

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

May 19, 2009

LaDonna Castañuela, Chief Clerk  
Texas Commission on Environmental Quality  
Attention: Docket Clerk, MC 105  
P. O. Box 13087  
Austin, Texas 78711-3087

TEXAS  
COMMISSION  
ON ENVIRONMENTAL  
QUALITY  
2009 MAY 19 AM 11:33  
CHIEF CLERKS OFFICE

RE: TCEQ Docket No. 2009-0213-UCR; Consideration of a request for approval of an agreement designating service areas between the City of Bryan and OSR Water Supply Corporation pursuant to Texas Water Code Section 13.248, and approval of an agreement between the parties on areas applied for but previously uncertified.

Dear Ms. Castañuela:

Transmitted herewith for filing with the Texas Commission on Environmental Quality (Commission) are the following items to be filed as backup material for the June 3, 2009, agenda on a request for an order approving a contract designating service areas between the City of Bryan (Bryan) and OSR Water Supply Corporation (OSR) and approving an agreement for areas applied for by Bryan and OSR (but previous uncertified).

1. Proposed Order;
2. Agenda Executive Summary;
3. Request for a Commission order approving a Texas Water Code § 13.248 agreement and approving a settlement agreement for areas applied for (but not previously certified) filed by Bryan on July 6, 2007;
4. Texas Water Code § 13.248 agreement between Bryan and OSR; and
5. Map of the area covered by the agreement.

Sincerely,

A handwritten signature in black ink that reads "Brian MacLeod".

Brian MacLeod  
Staff Attorney  
Environmental Law Division, MC 173

Cc: Mailing List

**Mailing List**  
**Brushy Water Supply Corporation**  
**TCEQ Docket No. 2009-0213-UCR**

**FOR CITY OF BRYAN:**

Jim Mathews, Attorney  
Matthews & Freeland  
Attorney's at Law  
P.O. Box 1568  
Austin, Texas 78768-1568  
Tel: (512) 404-7800  
Fax: (512) 703-2785

**FOR THE CHIEF CLERK:**

LaDonna Castañuela, Chief Clerk  
Texas Commission on Environmental Quality  
Office of the Chief Clerk, MC 105  
P. O. Box 13087  
Austin, Texas 78711-3087  
Tel.: (512) 239-3300  
Fax: (512) 239-3311

**FOR OSR:**

Robert Renbarger, Attorney  
Fritz, Byrne, Head & Harrison, L.L.P.  
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Austin, Texas 78701  
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**FOR THE EXECUTIVE DIRECTOR:**

Brian MacLeod, Staff Attorney  
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Environmental Law Division, MC 173  
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**FOR THE PUBLIC INTEREST COUNSEL:**

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Texas Commission on Environmental Quality  
Office of the Public Interest Counsel, MC 103  
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Austin, Texas 78711-3087  
Tel.: (512) 239-6363  
Fax: (512) 239-6377

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**AN ORDER** approving an agreement designating service areas between the City of Bryan and OSR Water Supply Corporation pursuant to Texas Water Code Section 13.248, and approval of an agreement between the parties on areas applied for but previously uncertified; TCEQ Docket No. 2009-0213-UCR.

A request for a Commission Order approving a contract designating service areas between the City of Bryan (Bryan), Certificate of Convenience and Necessity (CCN) No. 10187, and OSR Water Supply Corporation (OSR), CCN No. 11896, in Brazos County, Texas, was presented to the Texas Commission on Environmental Quality (Commission) for approval pursuant to section 13.248 of the Texas Water Code and title 30, section 291.117 of the Texas Administrative Code. Bryan and OSR also requested approval of their agreement on areas applied for (but not previously certified) in Brazos and Robertson Counties, Texas, pursuant to section 13.246 of the Texas Water Code and title 30, section 291.102 of the Texas Administrative Code.

Bryan and OSR entered into an agreement dated August 14, 2006, under which the parties agreed to transfer service areas and facilities and also agreed to certification of areas previously uncertified. On June 5, 2007, OSR and Bryan moved to remand their competing applications to the Executive Director. This order approves the agreement of the parties to transfer service areas and approves the agreement of the parties regarding areas applied for but previously uncertified. The agreement is attached to this order. However, this order does not address the portion of the agreement transferring facilities.

Contracts between retail public utilities that designate areas to be served and customers to be served by those retail public utilities, when approved by the Commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity. TEXAS WATER CODE § 13.248. The commission may grant applications and issue certificates and amendments to certificates if the commission finds that a certificate or amendment is necessary for the service, accommodation, convenience, or safety of the public. TEXAS WATER CODE § 13.246(b).

Bryan and OSR have reviewed the CCN map attached to this Order and have approved it.

The Executive Director of the Commission mailed notice of the hearing date on which the Commission was to consider the request to Bryan, and OSR.

The Commission held a hearing on the request at its June 3, 2009, Agenda meeting and found the request had merit.

Both Bryan and OSR have the financial, managerial, and technical capability to render continuous and adequate water service to every customer in the area granted to the respective applicants covered by the agreement. The transfer of service areas outlined in the agreement and the granting of areas applied for but not previously certified to the respective applicants, is necessary for the service, accommodation, convenience, or safety of the public.

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

1. The agreement addressing the transfer of a portion of OSR's CCN No. 11896 and designating that retail water service shall be provided by Bryan, CCN No. 10187, in that area is hereby approved.

2. The agreement of the parties regarding areas applied for by Bryan (Application No. 33505-C) and by OSR (Application No. 33839-C), but not previously certified is approved.
3. CCN No. 11896, held by the Bryan, in Brazos County, and CCN No. 10187, held by OSR, in Brazos and Robertson Counties, are hereby amended in accordance with the agreement and the map attached to this order. Bryan will obtain approximately 959.5 acres of territory previously certified to OSR. Bryan's CCN will be amended to include approximately 13,847 acres of land in Brazos County, and OSR's CCN will be amended to include approximately 100,843 acres of land in Brazos and Robertson Counties.
4. The Executive Director is directed to redraw the Bryan's CCN No. 11896 and OSR's CCN No. 10187 as provided in the agreement and as set forth on the map attached to this Order and to amend the Commission's official water service area map for Brazos and Robertson Counties, Texas.
5. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order and the attached map to the parties.
6. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date:

TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

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For the Commission

# Texas Commission on Environmental Quality

## INTEROFFICE MEMORANDUM

**TO:** Texas Commission on Environmental Quality      **DATE:** May 18, 2009  
**THRU:** LaDonna Castañuela, Chief Clerk  
**FROM:** Brian MacLeod, Environmental Law Division  
**SUBJECT:** **TCEQ Docket No. 2009-0213-UCR.** Consideration of a request for a Commission Order approving a contract designating existing service areas between the City of Bryan and OSR Water Supply Corporation, and a request for approval of new service areas pursuant to a settlement of competing CCN amendment applications.

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### DESCRIPTION OF APPLICATION

Applicants: City of Bryan / OSR Water Supply Corporation

Regulated Activity: Retail water utility service

Type of Applications: Request for a Commission Order approving a contract designating existing service areas and request for approval of new service areas pursuant to pending CCN applications.

Commission Action: Hearing regarding approval of the contract designating existing service areas and approval of new service areas pursuant to pending CCN amendment applications.

Authority: Texas Water Code §§ 13.246 and 13.248 and 30 Texas Administrative Code §§ 291.102 and 291.117.

### FACTUAL AND PROCEDURAL BACKGROUND

Bryan filed an application for an amendment to CCN No. 10187, seeking certification of previously uncertified areas within Brazos County (Application No. 33505-C). Contemporaneously, OSR filed an application for an amendment to CCN No. 11896, seeking certification of previously uncertified areas within Brazos and Robertson Counties (Application No. 33839-C). As the uncertified areas sought in these applications overlapped, both parties protested each other's amendment applications. These applications were referred to SOAH for a contested case hearing in SOAH Docket No. 582-03-1248 (TCEQ Docket No. 2002-1147-UCR). Proper notice was provided for these applications and the contested case hearing at SOAH. At SOAH, the competing applications were consolidated for purposes of the contested case hearing. Initially, D & S Water Service was a party protestant to both applications but resolved its differences with both OSR and Bryan and dropped its opposition to their amendment

applications. After a considerable period of administrative litigation and private negotiations, the parties reached a settlement agreement. Under the terms of the agreement, OSR agreed to transfer certain portions of its existing CCN service area, customers, and infrastructure to Bryan. OSR and Bryan further agreed to apportion the service areas sought in their competing CCN amendment applications within Brazos County. Bryan further agreed to not oppose OSR's request for additional service areas in Robertson County. The parties then requested these matters be remanded to the TCEQ as uncontested.

Upon remand, the ED determined that the portion of the settlement involving the agreement for OSR to transfer (and Bryan to serve) a portion of OSR's certified area required the filing of an application under § 13.248 of the Water Code. Bryan did so and that portion of the overall settlement is now identified as Application No. 35715-C. The ED further determined that the portion of the settlement that involved the sale and transfer of certain of OSR's facilities and infrastructure in the transferred area required a Sale, Transfer, or Merger (STM) application pursuant to § 13.301 of the Water Code. The parties filed an STM application to implement that portion of the overall settlement. The STM application is identified as Application No. 35450-S and has been approved by the ED. Although the CCN amendment applications are now uncontested matters, the approval of the agreed service areas in Brazos and Robertson Counties covered in the competing CCN amendment applications is included in this docket as such approval is an integral part of the comprehensive settlement between Bryan and OSR. The ED has prepared a map and an order depicting the transferred areas and the newly-certified areas should the Commission grant this request and approve these interrelated transactions.

The Commission is being asked to: (1) approve the parties' agreement (i.e., contract) transferring a portion of OSR's existing CCN to Bryan's CCN (the 13.248 agreement); and (2) to further approve the parties' agreement as to newly-certified areas in Brazos and Robertson Counties which were the subject of the settled contested case hearing. The actual transfer of the facilities necessary to serve the transferred portion of OSR's existing CCN is an ED-approved transaction subject to closing upon the Commission's approval of the foregoing 13.248 and CCN amendment components of the settlement. As it has already been approved by the ED, it will not require further Commission action.

#### LEGAL AUTHORITY

The Texas Water Code and TCEQ rules allow retail public utilities to enter into service area agreements and have the Commission affirm the agreements by amending the entities' respective CCNs.<sup>1</sup>

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<sup>1</sup> TEX. WATER CODE ANN. § 13.248 (Vernon 2000); 30 TEX. ADMIN. CODE § 291.117 (West 2008). Section 13.248 states, "Contracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity."

The request to approve a 13.248 agreement is not subject to the notice provisions of title 30, section 291.106 of the Texas Administrative Code, which apply to applications for new and amended CCNs. The Commission may approve the service area agreement pursuant to section 13.248 of the Texas Water Code with appropriate notice provided under the Open Meetings Act. The Chief Clerk will post notice of the hearing upon the setting of an Agenda date.

The request to approve the agreement regarding amending the parties respective CCNs for areas not previously certified can be brought under Texas Water Code § 13.246 and Texas Administrative Code § 291.102. These sections allow the Commission to approve of a CCN amendment if necessary for the service, accommodation, convenience or safety, of the public after consideration of several factors and if the Applicant has sufficient financial, managerial, and technical capability to provide continuous and adequate service.

#### BASIS FOR STAFF RECOMMENDATION

The following items were considered in developing the staff's recommendation:

1. Request for a Commission Order approving the 13.248 agreement filed by Bryan on June 5, 2007 (Application No. 35715-C);
2. Agreement between OSR and Bryan (resolving CCN amendment Application Nos. 33505-C and 33839-C);
3. Map of the service areas reflecting both the 13.248 agreement area and the new service areas included in the respective CCN amendment applications (map approved by Bryan and OSR in January 2009); and
4. Financial, managerial, and technical analyses of Bryan and OSR to operate in the affected areas.

#### STAFF RECOMMENDATION

Staff has confirmed that both parties are retail public utilities with active water CCNs and that the area the parties are seeking to transfer is either certificated to both parties or abuts the CCN of the entity receiving the CCN. The staff has also confirmed that the areas previously uncertified were applied for in the applications of Bryan and OSR. The facilities to be transferred will not be transferred in this docket. Bryan already serves approximately 20,000 water connections and is ranked superior. OSR already serves approximately 929 water connections and is ranked superior. Therefore, based on the facts stated in the application and the supporting documentation submitted by OSR and Bryan, staff supports the request for a Commission Order approving a contract designating service areas between OSR and the City and approving the agreed service areas for those uncertified areas covered in their competing CCN applications.

STAFF CONTACTS

Brian MacLeod, Environmental Law Division (239-0750)  
Kamal Adhikari, Water Supply Division (239-0680)



City of Bryan and O S R Water Supply Corporation  
Financial and Managerial Capability Analysis of Contract Service Agreement  
Page 2

investments was \$3.4 mil. and \$3.3 mil. respectively, and restricted cash and investments was \$8.1 mil. and \$7.3mil. Water and wastewater net income before contributions and transfers was \$2.5 mil. and \$1.7 mil., and total cash available for debt service was \$5.2 mil. and \$5.2 mil. Required debt service is not broken down further than "Business-type Activities" and electric fund obligations are included in that, but even at that, the total is still just \$8.1 mil., exceed substantially by cash flow just from the water and wastewater funds. Projections were not provided or required.

In my opinion, this applicant has demonstrated adequate financial and managerial capability to provide service to the requested areas. These conclusions are based on information provided by the applicant prior to this date and may not reflect any changes in the applicant's status subsequent to this date.

# MATHEWS & FREELAND, L.L.P.

ATTORNEYS AT LAW

JIM MATHEWS  
JOE FREELAND

P.O. Box 1568  
AUSTIN, TEXAS 78768-1568

(512) 404-7800  
FAX: (512) 703-2785

July 26, 2007

Karen Blaschke  
Utilities & Districts Section  
Texas Commission on Environmental Quality  
PO Box 13087  
Austin, TX 78711-3087

Re: Texas Water Code §13.248 Agreement Between the City of Bryan and OSR  
Water Supply Corporation; Application No. 35715-C; (1219.00; 11.7)

Dear Ms. Blaschke:

Enclosed, please find the following information requested by your letter dated  
June 20, 2007:

1. A copy of the City of Bryan's check no. 375390 in the amount of \$100.00 that has been forwarded to TCEQ's revenue section to cover the application fee described in your letter.
- 2.a. A May 2, 2006 general location map delineating the proposed service area with enough detail to locate the proposed area within the county.
- 2.b(2) A CD containing projectable digital data with metadata showing the proposed area.
3. The City of Bryan's Comprehensive Annual Financial Report for the fiscal year ended September 30, 2006.

City staff is working to provide the written descriptions of the requested area requested in 2.c of your letter. I will forward you a copy of this as soon as it becomes available.

This proposed §13.248 agreement will implement a settlement between the City of Bryan and OSR Water Supply Corporation of pending CCN amendment applications. These applications were subject to public notice and, following the filing protests, were referred to the State Office of Administrative Hearings, which issued its notice of hearing and took jurisdiction of these cases. All protestants other than the City of Bryan and OSR have withdrawn their protests. Bryan and OSR have resolved all outstanding issues

through the execution of a settlement agreement including this §13.248 Agreement. Bryan and OSR's applications have been remanded to the Executive Director in order to allow this Texas Water Code §13.248 Agreement to be presented to the Commission for approval.

Prior to remand of this matter, counsel for Bryan and OSR met with Tammy Holguin-Benter and Brian MacLeod to discuss the procedural background of this case and the information that would be required for the Commission to consider the §13.248 Agreement. Because this Agreement resolves pending CCN amendment applications that have already been noticed, Ms. Benter advised us that no new applications or notice would be required.

Please let me know if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Mathews", with a long horizontal flourish extending to the right.

Jim Mathews

JM/ndh  
Enclosures (4)

cc: Jayson Barfknecht (*w/o enclosures*)  
Bob Renbarger (*w/o enclosures*)

City of Bryan  
 CENTRAL DISBURSEMENT  
 P.O. Box 1000  
 Bryan, Texas 77805

VENDOR NAME	CHECK NO.	DATE	TOTAL
TEXAS COMMISSION ON ENVIRONMENTAL	375390	Jul-03-2007	\$100.00

VOUCHER NO.	AMOUNT	VENDOR INV	DESCRIPTION	DATE
006464	100.00	APPL-35715-C	CN:600373310	06/20/07

FOR INQUIRIES CALL (979) 209-5080

FOR SECURITY PURPOSES, THE FACE OF THIS DOCUMENT CONTAINS A TWO TONED COLORED BACKGROUND AND MICROPRINTING IN THE BORDER



City of Bryan  
 CENTRAL DISBURSEMENT  
 P.O. Box 1000  
 Bryan, Texas 77805

FIRST NATIONAL BANK  
 P.O. Box 833  
 Bryan, Texas 77805

Check No. 375390

DATE	AMOUNT
Jul-03-2007	\$100.00

VOID AFTER 90 DAYS

**\$100dols00cts**

ONE HUNDRED AND 00/100 DOLLARS

TO THE ORDER OF

TEXAS COMMISSION ON ENVIRONMENTAL  
 QUALITY MC 214  
 P.O. BOX 13088  
 AUSTIN TX 78711-3088

By *[Signature]*  
 AUTHORIZED SIGNATURE

⑈ 375390⑈ ⑈ 1113102303⑈ ⑈ 88156230⑈

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT ANGLE TO VIEW

**AGREEMENT DESIGNATING AREAS AND  
CUSTOMERS TO RECEIVE RETAIL WATER UTILITY SERVICE AND SALE OF  
WATER UTILITY PROPERTY**

This Agreement Designating Areas and Customers to Receive Retail Water Utility Service and Sale of Water Utility Property ("Agreement") is by and between OSR WATER SUPPLY CORPORATION ("OSR") and the CITY OF BRYAN, TEXAS ("City") (hereinafter, OSR and City to be collectively referred to as "Parties"):

WHEREAS, OSR is a non-profit water supply corporation operating pursuant to the provisions of Chapter 67, Texas Water Code, and is a retail public utility providing retail water utility service as defined by § 13.002, Texas Water Code under the authority of, and within the area described under Texas Commission on Environmental Quality ("TCEQ") Certificate of Convenience and Necessity ("CCN") No. 11896 in Brazos and Robertson Counties, Texas; and

WHEREAS, City is a home rule municipality under Article XI, § 5 of the Texas Constitution and is a retail public utility providing retail water utility service as defined by § 13.002, Texas Water Code under the authority of, and within the area described under TCEQ CCN No. 10187 in Brazos County, Texas; and

WHEREAS, City has applied for amendment to its CCN No. 10187 which application has been contested by OSR and is the subject of State Office of Administrative Hearings ("SOAH") Docket No. 582-03-1248 and TCEQ Docket No. 2002-1147-UCR; and

WHEREAS, OSR has applied to the TCEQ for amendment to its CCN No. 11896 which application has been contested by City and is the subject of SOAH Docket No. 582-03-1248 and TCEQ Docket No. 2002-1147-UCR; and

**RECEIVED**  
JUN 05 2007  
TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

WHEREAS, the applications of City and OSR involve requests for amendments to their respective CCNs seeking, in part, retail water utility service rights to the same retail water service area; and

WHEREAS, § 13.248, Texas Water Code and 30 Texas Administrative Code ("T.A.C.") § 291.117 provide that contracts between retail public utilities such as OSR and City may designate areas to be served and customers to be served and that such designations will be valid and enforceable and will be incorporated into their respective CCNs when approved by the TCEQ; and

WHEREAS, OSR and City agree that this Agreement is a contract designating areas and customers to be served by OSR and City respectively; and

WHEREAS, OSR and City have, subject to approval by the TCEQ, through good faith negotiations, resolved issues concerning the boundaries of their respective CCNs in areas of potential overlap and areas that will be transferred from OSR to the City, and have entered into this Agreement to designate the areas to be served with retail water service by each Party pursuant to Texas Water Code § 13.248 and 30 T.A.C. § 29.117; and

WHEREAS, OSR and the City have, subject to approval by the TCEQ, through good faith negotiations, agreed that OSR will sell portions of its water system property to the City; and

WHEREAS, pursuant to Tex. Water Code §13.301 a water supply corporation must file a written application with TCEQ 120 days before the effective date of the sale of a water system; and

WHEREAS, OSR and the City agree and stipulate that this Agreement, upon approval by the TCEQ, will resolve all contests by OSR to the City's application for amendment to City's CCN No. 10187, and by the City to OSR's application for amendment to OSR's CCN No. 11896.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, including the recitals set forth hereinabove, the Parties agree as follows:

**1. Designation of Areas and Customers to Receive Retail Water Utility Service.**

a. The Parties agree that the service area maps attached hereto as Exhibits 1 through 3 and incorporated herein as if fully set forth identify the areas that the Parties agree should be certificated to each other. As indicated on Exhibit 1, OSR's current CCN service areas depicted in red cross-hatched shall be transferred to the City. Areas not previously certificated to any retail public utility appearing as yellow on Exhibit 1 will be exclusively certificated to the City. Areas not previously certificated to any retail public utility appearing as gold cross-hatched on Exhibit 1 will be exclusively certificated to OSR. Without limiting any other area to be certificated to the City as depicted on the attached map, the Parties agree that the City shall be certificated to the area located within 500 feet from the current right-of-way of Highway 21 from the City's corporate limits to the boundary of the City's extraterritorial jurisdiction (ETJ) located approximately where the Little Brazos River intersects with Highway 21. The City agrees to withdraw the area appearing as tan on Exhibit 1 (which extends 500 feet on both sides of the current right-of-way of Highway 21 beyond the City's ETJ to the Br County line) from the area requested in its CCN application. OSR agrees that it will supply potable water to the City to provide potential customers within the area appearing in tan on Exhibit 1, pursuant to the terms of the Water Supply Agreement as if this area was certificated to the City. The City shall have the right of first refusal to offer water utility service to potential customers within this area with such right to be exercised within sixty (60) days following a final determination of whether OSR has Adequate Capacity under the Water Supply Agreement. If the City declines to provide service, OSR may elect to provide water utility service to the potential

customer. Provided, however, OSR shall not seek to add any part of the Highway 21 corridor to its certificated service area.

b. The City is not seeking certification to, nor does it contest that portion of OSR's application to amend its CCN to include, service areas in Robertson County, Texas.

c. The certificated service areas as depicted on Exhibits 1 through 3 shall become effective thirty days after TCEQ's entry of an order approving this Agreement.

d. Should there be any future disputes over the areas designated for the respective Parties' service areas or if questions arise as to the designated service areas or interpretation of the Parties' agreement regarding same, the maps appended hereto shall be deemed conclusive and control over any other interpretations.

**2. Sale of Portions of OSR's Water System Property to the City.**

OSR agrees to convey portions of its water system property to the City as set forth below.

a. **Initially Conveyed Lines and Infrastructure.** Except as set forth in paragraph 2.d. below, OSR's transmission lines, infrastructure, and easements beginning at the existing interconnection near the intersection of Independence Avenue and Highway 2818 and proceeding north and then west to OSR's pump station and then continuing from OSR's pump station in a northwesterly direction to Highway 21 and proceeding in a westerly direction along Highway 21 to the intersection of Highway 21 and Pleasant Hill Road shall be conveyed to the City within 30 days following TCEQ's entry of its order approving this Agreement and concurrent with receipt of the compensation due and owing from the City. Such conveyance shall be by deed, bill of sale, or assignment as appropriate. An inventory of the transmission lines, infrastructure and easements to be conveyed is attached hereto as Exhibit 4 and incorporated herein as if fully set forth.

b. **Temporarily Retained Lines and Infrastructure.** OSR shall temporarily retain ownership and maintenance responsibilities for the service lines up to the meters, infrastructure and easements (save and except the individual customer meters) for those lines south of Highway 21 along Wherman Lane, Highway 47, Goodson Bend Road, and Silver Hill Road. At such time in the future that the City notifies OSR that it possesses the ability to connect these lines and infrastructure to the City's water supply system or provides water utility service via its own lines, OSR shall convey these lines, infrastructure and easements to the City at no additional cost. Such conveyance shall be by deed, bill of sale, or assignment as appropriate. At such time as the City connects these lines to its system or provides water utility service via its own lines, OSR shall have no further responsibility to maintain these transferred lines.

c. **Customer Service Meters.** OSR's customer service meters within the area where OSR's certificated service area is transferred to City as indicated on Exhibit 1 shall be conveyed to the City within 30 days following TCEQ's entry of its order approving this Agreement. Such conveyance shall be by bill of sale. An inventory of the customers and service meters to be conveyed is attached hereto as Exhibit 5 and incorporated herein as if fully set forth.

d. **Pump Station excluded from Initial Conveyance.** The OSR pump station within the City's corporate limits near the intersection of Highway 21 and Highway 2818 shall remain the property of OSR and may, at OSR's discretion and expense, be utilized as an emergency pump station to provide water at the Bryan/OSR interconnection subject to requirements of TCEQ. This interconnection and the meter for it shall be relocated at no cost to OSR to the northeast corner of the intersection of Highway 21 and Pleasant Hill Road in such a manner that OSR's system remains completely looped and that the interconnection may be utilized, subject to the City's agreement and

approval on a case by case basis, as an emergency source of the City's water supply in the future. The City shall bear the cost of this relocation and any incidental cost for valves and/or ancillary equipment necessary to meet TCEQ requirements for this interconnection. The City shall further bear the costs to maintain and provide such transmission line between the existing master meter at Bryan/OSR interconnection near the OSR pump station and the relocated master meter at the Bryan/OSR interconnection for conveyance of any water to be delivered at such interconnection. The City's responsibility for maintenance of this line ends at this relocated master meter.

**e. Application for Sale of Portions of OSR's Water System Property to the City.** Ten days following execution of this Agreement by the Parties, the City, with the cooperation and assistance of OSR, shall file with TCEQ a written application for the sale of the water system property described in sections a, b and c above ("STM Application") pursuant to Tex. Water Code § 13.301. The sale of these portions of OSR's water system property may not be completed until the shorter of a 120-day period following written STM Application or the date on which TCEQ's executive director notifies the Parties that a hearing will not be requested.

3. This Agreement shall be submitted to the TCEQ pursuant to §13.248 Texas Water Code and 30 T.A.C. §291.117 of the TCEQ's rules and following execution by both Parties and shall be considered binding and effective as of the date on which the TCEQ enters its order approving this Agreement.

4. This Agreement is part of the overall Settlement Agreement between the Parties executed concurrently herewith and contains the entire agreement between the Parties and supersedes any and all prior agreements, arrangements, or understandings between the Parties relating to the subject matter of this Agreement. No oral understandings, statements, promises or

inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally, or in the absence of approval by the TCEQ as provided at § 13.248, Texas Water Code and 30 T.A.C. § 291.117.

5. This Agreement shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas and the rules of the TCEQ.

6. By their signatures below, the individuals signing represent and warrant that they have full authority to bind and otherwise compromise the interests of the Party they represent.

7. Any action at law or in equity brought to enforce or interpret any provision of this Agreement shall be brought in a state court of competent jurisdiction with venue in Brazos County, Texas.

8. This Agreement is indivisible and non-severable. If any provision of this Agreement fails to receive any required regulatory approval or is held invalid, illegal, or unenforceable by a court of other tribunal of confident jurisdiction, the Parties shall resume negotiations in an effort to reach a new agreement.

9. This Agreement may not be assigned in whole or in part without the express written consent of the non-assigning Party.

10. Either Party to this Agreement who is the prevailing party in any legal proceeding against the other party, brought in relation to this Agreement, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

11. The Parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

12. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the date of the last signature.

OSR WATER SUPPLY CORPORATION

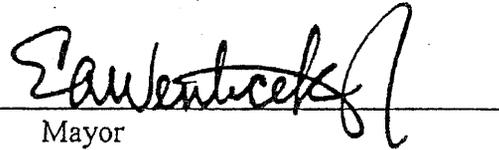
Date: August 2, 2006

By:   
President, Board of Directors

Attest: 

CITY OF BRYAN, TEXAS

Date: 8/14/06

By:   
Mayor

Attest:   
Mary L. Stratta City Secretary

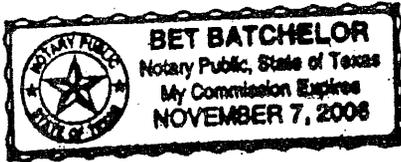
APPROVED AS TO FORM:

Robert Renbarger  
Attorney for OSR Water Supply Corporation

Jim Mathews  
Attorney for City of Bryan, Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF BRAZOS   §

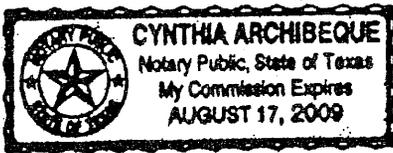
This instrument was acknowledged before me on the 2<sup>nd</sup> day of August, 2006, by Pete Bienski, on behalf of OSR Water Supply Corporation.



Betty Batchelor  
Notary Public, State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF BRAZOS   §

This instrument was acknowledged before me on the 14 day of August, 2006, by Ernie Wentzky, Mayor, on behalf of the City of Bryan, Texas.



Cynthia Archibeque  
Notary Public, State of Texas

# **EXHIBIT 1**

## **Map depicting Areas And Customers to Receive Retail Water Utility Service in Brazos County**

**RECEIVED**

**JUN 05 2007**

**TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY**



# **EXHIBIT 2**

**Map depicting detail of amended  
CCNs in Pleasant Hill Road area**

**RECEIVED**

JUN 05 2007

TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

RECEIVED

JUN 05 2007  
TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

City of Bryan/OSR Water Supply Corporation  
CCN Settlement Agreement

JULY 28, 2005

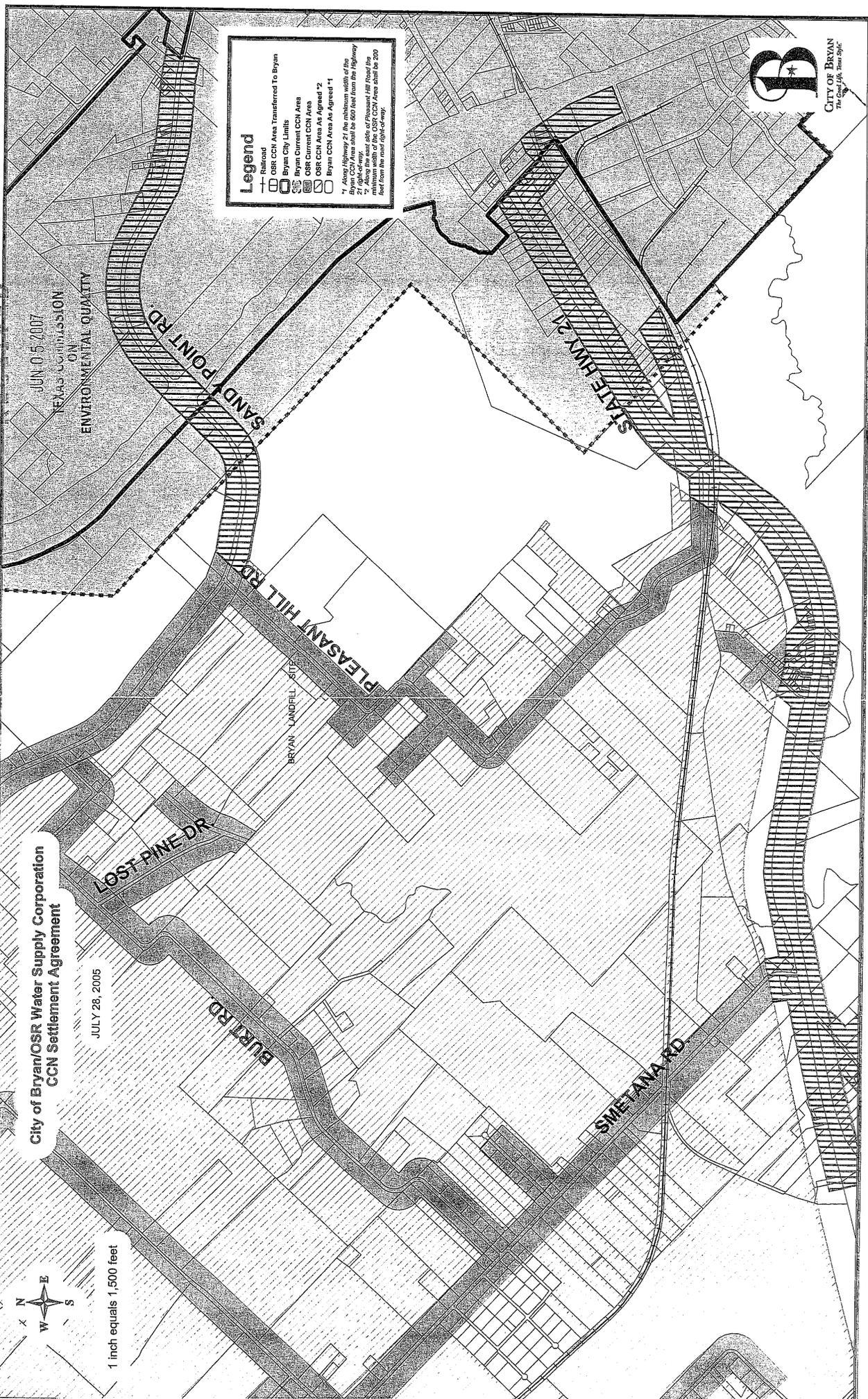
1 inch equals 1,500 feet



**Legend**

- Railroad
- OSR CCA Area Transferred To Bryan
- Bryan City Limits
- OSR Current CCN Area
- OSR CCA Area As Agreed - 2
- Bryan CCA Area As Agreed - 1

\*1 Along Highway 21 the minimum width of the Bryan CCA Area shall be 600 feet from the Highway  
\*2 Along the east side of Pleasant Hill Road the minimum width of the OSR CCA Area shall be 200 feet from the east right-of-way.



# **EXHIBIT 3**

## **Map depicting OSR's amended CCN in Robertson County**

**RECEIVED**

**JUN 05 2007**

**TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY**



RECEIVED

JUN 05 2007

ENVIRONMENTAL QUALITY

ENVIRONMENTAL QUALITY

# EXHIBIT 4

## Inventory of OSR transmission lines and infrastructure to be conveyed to City

RECEIVED  
JUN 05 2007  
TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

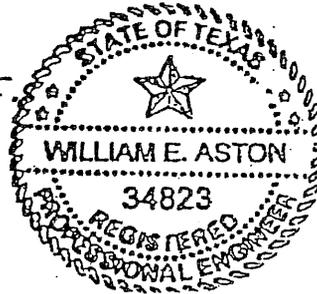
**EXHIBIT 4**  
**INVENTORY OF OSR WATER SUPPLY CORPORATION'S TRANSMISSION LINES AND**  
**INFRASTRUCTURE TO BE CONVEYED TO CITY OF BRYAN**

8" ASTM-2241, SDR-26, CL. 160, PVC Pipe	9,780 L.F.
1½" ASTM-2241, SDR-21, CL. 200, PVC Pipe	2,000 L.F.
1" ASTM-2241, SDR-21, CL. 200, PVC Pipe	70 L.F.
12" Steel Encasement Pipe - Bore	85 L.F.
21" CMP Encasement Pipe - Open Cut	30 L.F.
8" Gate Valve & Box	1 Ea.
1½" Gate Valve & Box	1 Ea.
1½" Flush Valve	1 Ea.
Air/Vacuum Relief Valve	2 Ea.
Meter Pressure Regulators	8 Ea.
5/8 x 3/4 Meter & Service	11 Ea.
6" Compound Master Meter, Piping, Vault, Valves & Bypass	1 Ea.

The above inventory includes all the facilities within the area South of a line 500 feet North of and parallel to the North right of way line of State Highway 21, save and except Plant No.1 and related buried control cable and risers, between City of Bryan West City Limits and Pleasant Hill Road, including 8" line between master meter and Plant No. 1, as determined from existing files and information provided by representatives of the OSR Water Supply Corporation.

  
 William E. Aston, P.E.

*5/25/05*  
 Date



**RECEIVED**  
 JUN 05 2007  
 TEXAS COMMISSION  
 ON  
 ENVIRONMENTAL QUALITY

**INVENTORY OF OSR WATER SUPPLY CORPORATION'S TRANSMISSION LINES AND  
INFRASTRUCTURE FOR FUTURE CONVEYANCE  
TO CITY OF BRYAN**

8" ASTM-2241, SDR-26, CL. 160, PVC Pipe	2,780 L.F.
6" ASTM-2241, SDR-26, CL. 160, PVC Pipe	11,930 L.F.
4" ASTM-2241, SDR-26, CL. 160, PVC Pipe	3,470 L.F.
3" ASTM-2241, SDR-21, CL. 200, PVC Pipe	7,620 L.F.
2½" ASTM-2241, SDR-21, CL. 200, PVC Pipe	2,110 L.F.
2" ASTM-2241, SDR-21, CL. 200, PVC Pipe	5,320 L.F.
1½" ASTM-2241, SDR-21, CL. 200, PVC Pipe	21,840 L.F.
1" ASTM-2241, SDR-21, CL. 200, PVC Pipe	2,260 L.F.
12" Steel Encasement Pipe - Bore	226 L.F.
10" Steel Encasement Pipe - Bore	290 L.F.
4" Steel Encasement Pipe - Bore	1,100 L.F.
3" Steel Encasement Pipe - Bore	214 L.F.
2" Steel Encasement Pipe - Bore	450 L.F.
Concrete Encased Creek Crossing	260 L.F.
8" Gate Valve & Box	2 Ea.
6" Gate Valve & Box	6 Ea.
4" Gate Valve & Box	1 Ea.
3" Gate Valve & Box	4 Ea.
2½" Gate Valve & Box	1 Ea.
2" Gate Valve & Box	1 Ea.
1½" Gate Valve & Box	7 Ea.
3" Flush Valve	3 Ea.
1½" Flush Valve	7 Ea.
Air/Vacuum Relief Valve	3 Ea.
2½" Pressure Reducing Station	1 Ea.
5/8 x 3/4 Meter & Service	75 Ea.

The above inventory includes all the facilities within the area South of a line 500 feet North of and parallel to the North right of way line of State Highway 21, save and except Plant No.1 and related buried control cable and risers, from Pleasant Hill Road running West, as determined from existing files and information provided by representatives of the OSR Water Supply Corporation.

  
William E. Aston, P.E.

5/25/05  
Date



**RECEIVED**

JUN 05 2007

TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

Duff Consulting Engineers, Inc.

RECEIVED  
 JUN 05 2007  
 TECHNICAL DIVISION  
 ON  
 ENVIRONMENTAL QUALITY

City of Bryan: Proposed CNN Boundary Adjustments

Tract #	Current Owner(s)	Original Grantor	Address	R. #	Easement V/P	Date of Easement	Description (V/P, Acres)
1	Moore Sr., George	Same as current owner	5002 West 26th St.	R20642	841/222	Apr. 19, 1983	295/163, 1.97 acres
2	Henderson, Bobbie	Same as current owner	5025 West 26th St.	R12555	2834/204	Mar. 16, 1985	2148/151, 2.57 acres
3	Marsh, Jeffrey	George Soares	5833 West SH 21	R12551	841/282	Sept. 23, 1985	245/201, 13.36 acres
4	J.M. Trailers, LLC	George Soares	5825 West SH 21	R12551	841/282	Sept. 23, 1985	245/201, 13.38 acres
5	Plant Equipment & Service	Young Brothers	5401 Hwy 21	R20646/20645	816/258	Sept. 16, 1988 Oct. 4, 1985	485/650, lot 19- 531/647, lot 23+24
6	Forster, Berd Mee	Polly Ann Foster & Carrie Gibbs	5303 Hwy 21	R20645	841/188	Oct. 2, 1985	533/547, 1.55 acres
7	Hedge, Janelle	Same as current owner	4813 West Hwy 21	R20651/20652	841/184	Jan. 31, 1983	1184/23, 1.5 acres
8	Gidley, Ronnie	William G. Hanover & Fred R. Greer	4801 West Hwy 21	R20654	841/189	Aug. 13, 1985	517/561, 1.51 acres
9	Donawon, Margie	Samuel & Dorothy Taplin	4721 West Hwy 21	R86179/20855	841/286	Aug. 12, 1985	280/94, Lots 33 + 34
10	Smith, Mike	CAN NOT LOCATE EASEMENT	5518 Hwy 21	R206587			CAN NOT LOCATE EASEMENT
11	Brown, Jacquelyn	Vivlie Murkelidove	4305 West Hwy 21	R20661	841/225	May 10, 1983	142/149, 1.04 acres + 145/628, 2.61 acres
12	El Dorado Chemicals	Bryan Feed & Grain, Inc.	Hwy 21	R100484	816/245	Sept. 19, 1988	371/459, 9.26 acres
13	Wallace, John	Bryan Feed & Grain, Inc.	Hwy 21	R12558	816/245	Sept. 19, 1988	371/459, 9.26 acres
14	Young Brothers	Same as current owner	Hwy 21	R12565	821/451	Oct. 6, 1986	713/709, 12.50 acres
15	Young Brothers	Conlee Brothers	Hwy 21	R12560	841/155	Aug. 26, 1985	280/173, 31 acres
16	Young Materials	Leslie Slack	Hwy 21	R12559	841/258	May 20, 1985	527/375, 2.5 acres
17	Young Materials	Leslie Slack	Hwy 21	R12559	841/258	May 20, 1985	527/375, 2.5 acres
18	Young Brothers	Richard Montgomery	Hwy 21	R12569	841/224	April 26, 1983	188/605, 5.0 acres
19	Young Brothers	Granford E. Hendrix	Hwy 21	R12564	868/195	April 14, 1987	524/127, 17.625 acres
20	Kearney, Thomas	Willie Green	8607 W SH 21	R12809	816/248	Sept. 16, 1988	284/15, 1 lot
21	Fairview Baptist Church	Same as current owner	Hwy 21	R12810	845/77	Aug. 13, 1983	226/603, 284 acres
22	Johnson, Johnnie Mae	Same as current owner	Hwy 21/Fairview Community	R12578	845/93	Jan. 31, 1983	218/669, one acre
23	Johnson, Wayne	Same as current owner	6706 W SH 21	R12576	845/82	Jan. 31, 1983	592/235, .31 acres
24	Smothers, Hattie R.	Same as current owner	8810 W SH 21	R12575	816/258	Sept. 16, 1988	27/267, one acre
25	Amos, Willie B.	Same as current owner	Fairview Community	R12577	845/61	Jul. 24, 1985	344/679, .56 acres
26	Banks, Carrie	Same as current owner	6868 W SH 21	R12572	845/62	Jan. 31, 1983	231/183, 1 1/2 lots
27	Garner, Curtis	Norma Garner & Leila Benjamin	6860 W SH 21	R12570	810/441	Jul. 9, 1986	353/379, 2 tracts
28	Jones, Ned	Same as current owner	1065 Walter Banks Rd.	R12569	845/94	Jan. 10, 1983	448/126, 127, 1 lot
29	Banks, Elizabeth	Same as current owner	5865 W SH 21	R12542	841/142	Jan. 10, 1983	110/587, 10.5 acres
30	Taplin, Roale	Same as current owner	Fairview Community	R12820	845/122	Oct. 31, 1985	456/283, 528 acres
31	LaFarm Estate	CAN NOT LOCATE DATA					
32	Twitney, Albert	Same as current owner	8827 W SH 21	R12588	845/121	Jan. 10, 1983	190/101, 3 lots
33	Twitty, Ethel B.	Ella B. Littlejohn	8821 W SH 21	R12615	845/100	Jan. 10, 1983	132/219, 1 lot

City of Bryant, Proposed CNN Boundary Adjustments

Tract #	Current Owner(s)	Original Grantor	Address	R #	Easement V/P	Date of Easement	Description (V/P, Acres)
34	Wooley, Earthe	Same as current owner	6817 Hwy 21	R12613	845/125	Feb.9, 1983	209/31, 2 lots
35	Rugh Partners LTD	Conlee Brothers	Hwy 21	R12538	841/155	Aug.28, 1985	260/173, 31.48 acres
36	Arreola, Ida & Marlin	Willie Mae Green	1055 Houston	R68548	845/81	Jan.31, 1983	269/824, 2 lots
37	Elder, Rosale	Sarmuel Taplin	Houston St.	M114517	841/286	Aug. 12, 1985	280/94, lot 33-34
38	Juarez, Napoleon	Virgie Simpson	1075 Houston	R12680	845/116	Mar.21, 1983	298/719, 1 lot
39	Warren, Ernest	Same as current owner	1080 Houston	R12600	845/124	Apr.18, 1983	513/755, 1 lot
40	Gibbs, Ronald	Lewis Sanders	1106 Houston	R12921	845/117	Jan. 10, 1983	217/475, 2 lots
41	Mosley, Luella	NOT ABLE TO LOCATE DATA	1088 Walter Banks Rd.	R12589			
42	Hawkins, Benny R.	NOT ABLE TO LOCATE DATA	1222 Walter Banks Rd.	R12624	918/248	Sept.16, 1986	294/15, 1 lot.
43	Arreola, Ida & Marlin	Willie Green	1055 Houston	R12822	845/84	May 10, 1983	272/153, 1 lot
44	Hawkins, Raymond	Same as current owner	Fairview Community	R16509	841/247	Jan. 31, 1983	324/247, 124.02 acres
45	Young Brothers ( Partus Land LLC)	Young Brothers, Inc.	Hwy 21	R16509	841/247	Jan. 31, 1983	324/247, 124.02 acres
46	Young Brothers ( Partus Land LLC)	Young Brothers, Inc.	Hwy 21	R16523	847/337	Jan. 27, 1987	351/557, 86 acres (blanket easement)
47	Putz, Jack	William C. Putz	7638 Hwy 21	R100753	847/337	Jan. 27, 1987	351/557, 86 acres (blanket easement)
48	Putz, Jack D.	William C. Putz	Silver Hill Rd.	R68689	847/337	Jan. 27, 1987	351/557, 86 acres (blanket easement)
49	Blenski, Dorothy	William C. Putz	Silver Hill Rd.	R16521	841/602	Nov. 19, 1985	198/632, 5.41 acres
50	Brazos Co. Road & Bridge	Bedroth Smetana Lodge # 39	1698 Silver Hill Rd.	R16496	4821/235	Aug.10, 2001	3629/115, .39 acres
51	Bowman, Stuart	Same as current owner	Silver Hill RD.	R68689	847/337	Jan. 27, 1987	351/557, 86 acres (blanket easement)
52	Blenski, Dorothy	William C. Putz	1771 Silver Hill Rd.	R16510	821/448	Oct. 8, 1986	324/247, 124.02 acres (blanket easement)
53	Young Brothers ( Partus Land LLC)	Young Brothers	Silver Hill Rd.	R16510	821/448	Oct. 8, 1986	324/247, 124.02 acres (blanket easement)
54	Young Brothers ( Partus Land LLC)	Young Brothers	Silver Hill Rd.	R16510	821/448	Oct. 8, 1986	324/247, 124.02 acres (blanket easement)
55	Young Brothers ( Partus Land LLC)	Young Brothers	Silver Hill Rd.	R16510	821/448	Oct. 8, 1986	324/247, 124.02 acres (blanket easement)
56	Young Brothers ( Partus Land LLC)	Young Brothers	Hwy 21	R16510	821/448	Oct. 8, 1986	321/352, 2.5 acres
57	Berger, Michael	Anton W. Mattek	8225 W SH 21	R91968	847/641	Jan.28, 1987	321/352, 2.5 acres
58	Fajardo, Jorge	Anton W. Mattek	1918 Silver Hill Rd.	R16508	847/641	Jan.28, 1987	302/575, 1.14 acres
59	Hernandez, Jessie	Same as current owner	2081 Silver Hill Rd.	R16506	841/190	Aug.14, 1985	88/571, 57 acres
60	Dobrovoly, Hugo	Same as current owner	2107 Silver Hill Rd.	R16514	841/163	Sept.23, 1985	260/122, 3 acres
61	Hubecek, Edward A.	Same as current owner	2353 Silver Hill Rd.	R16517	841/204	Apr.18, 1983	263/589, 12.58 acres
62	Nemec Agriservice	Frankie J. Nemec Jr.	2431 Silver Hill Rd.	R16518	841/230	May 10, 1983	263/589, 12.58 acres
63	Nemec, Frankie J.	Frankie J. Nemec Jr.	2481 Silver Hill Rd.	R60986	841/230	May 10, 1983	263/589, 12.58 acres
64	Nemec, David	Frankie J. Nemec Jr.	2505 Silver Hill Rd.	R12536	841/230	May 10, 1983	248/219, .40 acres
65	Cunningham, B.J.	Milton Turner	3677 Silver Hill Rd.	R105113	841/155	Jan 31., 1983	260/173, 1063 acres
66	Jeter, William	Donald Conlee for Conlee Brothers	3801 Silver Hill Rd.	R105113	841/155	Aug., 28, 1985	

City of Bryan: Proposed CNN Boundary Adjustments

Tract #	Current Owner(s)	Original Grantor	Address	R.#	Easement V/P	Date of Easement	Description (V/P, Acres)
87	Turner, Milton	Same as current owner	Silver Hill Rd.	R12535	841/271	Jan.31, 1983	248/219, 40 acres
88	Smith, James Conner	Same as current owner	Silver Hill Rd.	R12533	848/259	Jan.28, 1987	305/886, 40.3 acres
89	Jeter, William	Donald Conlee for Conlee Brothers	3839 SH 47	R112004	841/155	Aug. 26, 1985	260/173, 1083 acres
90	Violette, Frankie	Wayne Johnson	3836 Silver Hill Rd.	R12534	841/284, ect.	Feb.1, 1983	284/813, 4.68 acres
91	Global Genetics	Conlee Brothers	4011 SH 47	R112003	841/155	Aug.26, 1985	260/173, 31.46 acres
92	Garcia, Sally	Ernest & Carrie Walker	Silver Hill Rd.	R15283	841/276	Feb.21, 1983	233/199, 28 acres
93	Ford, Margaret K.	Same as current owner	Silver Hill Rd.	R12532	841/170	Mar.21, 1983	367/433, 85.8 acres
94	Walker, Earnest	Same as current owner	4599 Silver Hill Rd.	R15285	841/276	Feb.21, 1983	233/199, 28 acres
95	Haman, Joe Dan	Same as current owner	7124 Goodson Bend Rd.	R72863/12525	841/191 816/251	May 10, 1983 Sept. 17, 1986	118/399, 30 acre- 700/36, 1 acre
96	Hicks, Willis	Same as current owner	6189 Goodson Bend Rd.	R12527	841/199	Sept.16, 1985	254/682, 858.45 acres
97	Fazzino, Lee	Same as current owner	Goodson Bend Rd.	R13406	828/758	Nov. 6, 1986	224/199, 203.3
98	Hyder, Syed (Akari, Syed)	Steve & Bernice Nemeo	8110 SH 21	R16490	841/228	Aug. 21, 1985	495/723, 2.648 acres
99	Seth, Robert & Julie	Steve & Bernice Nemeo	SH 21 W	R87868	841/228	Aug.21, 1985	495/723, 2.648 acres
100	Seth, Robert & Julie	Steve & Bernice Nemeo	SH 21 W	R87868	841/228	Aug.21, 1985	495/723, 2.648 acres
101	S-Con Services	Same as current owner	8326 SH 21 W	R16492	4985/186	Sept.11, 2000	3867/250, 9 acres
102	Pool Company	Mobley Co, Inc.	8388 SH 21 W	R77822	1238/194	Feb. 4, 1991	523/403, 14.431 acres
103	Morrison, Anthony	A. Dobrevolny	8055 SH 21 W	R16492/16493	841/180	Aug.9, 1985	870/57, 9.78 acres
104	Dobrevolny, A.	Same as current owner	8077 Hwy 21	R16494	847/811	Dec.13, 1985	898/318, 1.96 acres
105	Everett, Barton	Same as current owner	800 Pleasant Hill Rd.	R12546	916/248	Sept. 16, 1986	277/29, 3.767 acres
106	Stabler, Lonnie	Barton Everett	802 Pleasant Hill Rd.	R12550	910/248	Sept. 16, 1986	277/29, 3.767 acres
107	Soussera, J.F.	Same as current owner	Pleasant Hill Rd.	R12548	841/261	Sept.23, 1985	49/450, 61 acres
108	Hall, Coletha	CAN NOT LOCATE EASEMENT	28th St.	R12548			
109	Hall, Cleidis	Same as current owner	28th St.	R12545	858/731	Dec.31, 1984	328/749, 1.75 acres
110	Kocman, Michael	C. Leon Williamson	Pleasant Hill Rd.	R18630	841/279	Feb.28, 1983	541/459-64, 26.74 acres
111	Trinh, Sanh	Lee Don Blensid	Smetana Rd.	R18527	942/341	Jan. 5, 1987	864/286, 2.19 acres
112	Bar-B-Que (J.O. Slegert)	Same as current owner	Smetana Rd.	R18529	841/255	Sept.15, 1985	528/123, 1.55 acres
113	Slegert, J.O.	Same as current owner	Smetana Rd.	R18529	841/255	Sept.15, 1985	528/123, 1.55 acres
114	Fazzino, Lee	Same as current owner	Fazzino Rd.	R11026	841/169	Apr.29, 1985	319/553, 40 acres
115	Young Brothers (Partus Land LLC)	Young Brothers	SH 21 W	R16510	841/155	Aug. 26, 1985	260/173, 1083 acres

Jan. 3, 2006

1918 Silver Hill Rd.  
1912 Silver Hill Rd.

Fajardo, Jorge

96

Dec. 2, 2005

Silver Hill Rd.

Neisemier, Jay & Darcia

97

# EXHIBIT 5

## Inventory of OSR customers and service meters to be conveyed to City

RECEIVED  
JUN 05 2007  
TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

RECEIVED

JUN 05 2007

TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

Customer Name	Service Address	Mailing Address
George Moore Sr.	5002 W. 28 <sup>th</sup> St.	5002 W. 28 <sup>th</sup> St Bryan, Tx 77803
Bobbie Henderson	5025 W. 28 <sup>th</sup> St.	5025 W. 28 <sup>th</sup> St Bryan, Tx 77803
Jeffrey Marsh	5833 W. SH 21	5833 W SH 21 Bryan, Tx 77803
J.M. Trailers LLC	5825 W. SH 21	5825 W SH 21 Bryan, Tx 77803
Plant Equipment & Services	5401 Hwy 21	5401 W SH 21 Bryan, Tx 77803
Janette Hedge	4913 W. SH 21	4913 W SH 21 Bryan, Tx 77803
Ronnie Gidley	4801 W. SH 21	P.O. Box 4591 Bryan, Tx 77805
Mae Okorocho	4721 W. SH 21	4721 W. SH 21
Dorothy Taplin	4717 W SH 21	4717 W SH 21 Bryan, Tx 77803
Mike Smith	3515 Hwy 21	P.O. Box 10272 College Station, Tx 77842
El Dorado Chemicals	Hwy 21	P.O. Box 1327 Bryan, Tx 77806
John Wallace	Hwy 21	P.O. Box 4272 Bryan, Tx 77805
Young Bros. Inc	Hwy 21	P.O. Drawer 1800 Waco, Tx 76703
Young Materials	Hwy 21	
Young Materials	Hwy 21	
Young Materials	Hwy 21	
Young Bros. Inc	Hwy 21	
Young Bros Inc	Hwy 21 – New Office	
Thomas Kearney C/O Donna Hall	6607 W SH 21	6706 W SH 21 Bryan, Tx 77807
Fairview Baptist Church	Hwy 21	P.O. Box 581 Bryan, Tx 77806
Johnnie Mae Johnson	Hwy 21	6796 W SH 21 Bryan, Tx 77807
Wayne L. Johnson	6796 W SH 21	6796 W SH 21 Bryan, Tx 77807
Hattie Smothers	6810 W SH 21	6810 W SH 21 Bryan, Tx 77807

Willie Amos	6816 W SH 21	6816 W SH 21 Bryan, Tx 77807
Carrie Banks	Fairview Community	708 Dumas St Bryan, Tx 77803
Curtis Garner	6868 W SH 21	6868 W SH 21 Bryan, Tx 77807
Ned Jones	6880 W SH 21	6880 W SH 21 Bryan, Tx 77807
Elizabeth Banks	1055 Walter Banks Rd	1055 Walter Banks Bryan, Tx 77807
Rosie Elder C/O C. Monroe	1050 Hoston St	1050 Hoston St Bryan, Tx 77807
Rosie Taplin	6865 W SH 21	6865 W SH 21 Bryan, Tx 77807
LaFarm Estate-Mary Ford C/O J. Ford	Fairview Community	6750 W SH 21 Bryan, Tx 77807
Albert Twitty	6827 W SH 21	6827 W SH 21 Bryan, Tx 77807
Ethel B. Twitty	6821 W SH 21	6821 W SH 21 Bryan, Tx 77807
Earthel Wooley	6817 Hwy 21	1415 Lincoln Bryan, Tx 77801
Young Bros Inc	Hwy 21	
Young Bros Inc	Hwy 21	
Jack Putz	Hwy 21	7790 W SH 21 Bryan, Tx 77807
Guadalupe Perez	7838 W SH 21	7838 W SH 21 Bryan, Tx 77807
Dorothy Bienski	Silver Hill Rd	P.O. Box 43 Pattison, Tx 77466
Brazos Co Road & Bridge	Silver Hill Rd	P.O. Drawer 914 Bryan, Tx 77805
Roy Collins	1698 Silver Hill Rd	RR 1 Box 114 Chatfield, Mn 55923
Dorothy Bienski	Silver Hill Rd	P.O. Box 43 Pattison, Tx 77466
Bennie Hawkins	1771 Silver Hill Rd	1225 Walter Banks Bryan, Tx 77807

Young Bros Inc	Silver Hill Rd	P.O. Box 674 Bryan, Tx 77801
Young Bros Inc	Hwy 21	P.O. Box 332 Bryan, Tx 77801
James Speer	8225 W SH 21	8225 W SH 21 Bryan, Tx 77807

Jorge Fajardo	1918 Silver Hill Rd	1918 Silver Hill Rd Bryan, Tx 77807
Jorge L. Fajardo	1912 Silver Hill Rd	1912 Silver Hill Rd Bryan, Tx 77807
Jessi Hernandez	2081 Silver Hill Rd	2081 Silver Hill Rd Bryan, Tx 77807
Margaret Hubacek	2107 Silver Hill Rd	7917 Dilly Shaw Tap Rd Bryan, Tx 77808
Edward Hubacek	2353 Silver Hill Rd	2353 Silver Hill Rd Bryan, Tx 77807
Nemec Agriservices	2431 Silver Hill Rd	P.O. Box 55 Hewitt, Tx 76643
Frankie Nemec	2491 Silver Hill Rd	2491 Silver Hill Bryan, Tx 77803
Kay Sikes	2505 Silver Hill Rd	2505 Silver Hill Rd Bryan, Texas 77807
B.J. Cunningham	3677 Silver Hill Rd	3801 Silver Hill Rd Bryan, Tx 77807
William Jeter	3801 Silver Hill Rd	3801 Silver Hill Rd Bryan, Tx 77807
Milton Turner	Silver Hill Rd	1422 W 28 <sup>th</sup> St Bryan, Tx 77803
James Conner Smith	Silver Hill Rd	2508 Briarwood Cr Bryan, Tx 77802
William Jeter	3939 SH 47	P.O. Box 260 Wellborn, Tx 77881
Frankie Violette	3836 Silver Hill Rd	3547 Maple Park Kingwood, Tx 77339
Global Genetics	4011 SH 47	4011 SH 47 Bryan, Tx 77807
Margaret Ford	Silver Hill Rd	3801 Old Oaks Bryan, Tx 77802
Jay Neisemier	Silver Hill Rd	11634 SH 21 E Caldwell, Tx 77836
Earnest Walker	4599 Silver Hill Rd	1505 W 28 <sup>th</sup> St Bryan, Tx 77803
Willis Hicks	6189 Goodson Bend	6189 Goodson Bend Bryan, Tx 77807
Joe Dan Herman	7124 Goodson Bend	7124 Goodson Bend Bryan, Tx 77807
David Goodson	6673 Goodson Bend Rd	3503 FM 523 Freeport, Tx 77541
Lee Fazzino Jr.	Goodson Bend Rd	P.O. Box 906 Bryan, Tx 77806

# Attachment 2

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**OSR WATER SUPPLY CORPORATION  
RESOLUTION ADOPTING  
TECHNICAL CORRECTION TO  
AGREEMENT DESIGNATING AREAS AND  
CUSTOMERS TO RECEIVE RETAIL WATER UTILITY  
SERVICE AND SALE OF WATER UTILITY PROPERTY**

This Resolution Adopting Technical Correction to Agreement Designating Areas and Customers to Receive Retail Water Utility Service and Sale of Water Utility Property (the "Resolution") is by and between OSR WATER SUPPLY CORPORATION ("OSR") and the CITY OF BRYAN, TEXAS (the "City") (hereinafter, OSR and the City to be collectively referred to as "Parties"):

WHEREAS, the Parties entered into that certain Agreement Designating Areas and Customers to Receive Retail Water Utility Service and Sale of Water Utility Property (the "Agreement") to be effective on or about August 14, 2006; and

WHEREAS, the Agreement provided, among other things, an Exhibit 4 dated and sealed on May 25, 2005, which identified an inventory of OSR transmission lines and infrastructure to be transferred to the City under the terms of the Parties' settlement agreement; and

WHEREAS, after complete and full execution of the settlement documents, including the Agreement, errors were discovered in the identification and description of the transmission lines and infrastructure to be conveyed from OSR to the City under the terms of the Parties' settlement agreement; and

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WHEREAS, the engineering firm of Duff Consulting Engineers, Inc., on behalf of OSR, caused to be revised the above-referenced Exhibit 4 to accurately reflect the intent of the Parties in the underlying settlement; and

WHEREAS, on or about November 11, 2006, Mr. William E. Aston, P.E. of Duff Consulting Engineers, Inc., affixed his seal on a two page document comprising the revised pages of Exhibit 4; and

WHEREAS, the Parties agree that the revised Exhibit 4 should be adopted, confirmed and substituted in the Agreement to accurately document the Parties' intentions and the Parties' agreements with respect to their settlement.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, including the recitals set forth hereinabove, the Parties agree as follows:

1. Revised Exhibit 4, referenced above, is attached to this Resolution and incorporated for all purposes herein.
2. Upon adoption of this Resolution, the revised pages of Exhibit 4 shall be substituted for the existing Exhibit 4 in the Parties' Agreement.
3. The Parties agree that revised Exhibit 4 fairly and accurately depicts the transmission lines and infrastructure to be conveyed from OSR to the City consistent with the Parties' overall settlement.
4. Except for substitution of the two pages of revised Exhibit 4, the remainder of the Agreement shall remain in force and effect as of the date of the Parties' original adoption and execution without changes or amendments.
5. By their signatures below, the individuals signing represent that they have full authority to bind the interests of the party they represent.

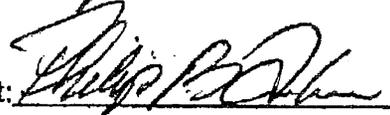
6. This Resolution, together with revised Exhibit 4, may be executed in a number of identical counterparts, each of which shall be deemed an original for all intents and purposes.

IN WITNESS WHEREOF, the Parties have executed this Resolution effective as of the date of the last signature.

Date: March 15, 2007

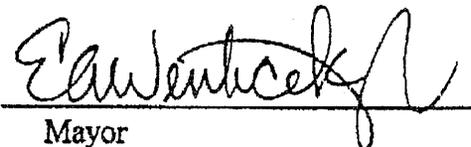
OSR WATER SUPPLY CORPORATION

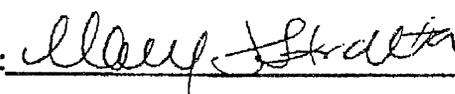
By:   
President, Board of Directors

Attest: 

Date: 3-30-07

CITY OF BRYAN, TEXAS

By:   
Mayor

Attest: 

STATE OF TEXAS       §  
                                  §  
COUNTY OF BRAZOS   §

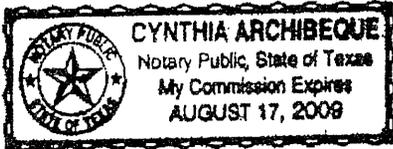
This instrument was acknowledged before me on the 15 day of March, 2007, by Pete Bienski on behalf of OSR Water Supply Corporation.



Bet Batchelor  
Notary Public, State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF BRAZOS   §

This instrument was acknowledged before me on the 30 day of March, 2007, by Ernie Wentzel on behalf of the City of Bryan, Texas.



Cynthia Archibeque  
Notary Public, State of Texas

**EXHIBIT 4**  
**INVENTORY OF OSR WATER SUPPLY CORPORATION'S TRANSMISSION LINES AND**  
**INFRASTRUCTURE TO BE CONVEYED TO CITY OF BRYAN**

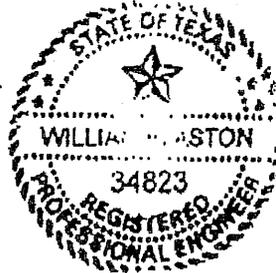
Revised November 17, 2006

Description	Quantity	Unit
8" ASTM-2241, SDR-26, CL. 160, PVC Pipe	10,440	LF.
1½" ASTM-2241, SDR-21, CL. 200, PVC Pipe	2,000	LF.
1" ASTM-2241, SDR-21, CL. 200, PVC Pipe	70	LF.
12" Steel Encasement Pipe - Bore	215	LF.
21" CMP Encasement Pipe - Open Cut	30	LF.
8" Gate Valve & Box	1	Ea.
1½" Gate Valve & Box	1	Ea.
1½" Flush Valve	1	Ea.
Air/Vacuum Relief Valve	2	Ea.
Meter Pressure Regulators	8	Ea.
5/8 x 3/4 Meter & Service	11	Ea.
6" Compound Master Meter, Piping, Vault, Valves & Bypass	1	Ea.

The above inventory includes all the facilities within the area South of a line 500 feet North of and parallel to the North right of way line of State Highway 21; save and except Plant No. 1 and related buried control cable and risers, between City of Bryan West City Limits and Pleasant Hill Road, including 8" line between master meter and Plant No. 1, as determined from existing files and information provided by representatives of the OSR Water Supply Corporation.

*William E. Aston, P.E.*  
 William E. Aston, P.E.

11/17/06  
 Date



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**INVENTORY OF OSR WATER SUPPLY CORPORATION'S TRANSMISSION  
LINES AND INFRASTRUCTURE FOR FUTURE CONVEYANCE TO CITY OF BRYAN**

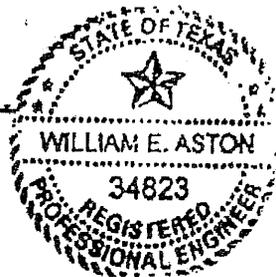
Revised November 17, 2006

Description	Quantity	Unit
4" ASTM-2241, SDR-26, CL 160, PVC Pipe	3,470	L.F.
3" ASTM-2241, SDR-21, CL 200, PVC Pipe	7,620	L.F.
2½" ASTM-2241, SDR-21, CL 200, PVC Pipe	2,110	L.F.
2" ASTM-2241, SDR-21, CL 200, PVC Pipe	5,320	L.F.
1½" ASTM-2241, SDR-21, CL 200, PVC Pipe	21,840	L.F.
1" ASTM-2241, SDR-21, CL 200, PVC Pipe	2,260	L.F.
4" Steel Encasement Pipe - Bore	1,100	L.F.
3" Steel Encasement Pipe - Bore	214	L.F.
2" Steel Encasement Pipe - Bore	450	L.F.
Concrete Encased Creek Crossing	260	L.F.
4" Gate Valve & Box	1	Ea.
3" Gate Valve & Box	4	Ea.
2½" Gate Valve & Box	1	Ea.
2" Gate Valve & Box	1	Ea.
1½" Gate Valve & Box	7	Ea.
1½" Flush Valve	7	Ea.
Air/Vacuum Relief Valve	3	Ea.
5/8 x 3/4 Meter & Service	75	Ea.

The above inventory includes all the facilities within the area South of a line 500 feet North of and parallel to the North right of way line of State Highway 21, save and except Plant No. 1 and related buried control cable and risers, from Pleasant Hill Road running West, as determined from existing files and information provided by representatives of the OSR Water Supply Corporation. This inventory excludes the 8" and 6" pipeline running from Pleasant Hill Road to Smetana Road, along State Highway 21.

  
 William E. Aston, P.E.

11/17/06  
 Date



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 TEXAS COMMISSION  
 OR  
 ENVIRONMENTAL QUALITY

CONSENT FORM

Applicant's Name: City of Bryan/OSR Water Supply Corporation - 13.248 Agreement  
Application No.: 35714-C & 35715-C

- I concur with the map created December 2, 2008 as a result of the above mentioned applications
- I do not concur with the map created December 2, 2008 and intend to respond by letter dated

I am authorized by OSR Water Supply Corporation to sign this form.

Signature: Bob Renbarger

Printed Name: Bob Renbarger

Relationship to Applicant: Attorney

Date signed: 12/30/08

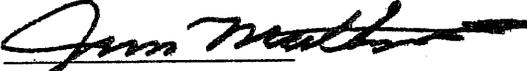
Mail to or fax to:  
 Kamal Adhikari  
 Utilities & Districts Section, MC 153  
 Water Supply Division  
 Texas Commission on Environmental Quality  
 P.O. Box 13087  
 Austin, TX 78711-3087  
 Fax (512) 239-6972

CONSENT FORM

Applicant's Name: City of Bryan/OSR Water Supply Corporation - 13.248 Agreement  
Application No.: 35714-C & 35715-C

- I concur with the map created on December 2, 2008, as a result of the above mentioned applications  
 I do not concur with the map created on December 2, 2008, and intend to respond by letter dated

I am authorized by the City of Bryan to sign this form.

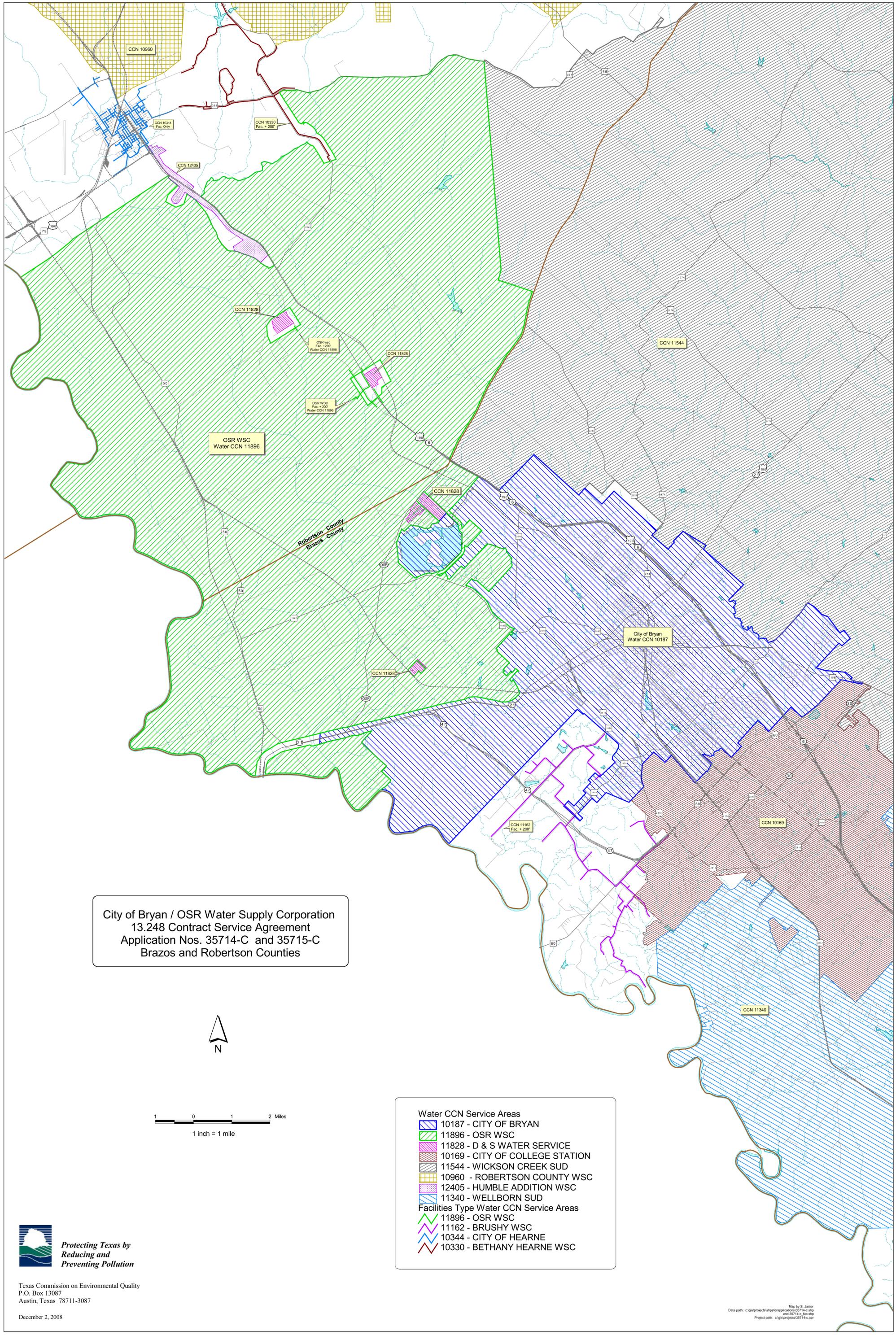
Signature: 

Printed Name: JIM MATTHEWS

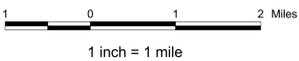
Relationship to Applicant: Legal Counsel

Date signed: 1-27-09

Mail to or fax to:  
Kamal Adhikari  
Utilities & Districts Section, MC 153  
Water Supply Division  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087  
Fax (512) 239-6972



City of Bryan / OSR Water Supply Corporation  
 13.248 Contract Service Agreement  
 Application Nos. 35714-C and 35715-C  
 Brazos and Robertson Counties



- Water CCN Service Areas**
- 10187 - CITY OF BRYAN
  - 11896 - OSR WSC
  - 11828 - D & S WATER SERVICE
  - 10169 - CITY OF COLLEGE STATION
  - 11544 - WICKSON CREEK SUD
  - 10960 - ROBERTSON COUNTY WSC
  - 12405 - HUMBLE ADDITION WSC
  - 11340 - WELLBORN SUD
- Facilities Type Water CCN Service Areas**
- 11896 - OSR WSC
  - 11162 - BRUSHY WSC
  - 10344 - CITY OF HEARNE
  - 10330 - BETHANY HEARNE WSC

