 10 year Capital Improvements Plan.

## FINANCIAL INFORMATION

Financial policies approved by the City Council guide the City's financial management in planning for the future. Sufficient resources and adequate reserve levels will protect the City in the event of revenue shortfalls or increased expenditure needs. Fiscal integrity is the cornerstone upon which the City plans, monitors, and reports its financial activities. Particular emphasis is placed on maintaining the financial stability of the City. Each fiscal year, the budget is developed with this objective. Goals for financial stability enable the City to manage revenue shortfalls and cash flows to ensure continued operations, and to provide for unforeseen contingencies without impairing the level of quality service needed to respond to the community.

### Internal Controls

The Finance Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles for local governments as prescribed by GASB and the American Institute of Certified Public Accountants (AICPA). The internal controls structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

### Financial Rating

The City of San Marcos had its underlying credit rating confirmed from Standard & Poor's in April 2018. The City's bond rating for Moody's Investor Service and Standard & Poor's is as follows:

	<u>Moody's Investor Service</u>	<u>Standard &amp; Poor's</u>
General Obligation Bonds and Certificates of Obligation	A1	AA
Revenue Bonds	A1	AA

### Financial Reporting

The City utilizes a computerized financial accounting system to capture all financial transactions and provide data for the preparation of this CAFR, including the audited financial statements. These statements present information on the financial position of the City and whether resources were adequate to cover the costs of providing services during the reporting period. The City's award-winning CAFR is distributed to the City Council, executive management, federal and state agencies, bond rating agencies, and financial institutions, as well as others throughout the general public.

### Budgeting Process

The annual budget serves as the foundation for the City's financial planning and control. The City Council formally adopts the budget and legally allocates, or appropriates, available monies for the City's various funds. Therefore, these funds have appropriated budgets, and budget to actual information is presented. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following October 1st. The budget includes proposed expenditures and the means of financing them. A public hearing is held prior to the budget's final adoption in order to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. The ordinance sets the limit for expenditures during the fiscal year.

The expenditure appropriations in the adopted budget are by department. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. Expenditure appropriations may be amended during the year. Upon the recommendation of the City Manager, and with the approval of the City Council: (1) transfers may be made from the appropriations for contingencies to departments; (2) transfers from fund balance accounts to departments or capital improvement program accounts; and (3) transfers from capital improvement program accounts to departments. Management control of budgets is further maintained through the use of an encumbrance accounting system. Encumbered amounts lapse at year-end. However, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues meeting its responsibility for sound financial management.

### Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2018, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### OTHER INFORMATION

#### Independent Audit

The City Charter requires an annual audit of the books, accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditor's report by ABIP, PC, Certified Public Accountants, has been included in this report.

#### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for the Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to earn the Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. That report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements. The City will submit this report once again be submitted to the GFOA for this annual award.

We are also proud to report that the GFOA has presented the Distinguished Budget Presentation Award to the City of San Marcos for each of the past 35 years.



### Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the members of the City Council and the citizens of the City of San Marcos for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

In conclusion, we would like to thank the City's auditing firm, ABIP, PC, for their ongoing efforts, not only in the performance of the City's annual audit, but for their close working relationship in advising the City when questions arise throughout the year. They have been an excellent source of information for preparation of the report.

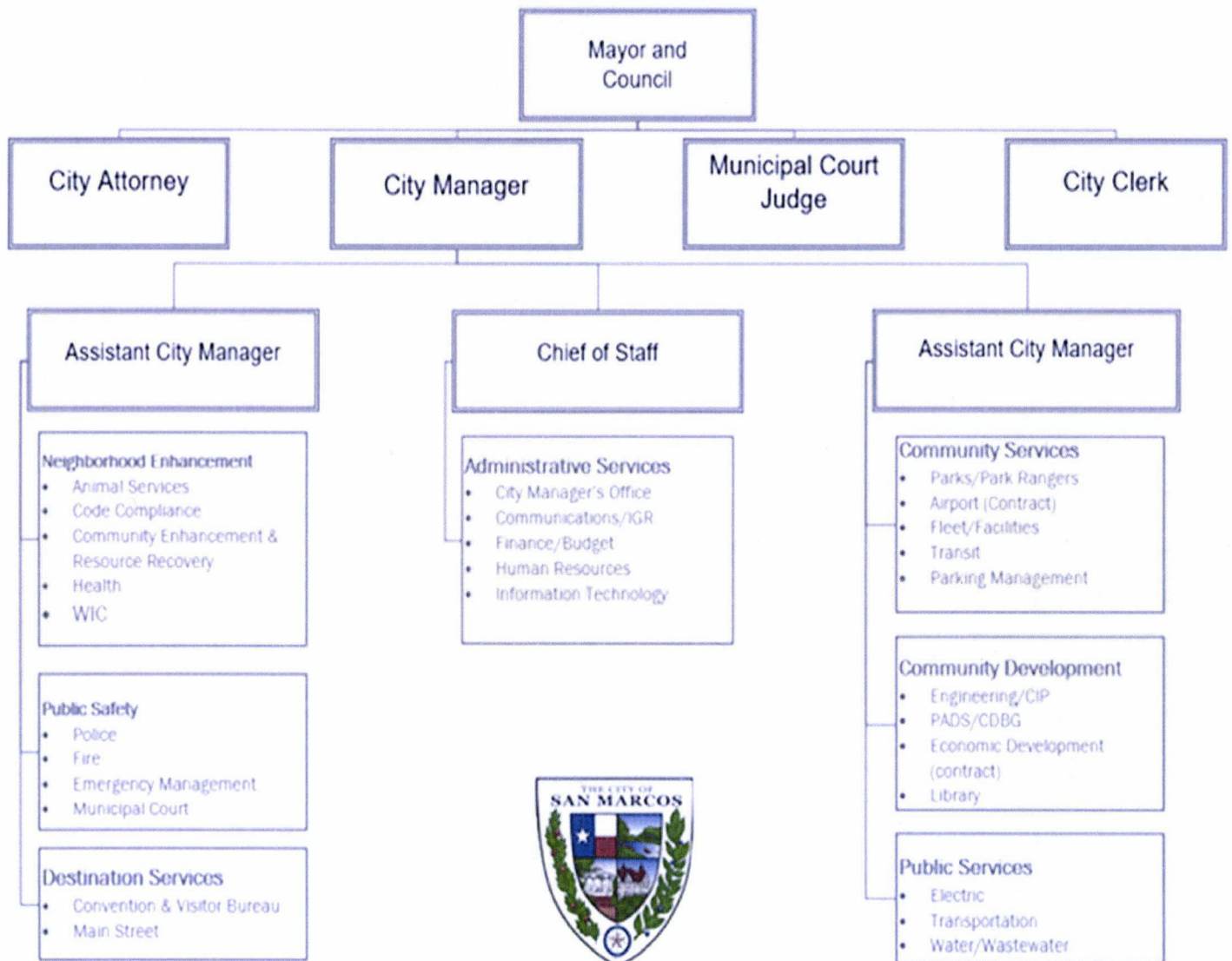
Respectfully submitted,

//signature on file//  
Bert Lumbreras  
City Manager

//signature on file//  
Steve Parker  
Asst. City Manager/CFO

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# City of San Marcos 2017-2018 Organizational Chart



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## **FINANCIAL SECTION**



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Independent Auditor's Report

To Honorable Mayor and  
Members of the City Council  
San Marcos, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of San Marcos, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Marcos, Texas as of September 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, in 2018, the City adopted new accounting guidance, GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 5J, schedule of changes in the total OPEB liability - retiree health care plan, schedule of changes in net pension liability and related ratios, schedule of contributions – net pension liability, schedule of changes in total other postemployment benefit liability (OPEB) and related ratios – supplemental death benefit fund, schedule of contributions – supplemental death benefit fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

The combining and individual nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic

financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2019, on our consideration of the City of San Marcos, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas  
March 5, 2019

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**CITY OF SAN MARCOS, TEXAS**  
**Management's Discussion and Analysis (MD & A)**

As management of the City of San Marcos, we offer readers of the City of San Marcos' financial statements this narrative overview and analysis of the financial activities for the City of San Marcos for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-xiii of this report.

**Financial Highlights**

- The assets of the City of San Marcos exceeded its liabilities at the close of the fiscal year ending September 30, 2018, by \$283.4 million (net position). Of this amount, \$63.0 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of September 30, 2018, the City of San Marcos' governmental funds reported combined ending fund balances of \$86.1 million, an increase of \$29.9 million in comparison with the prior fiscal year. This is primarily attributed to the issuance of bonds in the amount of \$33.9 million.
- At the end of the current fiscal year, unassigned fund balance for the major funds met or exceeded the City Financial Policy requirements. The General Fund totaled \$15.7 million, or 25% of total general fund expenditures.
- The City's total debt increased by \$32.4 million during the current fiscal year. The City issued \$24.9 million in general obligation bonds and \$29.0 million in combination tax and revenue bonds for approved CIP projects.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of San Marcos' basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The comprehensive annual financial report (CAFR) also contains other supplementary information in addition to the basic financial statements themselves.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, using accounting methods similar to a private-sector business.

The *statement of net position* presents information on all of the City of San Marcos' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of San Marcos is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

The *statement of net position* and the *statement of activities* are prepared utilizing the accrual basis of accounting.

In the *statement of net position* and the *statement of activities*, the City's operations are divided into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police, fire, libraries, planning and development, transportation, parks and recreation, and general administration. Property tax, sales tax and franchise fee revenues finance most of these activities.
- **Business-type Activities** – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric, water and wastewater, airport, transit, drainage and resource recovery funds are reported here.

The government-wide financial statements can be found on pages 7 - 9 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of San Marcos, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

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

Because the focus of governmental funds are more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between govern-

mental activities (reported in the statement of net position and the statement of activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of San Marcos maintains 24 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the CAFR.

The basic governmental fund financial statements can be found on pages 10 – 14 of this report.

**Proprietary funds.** The City charges customers for certain services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.

The City of San Marcos maintains six individual enterprise funds: Electric, Water and Wastewater, Airport, Transit, Stormwater Drainage, and Resource Recovery. The fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water and Wastewater, and Stormwater Drainage Funds, all of which are considered to be major funds of the City. Data from the other three enterprise funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in the CAFR.

The basic proprietary funds financial statements can be found on pages 15 – 17 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 – 55 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report presents the combining statements referred to earlier in connection with nonmajor governmental and enterprise funds, comparative information for the General Fund and budgetary information to demonstrate the City's budgetary compliance. Combining and individual fund statements and schedules can be found on pages 69 – 107 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was \$283.4 million as of September 30, 2018. Analyzing the net position and net expenses of governmental and business-type activities separately, the business-type activities net position is \$193.3 million. This analysis focuses on the net position (Table 1) and changes in net position of the City's governmental and business-type activities (Table 2).

By far, the largest portion of the City's net position (81%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents resources that are subject to external restrictions as to the use of the funds.

The deficit balance in the governmental activities unrestricted net position is primarily due to City expenses for assets owned by other entities. The City issues bonds to finance these projects that do not get capitalized on the City's financial statements. The net effect of these transactions leaves a liability balance on the City's financial statements for the bonds the City is still obligated to pay. The remaining balance of unrestricted net position \$63.0 million may be used to meet the government's ongoing obligations to citizens and creditors.

**TABLE 1**  
**CITY OF SAN MARCOS' NET POSITION**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2018	2017	2018	2017	2018	2017
<u>Assets</u>						
Current and Other Assets	\$ 99,330,618	\$ 67,106,557	\$ 183,993,612	\$ 167,123,840	\$ 283,324,230	\$ 234,230,397
Capital Assets	<u>187,921,493</u>	<u>186,352,169</u>	<u>234,934,373</u>	<u>224,464,654</u>	<u>422,855,866</u>	<u>410,816,823</u>
Total Assets	<u>287,252,111</u>	<u>253,458,726</u>	<u>418,927,985</u>	<u>391,588,494</u>	<u>706,180,096</u>	<u>645,047,220</u>
<u>Deferred Outflows</u>	<u>12,658,385</u>	<u>17,262,563</u>	<u>5,930,810</u>	<u>7,479,485</u>	<u>18,589,195</u>	<u>24,742,048</u>
<u>Liabilities</u>						
Long-Term Liabilities	182,226,715	163,107,971	204,323,766	196,148,665	386,550,481	359,256,636
Other Liabilities	<u>23,203,205</u>	<u>20,987,015</u>	<u>26,311,343</u>	<u>26,455,770</u>	<u>49,514,548</u>	<u>47,442,785</u>
Total Liabilities	<u>205,429,920</u>	<u>184,094,986</u>	<u>230,635,109</u>	<u>222,604,435</u>	<u>436,065,029</u>	<u>406,699,421</u>
<u>Deferred Inflows</u>	<u>4,383,154</u>	<u>998,011</u>	<u>962,155</u>	<u>219,076</u>	<u>5,345,309</u>	<u>1,217,087</u>
<u>Net Position</u>						
Net Investment in Capital Assets	89,842,218	80,034,686	113,115,001	92,125,543	202,957,219	172,160,229
Restricted	<u>17,134,285</u>	<u>13,324,854</u>	<u>221,981</u>	<u>221,981</u>	<u>17,356,266</u>	<u>13,546,835</u>
Unrestricted (deficit)	<u>(16,879,081)</u>	<u>(7,731,248)</u>	<u>79,924,549</u>	<u>83,896,944</u>	<u>63,045,468</u>	<u>76,165,696</u>
Total Net Position	<u>\$ 90,097,422</u>	<u>\$ 85,628,292</u>	<u>\$ 193,261,531</u>	<u>\$ 176,244,468</u>	<u>\$ 283,358,953</u>	<u>\$ 261,872,760</u>

**Governmental activities.** The City's governmental revenues increased when compared to the prior year by 23.5% or \$20,189,183. This increase is primarily due to an increase in property and sales tax revenue.

One of the more significant governmental expenses for the City was in providing for public safety, which incurred expenses of \$33.7 million.

**Business-type activities.** Revenues of the City's business-type activities were \$119.4 million for the fiscal year ending September 30, 2018. Expenses for the City's business-type activities were \$102.5 million for the year, resulting in a net increase in net position of \$17.0 million. The net revenues are the result of several factors, including the following:

- The City's Water and Wastewater System recorded charges for services of \$46.3 million, which exceeded expenses of \$38.3 million. The most significant expenses of the Water and Wastewater Fund are \$7.5 million for contracted services for the operation of the surface water and wastewater treatment plants along with the cost of surface water and \$4.6 million in salaries and benefits. Per the City's financial policy, amounts above the required 25% fund balance are transferred into capital reserves and used to fund capital projects.
- The City's electric distribution system recorded charges for services of \$60.3 million, which exceeded expenses of \$54.8 million. The most significant expense of the electric fund was \$36.2 million for the purchase of power. Per the City's financial policy, amounts above the required fund balance equal to 60 days of operational expenses including the cost of power are transferred into capital reserves and used to fund capital projects.
- The increase in net position from business-type activities was primarily due to increased revenue from water, sewer, and electric sales due to a combination of rate adjustments in water and sewer, growth in the number of customers for all three utilities, and capital contributions of water, sewer, and electric infrastructure as new construction activity continues in the City.

Governmental and business-type activities increased the City's net position (Table 2) by \$24.4 million.

**TABLE 2**  
**CITY OF SAN MARCOS' CHANGES IN NET POSITION**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 19,348,892	\$ 16,132,723	\$ 116,459,314	\$ 108,790,932	\$ 135,808,206	\$ 124,923,655
Operating Grants and Contributions	5,238,213	4,440,897	-	1,784,902	5,238,213	6,225,799
Capital Grants and Contributions	2,956,568	3,448,810	981,779	253,915	3,938,347	3,702,725
General Revenues						
Property Taxes, Levied for General Purposes	28,724,211	21,254,699	-	-	28,724,211	21,254,699
Sales Taxes	34,733,037	27,364,450	-	-	34,733,037	27,364,450
Franchise Taxes	9,399,107	7,980,186	-	-	9,399,107	7,980,186
Hotel/Motel Taxes	3,720,944	3,795,566	-	-	3,720,944	3,795,566
Investment Earnings	1,018,563	238,708	1,989,509	916,988	3,008,072	1,155,696
Other	812,182	1,106,495	-	-	812,182	1,106,495
Total Revenues	<u>105,951,717</u>	<u>85,762,534</u>	<u>119,430,602</u>	<u>111,746,737</u>	<u>225,382,319</u>	<u>197,509,271</u>
<b>EXPENSES</b>						
General Government	39,538,297	45,271,507	-	-	39,538,297	45,271,507
Public Safety	33,731,134	33,904,923	-	-	33,731,134	33,904,923
Community Service	19,874,494	24,111,594	-	-	19,874,494	24,111,594
Interest and Fiscal Charges	5,338,567	4,890,031	-	-	5,338,567	4,890,031
Electric	-	-	54,804,049	52,007,700	54,804,049	52,007,700
Water and Sewer	-	-	38,337,335	36,005,404	38,337,335	36,005,404
Airport	-	-	684,607	636,669	684,607	636,669
Drainage	-	-	4,066,821	3,262,115	4,066,821	3,262,115
Transit	-	-	584,269	603,535	584,269	603,535
Resource Recovery	-	-	3,994,357	3,860,863	3,994,357	3,860,863
Total Expenses	<u>98,482,492</u>	<u>108,178,055</u>	<u>102,471,438</u>	<u>96,376,286</u>	<u>200,953,930</u>	<u>204,554,341</u>
Increases (Decreases) in Net Position before Transfers	7,469,225	(22,415,521)	16,959,164	15,370,451	24,428,389	(7,045,070)
Transfers	<u>(592,144)</u>	<u>(562,374)</u>	<u>592,144</u>	<u>562,374</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>6,877,081</u>	<u>(22,977,895)</u>	<u>17,551,308</u>	<u>15,932,825</u>	<u>24,428,389</u>	<u>(7,045,070)</u>
NET POSITION - BEGINNING	85,628,292	108,606,187	176,244,468	160,311,643	261,872,760	268,917,830
RESTATEMENT OF BEGINNING NET POSITION	<u>(2,407,951)</u>	<u>-</u>	<u>(534,245)</u>	<u>-</u>	<u>(2,942,196)</u>	<u>-</u>
NET POSITION AT BEGINNING OF YEAR - AS RESTATED	<u>83,220,341</u>	<u>108,606,187</u>	<u>175,710,223</u>	<u>160,311,643</u>	<u>258,930,564</u>	<u>268,917,830</u>
NET POSITION - ENDING	<u>\$ 90,097,422</u>	<u>\$ 85,628,292</u>	<u>\$ 193,261,531</u>	<u>\$ 176,244,468</u>	<u>\$ 283,358,953</u>	<u>\$ 261,872,760</u>

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## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

**Governmental funds.** The focus of the City of San Marcos' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of San Marcos's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of San Marcos' governmental funds reported combined fund balances of \$86.1 million, an increase of \$29.9 million in comparison with the prior year. Approximately 18.24% of this total amount constitutes unassigned fund balance, which is available for use within the City's fund designation and fiscal policies. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase prepaid expenses of the prior period, 2) to pay debt service, 3) for capital projects, 4) to generate income to pay for the perpetual care of the municipal cemetery, 5) to be used for general government, or 6) to be used for community services.

The general fund is the main operating fund of the City of San Marcos. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15.7 million, while total fund balance reached \$16.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25% of total general fund expenditures.

In the general fund, which also includes the cemetery operating fund, the City originally budgeted for a fund balance decrease in the current year of \$1,897,572 but actually added to fund balance. It is one of the City's financial policies to maintain fund balance in the general fund equal to 90 days' expenditures or 25%. This variance is primarily attributable to actual expenditures being less than originally budgeted. The debt service fund balance increased by \$382,817 from 2017 to 2018. This increase was primarily attributed to the Hotel/Motel tax collections used to service the Conference Center debt and the reimbursement from TxDOT for the Wonder World pass through toll debt being higher than the cost to service the debt. The capital projects fund balance had a net increase of \$28.4 primarily due to a new bond issue of \$33.9 million. Increases in the general fund and other governmental fund balances contributed to the net increase in fund balances of \$29.9 million.

TABLE 3  
GOVERNMENTAL TAX REVENUES

	<u>2018</u>	<u>2017</u>	<u>INCREASE (DECREASE)</u>
Property	\$ 28,727,690	\$ 22,333,203	\$ 6,394,487
Sales	34,733,037	27,364,450	7,368,587
Franchise	9,399,107	7,980,186	1,418,921
Hotel/Motel	3,720,944	3,795,566	(74,622)
Mixed Drink	<u>517,854</u>	<u>460,894</u>	<u>56,960</u>
	<u>\$ 77,098,632</u>	<u>\$ 61,934,299</u>	<u>\$ 15,164,333</u>

Other factors concerning the finances of governmental funds have already been addressed in the discussion of the City's governmental activities in the government-wide financial statements.

**Proprietary funds.** The City of San Marcos' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of Water and Wastewater Fund at the end of the year amounted to \$37.7 million, and those for the Electric Fund amounted to \$32.5 million. Other factors concerning the finances of these two funds have already been discussed in the discussion of the City of San Marcos' business-type activities in the government-wide financial statements.

### GENERAL FUND BUDGETARY HIGHLIGHTS

For FY2018, actual expenditures on a budgetary basis were \$70.5 million compared to the budget amount of \$62.9 million. The \$2.9 million positive variance was due to savings achieved through salary vacancy savings and conservative spending.

For FY2018, actual revenues on a budgetary basis were \$74.8 million as compared to the budget amount of \$63.3 million. This is primarily due to sales tax revenue collected in excess of the budget.

The City of San Marcos has a General Fund balance of \$16.2 million as of the fiscal year-end, compared to the budgeted fund balance of \$15.7 million. The variance in fund balance is primarily due to cost containment measures implemented by management and conservative budgetary practices and increased property tax revenue.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** At the end of the fiscal year 2018, the City had \$422.9 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and wastewater lines (See Table 4). For more detailed information on capital assets, please refer to the accompanying notes pages 36 – 37.

**TABLE 4**  
**CITY OF SAN MARCOS' CAPITAL ASSETS AT YEAR-END**  
**(Net of Accumulated Depreciation)**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2018	2017	2018	2017	2018	2017
Land	\$ 20,582,932	\$ 17,096,744	\$ 5,539,118	\$ 3,096,977	\$ 26,122,050	\$ 20,193,721
Buildings	25,263,024	26,016,731	2,239,327	2,356,895	27,502,351	28,373,626
Improvements Other than Buildings	73,325,060	80,033,162	74,340,747	81,204,111	147,665,807	161,237,273
Equipment	8,579,826	9,776,600	5,183,490	5,674,133	13,763,316	15,450,733
Construction in Progress	35,185,932	29,061,562	147,631,691	132,132,538	182,817,623	161,194,100
Infrastructure	24,984,719	24,367,370	-	-	24,984,719	24,367,370
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 187,921,493</b>	<b>\$ 186,352,169</b>	<b>\$ 234,934,373</b>	<b>\$ 224,464,654</b>	<b>\$ 422,855,866</b>	<b>\$ 410,816,823</b>

**Long-term Debt.** At year-end, the City had \$357.0 million in general obligation bonds, combination tax and revenue certificates of obligations capital leases, note payable, and revenue bonds outstanding as compared to \$319.4 million at the end of the prior fiscal year, an increase of 10.53%. For more detailed information on long term debt, please refer to the accompanying notes on pages 38-41.

**TABLE 5**  
**CITY OF SAN MARCOS' OUTSTANDING DEBT AT YEAR-END**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 95,105,000	\$ 78,050,000	\$ -	\$ -	\$ 95,105,000	\$ 78,050,000
Discount on Bonds	(69,550)	(77,060)	(128,959)	(140,682)	(198,509)	(217,742)
Premium on Bonds	12,288,506	9,382,478	11,693,846	9,933,795	23,982,352	19,316,273
Deferred Amounts on Refundings	(6,499,417)	(7,126,219)	(4,578,844)	(5,254,432)	(11,078,261)	(12,380,651)
Certificates of Obligations	48,710,000	41,840,000	-	-	48,710,000	41,840,000
Capital Leases	1,297,322	1,850,468	1,173,334	1,268,203	2,470,656	3,118,671
Notes Payable	-	-	4,760,000	4,850,000	4,760,000	4,850,000
Revenue Bonds	-	-	193,235,000	184,775,000	193,235,000	184,775,000
<b>TOTAL DEBT</b>	<b>\$ 150,831,861</b>	<b>\$ 123,919,667</b>	<b>\$ 206,154,377</b>	<b>\$ 195,431,884</b>	<b>\$ 356,986,238</b>	<b>\$ 319,351,551</b>

The City maintained an AA rating from Standard & Poor's Corporation since 2014 and an A1 rating from Moody's Investor Services on its tax supported debt. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of net tax-supported debt to assessed value of all taxable property is 1.7%.

The City sponsors an employee benefit plan that provides partially self-insured medical and self-insured dental coverage to employees and voluntary coverage to their participating dependents. The plan is designed to provide a specified level of coverage, with excess insurance coverage provided by specific and aggregate reinsurance. The City's maximum medical claim exposure is limited to \$150,000 in claims per covered person and a dental benefit of \$1,250 per covered person per year. Aggregate coverage based on a monthly enrollment limits the medical claims exposure. Claim liability was \$504,573 at September 30, 2018, compared to \$796,643 at September 30, 2017.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Economic projections remain strong for San Marcos and the region. San Marcos was recognized as the fastest growing city in the United States for several years in a row. Property tax appraisals are up 11 percent for Fiscal Year 2019 and the City is seeing indications of continued new growth for the future. General Fund revenue has increased 28% or 14 million over the past 5 years due to strong retail and commercial growth in the City. The strong new commercial and residential development activity, generated by new construction combined with sound financial policies, have put San Marcos in a strong financial position.

The adopted budget of \$229,369,260 is an increase of \$15.2 million or 7.1% from the adopted fiscal year 2018 budget. Increases in recurring expenses are attributable to numerous issues related to contract obligations in water and electric supply agreements, CPI adjustments to existing contracts, commitments to adopted merit increases, increased health insurance costs,

economic development agreements, and additional adopted personnel as well as debt service increases. The decrease in one-time expenses is primarily related to the reduction in the transfer in capital reserves in the utility funds.

The budget provides for additional positions to support the City's growth and City Council goals including Fire personnel, School Resource Officer and Detective, Code Enforcement Officers, Animal Shelter staffing, Fleet and Building maintenance staff, Inspectors, Planner, and administrative support. In addition to personnel, the budget provides for appropriations to the Police and Fire meet and confer agreements adopted by Council in 2016.

The property tax rate will remain at 61.39 cents per \$100 valuation for fiscal year 2019. This rate reflects the increase of 8.37 cents per \$100 valuation adopted in fiscal year 2018. This increase was the result of the bond election that voters approved in the May 2017 bond election for debt service of and operational expenses for public safety and library expansion projects. The taxable property base increased by \$485M and new improvements were \$91.3M of that total. This budget will raise \$3.0M more in total property tax revenue than last year's budget, and of that \$560K is due to new construction. The operations and maintenance tax rate will pay operations and maintenance (O&M) costs in the General Fund, producing revenues of \$19.6 million. The debt service rate is allocated to repay tax supported debt in the Debt Service Fund. The debt service revenue of \$11.5 million will be used to pay long-term debt.

Sales taxes represent 44% of total General Fund revenue projected for fiscal year 2019. Sales tax receipts are the largest single revenue source supporting general governmental services in San Marcos. Consistent retail sales have kept this revenue stream steady for the past several years. The sales tax revenue of \$35.7.0M includes a 2% increase to the base sales taxes (\$305K), 2% increase to the sales taxes attributed to the Tanger and Prime Outlet Malls (\$109K), and revenues generated by the new Best Buy Call Center located in San Marcos (\$7.7M).

A Water/Wastewater rate study has been conducted every year for the last several years including 2019. The current year rate modeling indicates a need for a 5% rate adjustment for Water and a 2% rate adjustment for Wastewater. This rate adjustment is recommended by the Citizens Utility Advisory Board (CUAB) and is consistent with the anticipated small steady increase in rate to support efforts to secure future water supplies through the year 2060 as a member of Alliance Regional Water Authority (ARWA). Revenues are budgeted based on system and customer anticipated growth and historical trends.

The annual rate study conducted for the Electric Utility does not indicate a need for any rate adjustment so no rate adjustment is recommended by the Citizens Utility Advisory Board (CUAB) for the electric rates. Revenues are budgeted based on system and customer anticipated growth and historical trends.

The FY2018-19 adopted budget with a healthy fund balance represents sound fiscal management and measures our capacity to sustain current and future operations. Overall, the budget will bring our fund balances to a total of \$52.2 million, or 22.8% of total expenses. The budget continues our commitment of maintaining appropriate fund balances while meeting City Council priorities.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the City of San Marcos, 630 East Hopkins, San Marcos, Texas 78666.

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## **BASIC FINANCIAL STATEMENTS**

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CITY OF SAN MARCOS, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,546,503	\$ 10,061,501	\$ 14,608,004
Investments	83,319,311	153,248,786	236,568,097
Receivables - Net of Allowances for Uncollectibles			
Taxes	957,986	-	957,986
Accounts	10,168,321	16,714,145	26,882,466
Due from Other Governments	858,513	-	858,513
Internal Balances	(1,000,261)	1,000,261	-
Inventories	433,138	2,959,743	3,392,881
Prepaid Items	47,107	9,176	56,283
Capital Assets			
Land	20,582,932	5,539,118	26,122,050
Construction in Progress	35,185,932	147,631,691	182,817,623
Buildings	36,622,325	5,897,675	42,520,000
Improvements Other than Buildings	154,500,460	210,861,880	365,362,340
Equipment	35,929,292	14,870,051	50,799,343
Infrastructure	42,716,358	-	42,716,358
Less: Accumulated Depreciation	(137,615,806)	(149,866,042)	(287,481,848)
Total Assets	<u>287,252,111</u>	<u>418,927,985</u>	<u>706,180,096</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pension	5,508,299	1,209,140	6,717,439
Deferred Outflows Related to Death Benefits	136,550	29,974	166,524
Deferred Outflows Related to Health Benefits	514,119	112,852	626,971
Deferred Charge on Bond Refunding	6,499,417	4,578,844	11,078,261
Total Deferred Outflows of Resources	<u>12,658,385</u>	<u>5,930,810</u>	<u>18,589,195</u>
<u>LIABILITIES</u>			
Accounts Payable	5,466,742	6,179,797	11,646,539
Accrued Liabilities	2,401,189	532,728	2,933,917
Unearned Revenues	3,165,348	-	3,165,348
Customer Deposits	-	4,755,769	4,755,769
Accrued Interest Payable	787,120	1,232,403	2,019,523
Noncurrent Liabilities			
Due Within One Year	11,382,806	13,610,646	24,993,452
Due in More than One Year	151,688,211	197,620,191	349,308,402
Net Pension Liability	26,180,758	5,746,997	31,927,755
OPEB Liability Related to Death Benefits	1,269,708	278,716	1,548,424
OPEB Liability Related to Health Benefits	3,088,038	677,862	3,765,900
Total Liabilities	<u>205,429,920</u>	<u>230,635,109</u>	<u>436,065,029</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pension	4,383,154	962,155	5,345,309
<u>NET POSITION</u>			
Net Investment in Capital Assets	89,842,218	113,115,001	202,957,219
Restricted for:			
Community Services	3,757,547	-	3,757,547
Other Capital Projects	2,654,196	-	2,654,196
Public Safety	558,140	-	558,140
Debt Service	9,079,839	-	9,079,839
Park and Cemetery Trust	1,084,563	-	1,084,563
Energy Incentive Programs	-	221,981	221,981
Unrestricted (deficit)	(16,879,081)	79,924,549	63,045,468
Total Net Position	<u>\$ 90,097,422</u>	<u>\$ 193,261,531</u>	<u>\$ 283,358,953</u>

CITY OF SAN MARCOS, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<u>Primary Government</u>				
Governmental Activities				
General Government	\$ 39,538,297	\$ 16,110,526	\$ 546,205	\$ 2,258,061
Public Safety	33,731,134	1,510,540	666,838	462,204
Community Service	19,874,494	1,727,826	4,025,170	236,303
Interest and Other Fees	<u>5,338,567</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>98,482,492</u>	<u>19,348,892</u>	<u>5,238,213</u>	<u>2,956,568</u>
Business-Type Activities				
Electric	54,804,049	60,332,737	-	981,779
Water and Wastewater	38,337,335	46,329,180	-	-
Airport	684,607	572,192	-	-
Drainage	4,066,821	4,990,291	-	-
Transit	584,269	-	-	-
Resource Recovery	<u>3,994,357</u>	<u>4,234,914</u>	<u>-</u>	<u>-</u>
Total Business- Type Activities	<u>102,471,438</u>	<u>116,459,314</u>	<u>-</u>	<u>981,779</u>
TOTAL GOVERNMENT	<u>\$ 200,953,930</u>	<u>\$ 135,808,206</u>	<u>\$ 5,238,213</u>	<u>\$ 3,938,347</u>

General Revenues

Taxes:

Property Taxes  
Sales Taxes  
Franchise Taxes  
Hotel/Motel Taxes  
Other Taxes  
Investment Earnings  
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION - BEGINNING

RESTATEMENT OF BEGINNING NET POSITION

NET POSITION AT BEGINNING OF YEAR - AS RESTATED

NET POSITION - ENDING

NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT

<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-</u> <u>TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
\$ (20,623,505)	\$ -	\$ (20,623,505)
(31,091,552)	-	(31,091,552)
(13,885,195)	-	(13,885,195)
<u>(5,338,567)</u>	<u>-</u>	<u>(5,338,567)</u>
<u>(70,938,819)</u>	<u>-</u>	<u>(70,938,819)</u>
-	6,510,467	6,510,467
-	7,991,845	7,991,845
-	(112,415)	(112,415)
-	923,470	923,470
-	(584,269)	(584,269)
<u>-</u>	<u>240,557</u>	<u>240,557</u>
<u>-</u>	<u>14,969,655</u>	<u>14,969,655</u>
<u>(70,938,819)</u>	<u>14,969,655</u>	<u>(55,969,164)</u>
28,724,211	-	28,724,211
34,733,037	-	34,733,037
9,399,107	-	9,399,107
3,720,944	-	3,720,944
517,854	-	517,854
1,018,563	1,989,509	3,008,072
294,328	-	294,328
<u>(592,144)</u>	<u>592,144</u>	<u>-</u>
<u>77,815,900</u>	<u>2,581,653</u>	<u>80,397,553</u>
<u>6,877,081</u>	<u>17,551,308</u>	<u>24,428,389</u>
<u>85,628,292</u>	<u>176,244,468</u>	<u>261,872,760</u>
<u>(2,407,951)</u>	<u>(534,245)</u>	<u>(2,942,196)</u>
<u>83,220,341</u>	<u>175,710,223</u>	<u>258,930,564</u>
<u>\$ 90,097,422</u>	<u>\$ 193,261,531</u>	<u>\$ 283,358,953</u>

**CITY OF SAN MARCOS, TEXAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2018**

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ -	\$ 386,468	\$ -	\$ 3,327,009	\$ 3,713,477
Investments	24,104,443	40,645,149	16,031,374	1,050,382	81,831,348
Receivables - Net of Allowances for Uncollectibles					
Taxes, Net	310,052	-	298,836	349,098	957,986
Accounts	3,741,282	3,201,117	1,703,958	1,521,964	10,168,321
Due from Other Funds	-	13,518,206	-	1,256,144	14,774,350
Due from Other Governments	-	-	-	858,513	858,513
Inventories	433,138	-	-	-	433,138
Prepays	29,983	-	-	17,124	47,107
<b>TOTAL ASSETS</b>	<b>\$ 28,618,898</b>	<b>\$ 57,750,940</b>	<b>\$ 18,034,168</b>	<b>\$ 8,380,234</b>	<b>\$ 112,784,240</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,756,713	\$ 1,343,896	\$ -	\$ 1,207,675	\$ 5,308,284
Accrued Liabilities	1,858,059	-	-	36,426	1,894,485
Unearned Revenue	2,698,640	-	-	466,708	3,165,348
Customer Deposits	-	-	-	2,131	2,131
Due to Other Funds	4,849,664	1,000,261	8,668,542	1,256,144	15,774,611
<b>Total Liabilities</b>	<b>12,163,076</b>	<b>2,344,157</b>	<b>8,668,542</b>	<b>2,969,084</b>	<b>26,144,859</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	292,133	-	285,787	-	577,920
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	433,138	-	-	-	433,138
Prepays	29,983	-	-	10,900	40,883
Endowment	-	-	-	1,084,563	1,084,563
Restricted for:					
Court Technology	-	-	-	178,585	178,585
Seized Assets	-	-	-	193,671	193,671
Court Security	-	-	-	134,511	134,511
Juvenile Case Manager	-	-	-	51,373	51,373
Community Services	-	-	-	3,757,547	3,757,547
Capital Projects	-	55,406,783	-	-	55,406,783
Debt Service	-	-	9,079,839	-	9,079,839
Unassigned	15,700,568	-	-	-	15,700,568
<b>Total Fund Balances</b>	<b>16,163,689</b>	<b>55,406,783</b>	<b>9,079,839</b>	<b>5,411,150</b>	<b>86,061,461</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 28,618,898</b>	<b>\$ 57,750,940</b>	<b>\$ 18,034,168</b>	<b>\$ 8,380,234</b>	<b>\$ 112,784,240</b>

CITY OF SAN MARCOS, TEXAS  
RECONCILIATION OF BALANCE SHEET -  
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 86,061,461

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position. 187,921,493

Certain other long-term assets related to unavailable property taxes are not available to pay for current period expenditures and, therefore are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position. 577,920

The assets and liabilities of the internal service fund are not included in the fund financial statement, but are included in the governmental activities of the statement of net position. 1,657,958

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (186,121,410)

NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION \$ 90,097,422



CITY OF SAN MARCOS, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>					
Taxes	\$ 61,134,745	\$ -	\$ 11,702,730	\$ 4,261,157	\$ 77,098,632
Licenses and Permits	3,338,087	-	-	-	3,338,087
Fees and Penalties	1,289,319	-	-	133,014	1,422,333
Charges for Services	7,042,721	-	-	227,453	7,270,174
Intergovernmental	533,934	462,204	3,266,265	5,153,213	9,415,616
Interest on Investments	438,949	338,414	228,458	12,742	1,018,563
Contributions and Donations	85,000	-	-	-	85,000
Miscellaneous	<u>960,793</u>	<u>2,138,220</u>	<u>98,805</u>	<u>135,831</u>	<u>3,333,649</u>
Total Revenues	<u>74,823,548</u>	<u>2,938,838</u>	<u>15,296,258</u>	<u>9,923,410</u>	<u>102,982,054</u>
<u>EXPENDITURES</u>					
Current					
General Government	26,238,963	1,477,210	-	2,465,314	30,181,487
Public Safety	32,247,436	-	-	493,234	32,740,670
Community Service	12,093,803	-	-	6,436,430	18,530,233
Capital Outlay	(43,094)	13,080,328	-	351,389	13,388,623
Debt Service					
Principal	-	-	9,985,000	-	9,985,000
Interest and Fiscal Charges	-	-	5,038,778	-	5,038,778
Bond Issuance Cost	<u>-</u>	<u>421,832</u>	<u>-</u>	<u>-</u>	<u>421,832</u>
Total Expenditures	<u>70,537,108</u>	<u>14,979,370</u>	<u>15,023,778</u>	<u>9,746,367</u>	<u>110,286,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,286,440</u>	<u>(12,040,532)</u>	<u>272,480</u>	<u>177,043</u>	<u>(7,304,569)</u>
<u>OTHER FINANCING SOURCES</u>					
Transfers In	44,856	2,733,000	2,417,105	2,450,249	7,645,210
Transfers Out	(4,061,405)	-	(2,306,768)	(1,869,181)	(8,237,354)
Insurance Recoveries	-	7,113	-	-	7,113
Capital Leases	-	-	-	-	-
Issuance of Debt	-	33,910,000	-	-	33,910,000
Premium on Debt Issued	<u>-</u>	<u>3,847,332</u>	<u>-</u>	<u>-</u>	<u>3,847,332</u>
Total Other Financing Sources	<u>(4,016,549)</u>	<u>40,497,445</u>	<u>110,337</u>	<u>581,068</u>	<u>37,172,301</u>
Net Change in Fund Balances	269,891	28,456,913	382,817	758,111	29,867,732
<u>FUND BALANCES - BEGINNING</u>	<u>15,893,798</u>	<u>26,949,870</u>	<u>8,697,022</u>	<u>4,653,039</u>	<u>56,193,729</u>
FUND BALANCES - ENDING	<u>\$ 16,163,689</u>	<u>\$ 55,406,783</u>	<u>\$ 9,079,839</u>	<u>\$ 5,411,150</u>	<u>\$ 86,061,461</u>