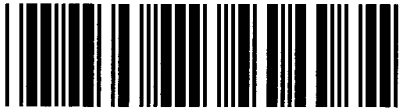


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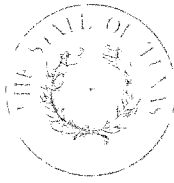


Item Number: 6

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

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



SP
42983

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 21, 2014

Mr. Jon Clack, Assistant Director of Public Services
City of San Marcos
630 East Hopkins
San Marcos, Texas 78666

RECEIVED
2014 SEP 16 PM 3:09
PUBLIC UTILITY COMMISSION
FILING CLERK

Re: Application from the City of San Marcos, to Decertify a Portion of Certificate of Convenience and Necessity (CCN) No. 10298, and to Acquire Facilities and Transfer a Portion of CCN No. 10297 held by Crystal Clear Water Supply Corporation (WSC) in Comal, Guadalupe and Hays Counties; Application No. 37671-S

CN: 600521272; RN: 101427946 (City of San Marcos)
CN: 600642268; RN: 101196822 (Crystal Clear WSC)

Dear Mr. Clack:

Enclosed is a letter from Reagan T. Dickerson, Managing Partner of Flying TZ LP, protesting the STM application and requesting a public hearing to discuss many concerns and questions regarding this proposed transaction. This copy is being sent to you so that the City of San Marcos may contact the party and attempt to resolve the issues or concerns brought forward in this letter. Please respond to the party and forward a copy of your response to this office.

Thank you for your attention to this matter. If you have any questions, or will not be able to forward the requested information to this office by **April 21, 2014**, please call Ms. Sheresia Perryman at (512)239-3654.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Manager
Utilities & Districts Section, MC 153
Water Supply Division

TB/SP/mmg

Enclosure: protest letter

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customersurvey

Printed on 100% recycled paper with soy-based ink.

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 21, 2014

Reagan T. Dickerson, Managing Partner
Flying TZ LP
5225 S. IH 35
San Marcos, Texas 78666

Re: Application from the City of San Marcos to Decertify a Portion of Certificate of Convenience and Necessity (CCN) No. 10298, and to Acquire Facilities and Transfer a Portion of CCN No. 10297 held Crystal Clear Water Supply Corporation (WSC) in Comal, Guadalupe and Hays Counties; Application No. 37671-S

CN: 600521272; RN: 101427946 (City of San Marcos)
CN: 600642268; RN: 101196822 (Crystal Clear WSC)

Dear Reagan T. Dickerson:

The Texas Commission on Environmental Quality (TCEQ) received your letter on March 3, 2014, requesting a public hearing concerning the above referenced application.

In order for the TCEQ to hold a public hearing to determine if the transaction will serve the public interest, we must consider the criteria in §291.109(e) of the agency's rules. A copy of the citation is enclosed for your convenience. We have carefully reviewed your request and have determined that the concerns listed in your letter do not meet the criteria in §291.109(e). Therefore, a public hearing will not be scheduled. However, your name will be added to the mailing list for this application.

Thank you for taking the time to contact the TCEQ. If you have any questions or reasons other than those listed in your letter to object to the transaction, please contact Ms. Sheresia Perryman by phone at 512/239-3654, by fax at 512/239-6972, or by email at sheresia.perryman@tceq.texas.gov. If contacting our office by correspondence, please include MC 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script, reading "Tammy Benter", is written over the typed name.

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division

TB/SP/mmg

cc: Mr. Mike Taylor, General Manager
Mr. John Clack, Director of Public Services

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Texas Commission on Environmental Quality

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MAR - 3 2014

UTILITIES & DISTRICTS
SECTION

Please deliver to:

Utilities and Districts Section, MC-153

P.O. Box 13087

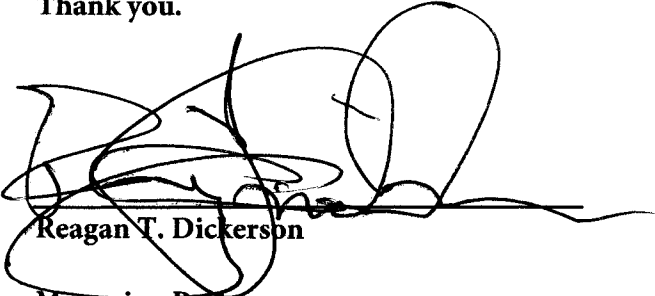
Austin, TX 78711-3087

In regards to:

Application No. 37671-S

Please find enclosed the following letter of protest regarding the
above referenced transaction.

Thank you.



Reagan T. Dickerson

Managing Partner

Flying TZ LP

Flying TZ LP

5225 S. IH 35

San Marcos, TX

78666

Office: 512-392-1633

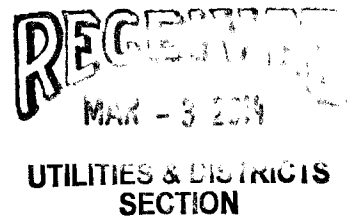
Cell: 512-757-2295

reagan@flyingtzlp.com

<http://www.flyingtzlp.com>

February 28, 2014

Texas Commission on Environmental Quality
Utilities and Districts Section, MC-153
P.O. Box 13087
Austin, TX 78711-3087



In regards to:
Application No. 37671-S

CRYSTAL CLEAR WATER SUPPLY CORPORATION'S (WSC) NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER A PORTION OF THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 10297 TO THE CITY OF SAN MARCOS, AND FOR THE CITY OF SAN MARCOS TO DECERTIFY A PORTION OF THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 10298 IN GUADALUPE AND HAYS COUNTIES, TEXAS

My Name: Reagan T. Dickerson
Address: 5225 S IH 35
San Marcos, TX
78666
Cell: 512-757-2295 Office: 512-392-1633
Managing Partner of Flying TZ LP, a Texas Limited Partnership (80 acres of neighboring land)

I request a public hearing regarding the above referenced transaction(s).

Upon review of the notice given to me by my neighbor (I did not receive a notice) regarding these proposed transactions I am at a loss to understand why I was not included in the transfer of the accounts from Crystal Clear WSC to the City of San Marcos. Both entities were aware of my desire for water service to service development on my family's land. An examination of the proposed transactions reveals the following adverse effects towards myself, my business, and the public interest.

Personally: The exclusion of my home on IH 35 (1.97 acres) and the surrounding 80 acres of land held by a partnership that I manage (Flying TZ LP) has an adverse effect on myself personally. The financial effect of time delays and increased expenses that Crystal Clear WSC wants me to pay to upgrade Crystal Clear WSC's inadequate infrastructure to provide needed services has caused untold issues for me and will leave me financially unable to continue my business which will likely result in the loss of the land held by my family since 1961.

The Partnership: The adverse effects to myself and the individuals that I represent by being left out of this transfer of accounts is severe. The 80 acres of land being affected are on IH 35 frontage and in the path of impending development not only by our efforts, but by the efforts of neighboring real estate owners. These lands are in the ETJ of the City of San Marcos. A portion of all of these lands are included in the city limits of San Marcos. The City of San Marcos has the ability to service our needs. Crystal Clear WSC requires almost two million dollars in infrastructure upgrades to service our needs. These onerous expenses would have to be passed over to the end users of the land. In addition to the financial burden of being excluded from these transactions there will be considerable time delays due to the need for them to upgrade their infrastructure. These delays will result in the loss of pending transactions that are slated for the development of the land. The loss of these pending transactions will result in the inability of the development and the business to continue. We will be receiving our wastewater service from the City of San Marcos, and the City intends to annex our land in the very near future. Water service should accompany that annexation. If other accounts belonging to Crystal Clear that

are located in the City of San Marcos are being transferred to the city, then we should logically also be included in the account transfers.

Public Interest:

The exclusion of these lands from these transfers does not reflect a concern for the best interests of the public and area at large. The impending hotel, multifamily, and public projects that are planned for these lands will supply tax revenue, temporary construction jobs, and permanent jobs. These future businesses that will come to our development are clean, environmentally friendly businesses that will generate tax revenue for the City of San Marcos. This tax revenue is of direct benefit to the area public. Civic projects, transportation, education and the administration of government entities are all benefactors of this revenue. This is all in the interest of the citizens of Hays County and the City of San Marcos. If these development efforts cannot continue with the time delays and added expenditures caused by Crystal Clear WSC's inability to handle our needs without infrastructure upgrades it will result in the loss of jobs and tax revenue for the area. The city has the nearby capacity to serve our current and future needs for the development including the multifamily, hotel, and restaurant facilities planned for the near future on these lands. Crystal Clear WSC cannot meet these needs without upgrades to their infrastructure. In addition to the onerous financial burden they desire to place on our business for their upgrades, which of course will have to be passed on to the end users of the land; they will require a considerable length of time before their upgrades can be implemented. These delays will result in the loss of jobs and the loss of tax revenue that can be used for the greater good of the citizens of the surrounding area.

Proposal:

The Flying TZ LP and Reagan Dickerson will withdraw the request for a hearing if all of the land belonging to The Flying TZ LP and Reagan Dickerson shown on the attached surveys are included in the transfer from the Crystal Clear WSC CCN to The City of San Marcos CCN.

Attachments: Labeled Survey Maps of the Flying TZ LP's 80 acre tract
Tax ID Parcel Map for The Flying TZ LP and surrounding Properties

Flying TZ LP

By its General Partner

Flying TZ LLC Management

Reagan T. Dickerson President

Flying TZ LP

5925 South IH 35

San Marcos, TX

78666

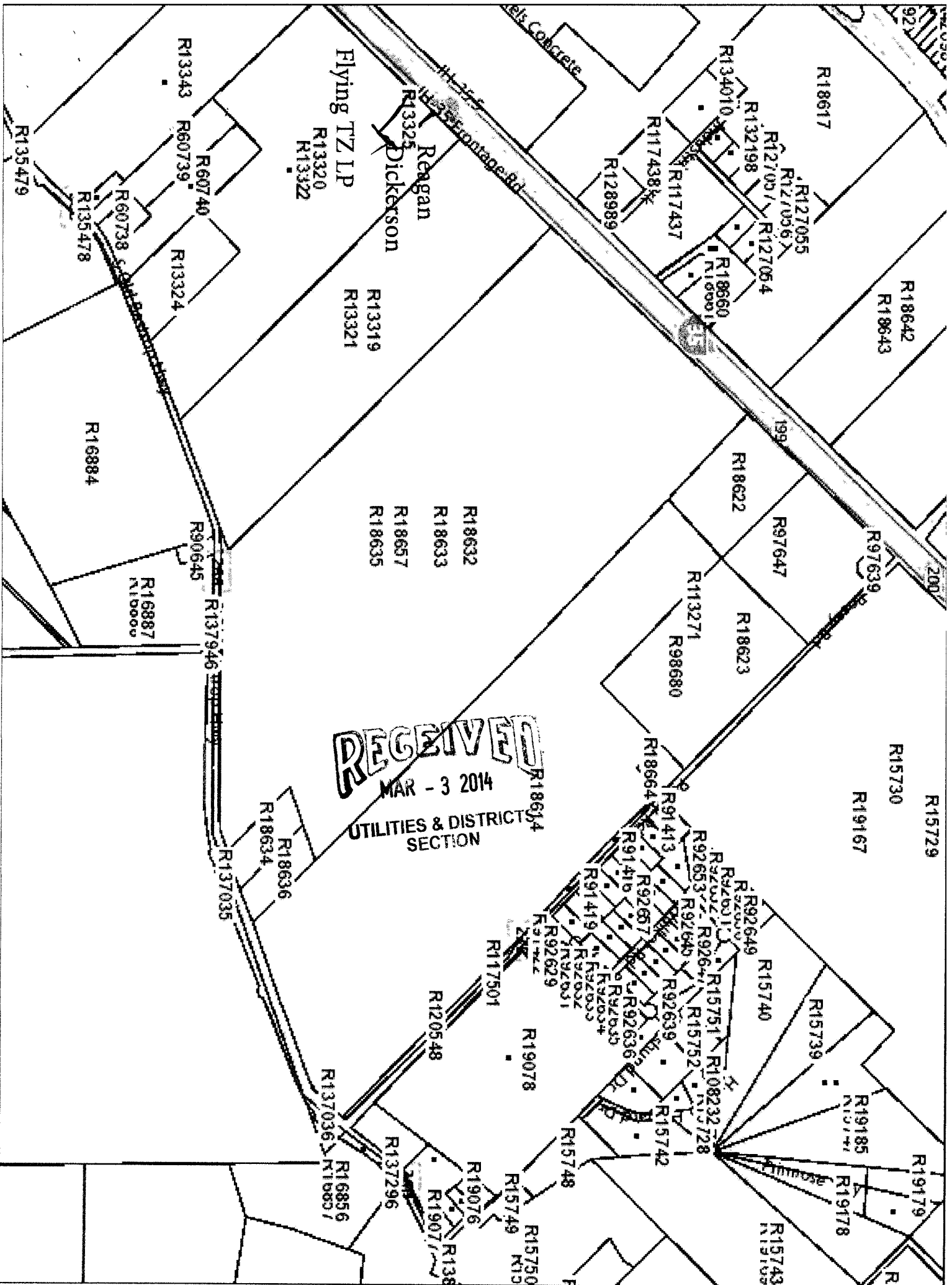
512-392-1633 office

512-757-2295 cell

reagan@flyingtzlp.com

<http://www.flyingtzlp.com>

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MAR - 3 2014
UTILITIES & DISTRICTS
SECTION



RECEIVED
MAR - 3 2014
UTILITIES & DISTRICT
SECTION

Existing TCEO Water Utility CCN Service Area Boundaries

City of San Marcos
Public Services Department
Water / Wastewater Division
610 E. Hopkins St.
San Marcos, TX 78666

LEGEND

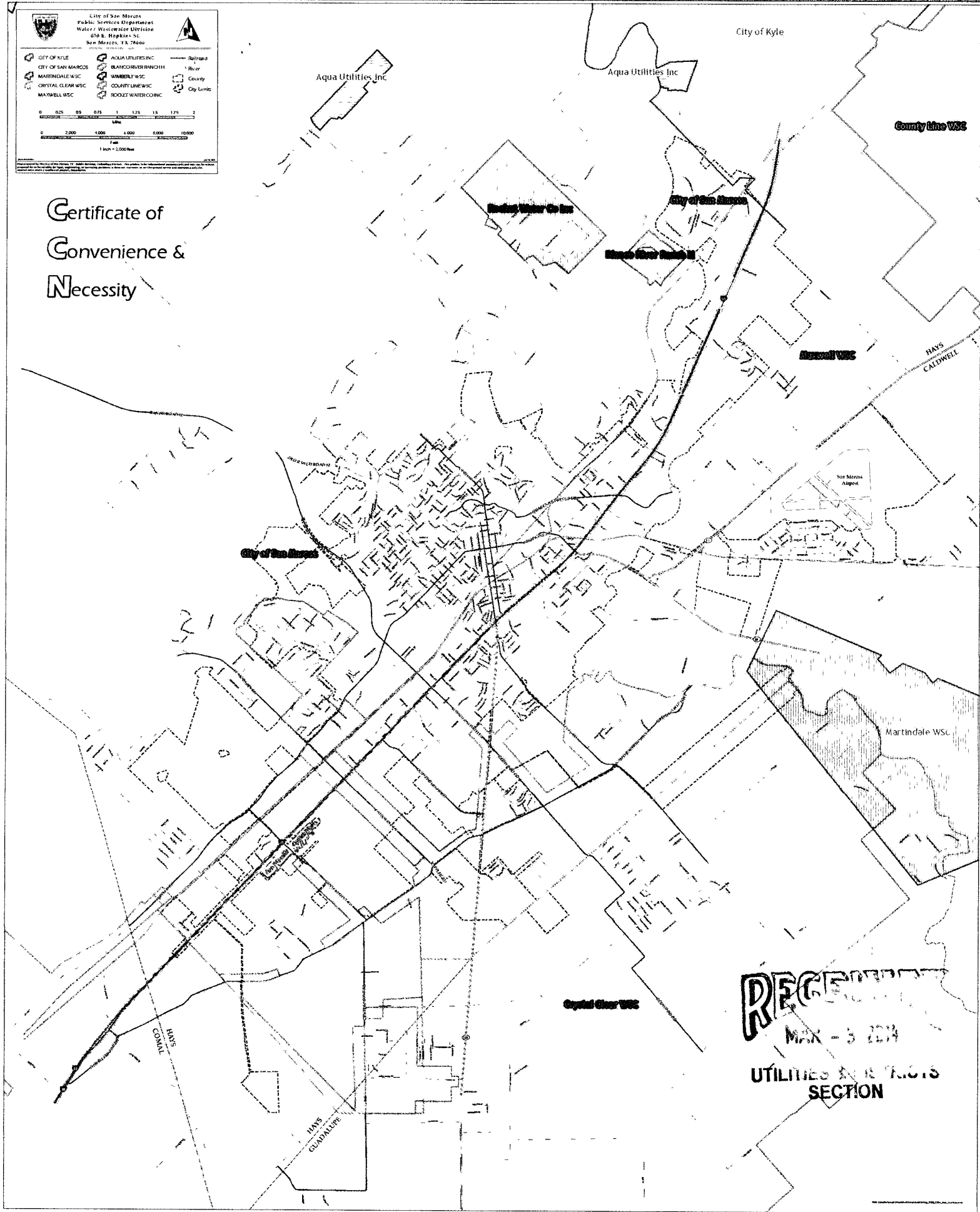
CITY OF KYLE	AQUA UTILITIES INC.	Railroad
CITY OF SAN MARCOS	BLANCO RIVER WSC	River
MARTINDALE WSC	NIMROD WSC	County
CRYSTAL CLEAR WSC	COUNTY LINE WSC	City Limits
MAXWELL WSC	ROOFTOP WATER CO. INC.	

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Miles


0 2,000 4,000 6,000 8,000 10,000
Feet

1 inch = 2,000 feet


Certificate of
Convenience &
Necessity



Existing TCEO Water Utility CCN Service Area Boundaries



CITY OF SAN MARCOS
Public Services Department
Water / Wastewater Division
600 S. Highways St.
San Marcos, TX 78666



CITY OF KYLE
CITY OF SAN MARCOS
MARTINDALE WSC
CRYSTAL CLEAR WSC
MAXWELL WSC

AQUA UTILITIES INC.
BLANCO RIVER WASH
WIMBERLY WSC
COUNTY LINE WSC
FOOTER WATER CO INC

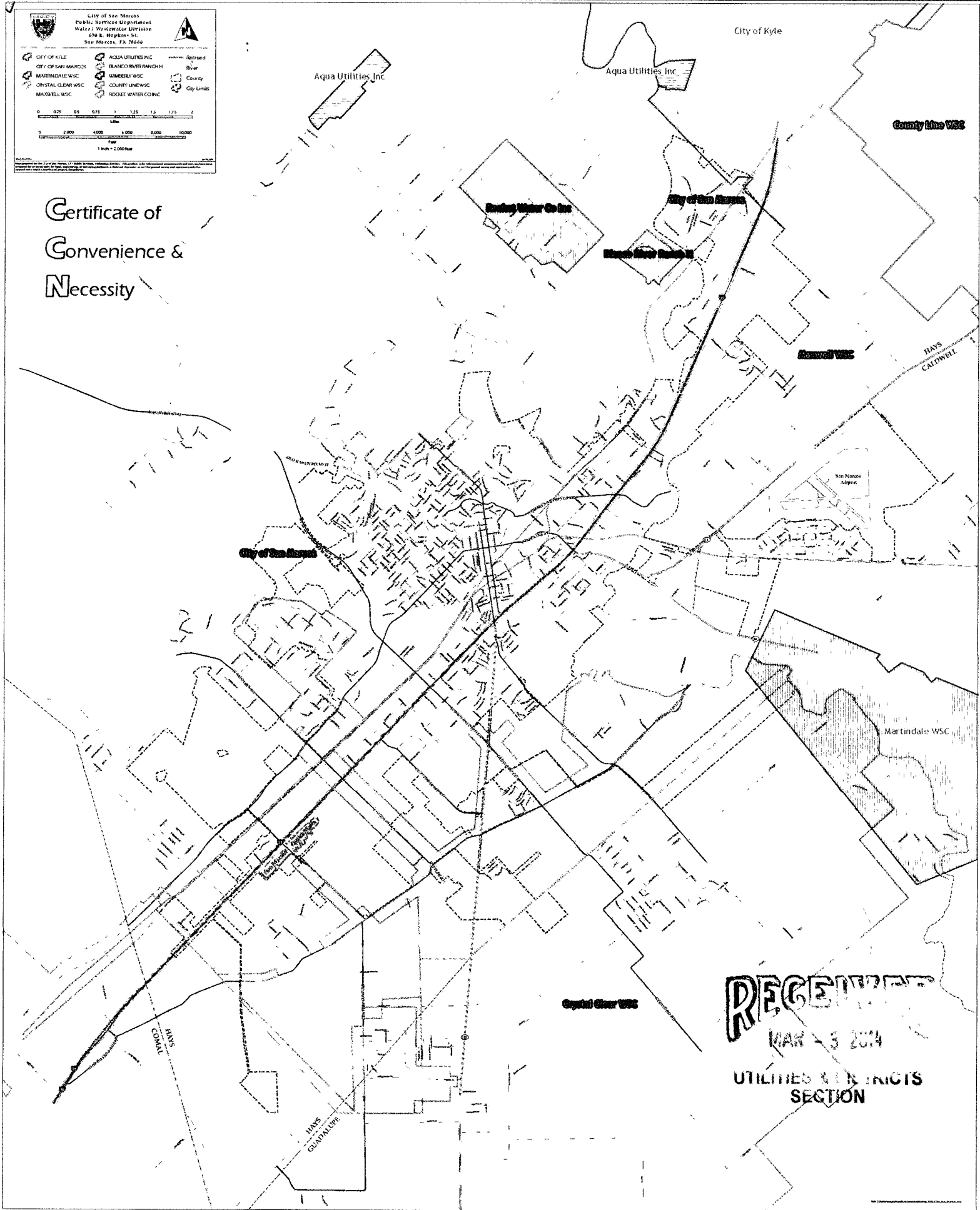
Railroad
River
County
City Limits

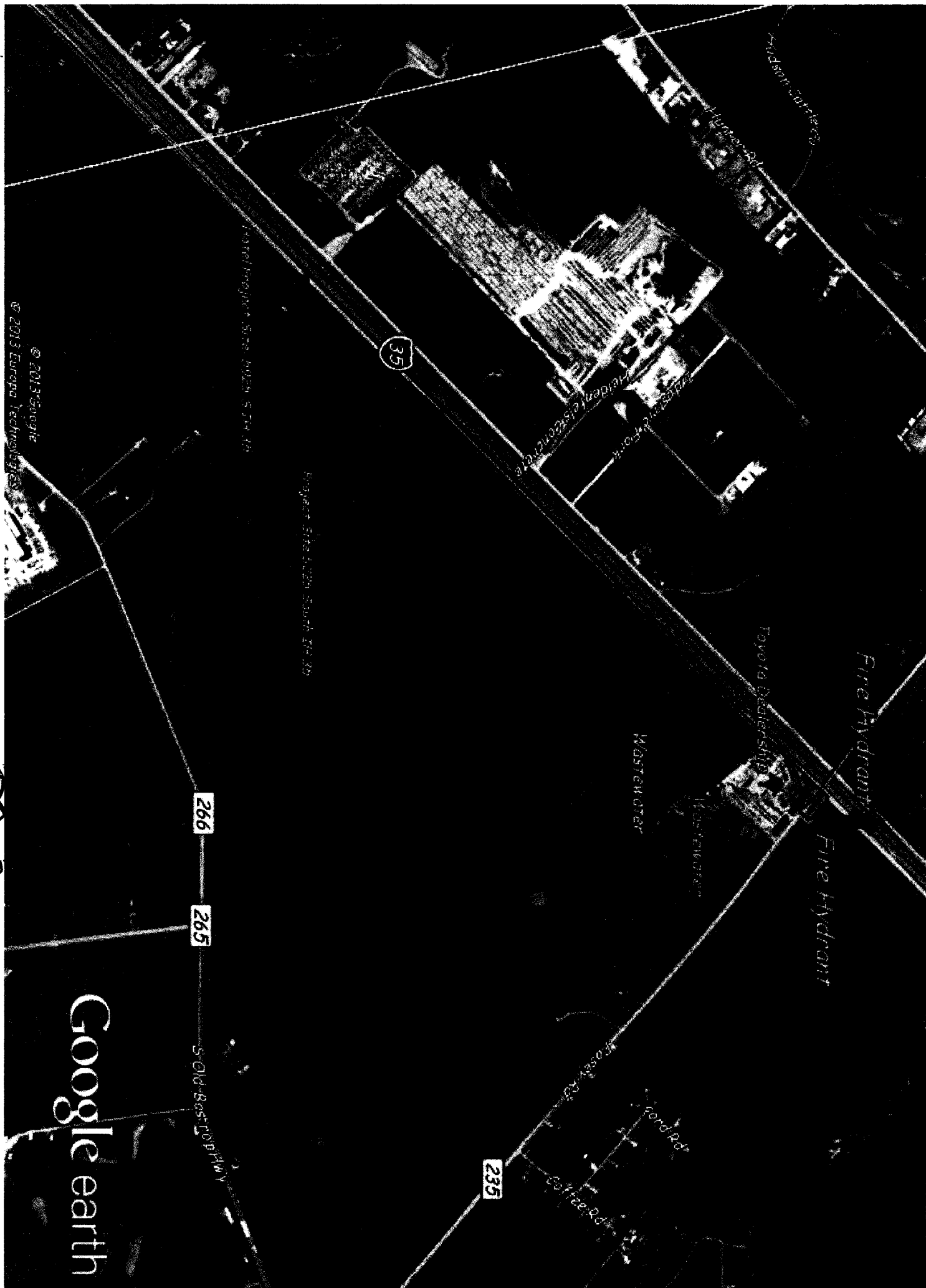
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Miles

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Feet

1 inch = 2,000 feet

Certificate of
Convenience &
Necessity





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