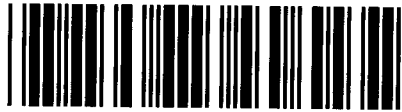




Control Number: 43539



Item Number: 4

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

43539

RECEIVED
2014 OCT 16 AM 11:23
PUBLIC UTILITY COMMISSION
FILING CLERK
CHIEF CLERK'S OFFICE

STATE OFFICE OF ADMINISTRATIVE HEARINGS
300 WEST 15TH STREET, STE. 502
AUSTIN, TEXAS 78701
(512) 475-4993
FAX (512) 475-4994
DOCKET (512) 475-3445

CONFIRMATION OF REQUEST TO DOCKET CASE

TO: MELISSA RADKE
TX COMM ON ENVIRONMENTAL QUALITY

VIA FACSIMILE 239-3311

FROM: NATALIE HOWARD
DEPUTY CLERK

DATE: March 7, 2007

RE: SETTINGS OF HEARING(S)

At your request, the following hearing(s) have been set:

<u>Docket Number</u>	<u>Case</u>	<u>Date</u>	<u>Time</u>	<u>Hearing Location</u>
582-07-2030 2007-0055-UCR	New Water Supply Corp	04/24/07	10:00 am	<u>WPC Bldg.</u> <u>300 West 15th Street</u> <u>4th Floor Street</u> <u>Austin, TX 78701</u>
582-07-2031 2007-0134-UCR	El Paso Water	05/01/07	10:00	same as above
582-07-2032 2007-0140-UC	City of West Tawakoni	05/01/07	10:00	same as above

All parties will be notified in the event of a change of location of the hearing.

Please remember that you are responsible for providing the court reporter as required by your agency.

If you have any questions regarding any of the information herein, please call.



** Transmit Conf. Report **

P.1

Mar 7 2007 9:35

Line Number: 1 TCEQ

Fax: 5122391209

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
94754994	NORMAL	7, 9:35	0'29"	2	# O K	

(Revised 08/25/04)	FOR SOAH USE ONLY	(req./m)
Date complete request received by SOAH:	Proceeding date set by SOAH:	SOAH Docket Number & type of case:

REQUEST TO DOCKET CASE (Please type or print)

PLEASE CHECK ACTION(S) REQUESTED: <input checked="" type="checkbox"/> SETTING OF HEARING <input type="checkbox"/> ASSIGNMENT OF ALJ * <input type="checkbox"/> ALTERNATIVE DISPUTE RESOLUTION (ADR)* AGENCY'S	
REFERRING AGENCY NAME: <u>TCEQ</u>	AGENCY NO.: _____ FILE/CASE NO.: <u>2007-0055-UCR</u>
NAME/STYLE OF THE CASE: <u>NEW WATER SUPPLY CORPORATION</u>	
DATE APPLICATION FILED AT AGENCY: _____	DOCKET NO. SUFFIX, if applicable: <u>UCR</u>
PROCEEDING DATE(S) REQUESTED (Include range of dates if possible): <u>APRIL 24, 2007</u>	
EXPECTED NUMBER OF HOURS (if less than a day) OR DAYS NEEDED FOR PROCEEDING: _____ HOURS <u>1</u> DAYS	
<input type="checkbox"/> ADMIN. FINE <input type="checkbox"/> GRIEVANCE <input type="checkbox"/> ENFORCEMENT <input type="checkbox"/> CONTRACT CLAIM (Govt. Code 2260) <input type="checkbox"/> OTHER _____	
SPECIAL NEEDS OR ACCOMMODATIONS: <u>Hearing in Austin, Seating for 10 people</u>	
IF ADR REQUESTED PLEASE DESCRIBE PROCESS NEEDED: _____	
<input type="checkbox"/> PREHEARING CONFERENCE REQUESTED <input type="checkbox"/> CASE FILE and/or <input type="checkbox"/> HEARING IS CONFIDENTIAL (Specify applicable statute): _____	
NAME OF INDIVIDUAL SENDING REQUEST FORM: <u>MELISSA RADKE</u> PHONE NO.: <u>239-3317</u> FAX NO.: <u>239-3311</u>	

PARTIES AND REPRESENTATIVES

PARTY REPRESENTED BY: <input type="checkbox"/> SELF <input checked="" type="checkbox"/> ATTORNEY <input type="checkbox"/> OTHER, if so, relationship: _____ REPRESENTATIVE'S NAME: <u>CHRISTIAN SIANO</u> PARTY'S NAME: _____ ADDRESS: _____ PHONE No.: <u>(512) 239-6743</u> (Direct Phone Number Please) FAX No.: _____	PARTY REPRESENTED BY: <input type="checkbox"/> SELF <input type="checkbox"/> ATTORNEY <input type="checkbox"/> OTHER, if so, relationship: _____ REPRESENTATIVE'S NAME: _____ PARTY'S NAME: _____ ADDRESS: _____ PHONE No.: _____ (Direct Phone Number Please) FAX No.: _____
--	--

PLEASE LIST ADDITIONAL PARTIES AND/OR REPRESENTATIVES ON EXTRA FORM PROVIDED.

SEND TO:

 STATE OFFICE OF ADMINISTRATIVE HEARINGS
 ATTN.: Deputy Clerk
 William P. Clements Building
 300 West 15th Street, Suite 504
 Austin, Texas 78701

OR

 Post Office Box 13025
 Austin, Texas 78711-3025
 Docket Phone No. (512) 475-3445
 Fax No. (512) 475-4994

*PLEASE FORWARD A COPY OF THE APPLICATION, APPEAL, OR COMPLAINT WITH THIS REQUEST FORM, AS WELL AS ANY OTHER PLEADING FILED IN THE CASE TO DATE IF REQUESTING ASSIGNMENT OF ALJ or ALTERNATIVE DISPUTE RESOLUTION (ADR). A COPY OF THE NOTICE OF PROCEEDING MUST BE FORWARDED TO SOAH AT THE SAME TIME IT IS MAILED TO THE PARTIES.

OCC FAXED: MAR 07 2007



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

INTEROFFICE MEMORANDUM

TO: LaDonna Castanuela, Chief Clerk

DATE: January 30, 2007

THRU: *DH* Doug Holcomb, P.E., Section Manager
1/29 Utilities & Districts Section
Water Supply Division

2 PK
1/29/07 David Laughlin, P.E., Team Leader
Utilities & Districts Section
Water Supply Division

TD
1/27/07 Tammy Benter, Team Leader
Utilities & Districts Section
Water Supply Division

FROM: *K.A.*
1/24/07 Kamal Adhikari, E.I.T.
Utilities Financial Review Team
Water Supply Division

SUBJECT: *2007-0055-UCR*
Application from New Water Supply Corporation (WSC) to Obtain a water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

We hereby transfer the official file for the above referenced application to the Chief Clerk's Office. Please refer this application to the State Office of Administrative Hearings and request that a hearing be scheduled.

We received protests from the City of San Augustine, Long Bell Petroleum Co., Mr. William C. Richards and Mrs. C.B. Richards. The City of San Augustine has concerns about granting a CCN to New WSC and Long Bell Petroleum Co. has concerns that it may affect their water rights. Mr. Richards and Mrs. Richards own property in the proposed area and have concerns regarding adverse effects on their property that may occur as the result of this transaction.

Staff estimates 10 people to attend this hearing.

The staffs assigned to this case are:

Technical - Kamal Adhikari

Legal -

If we may be of further service regarding this matter, please call.

Tammy Holguin-Benter
Tammy Holguin-Benter, Team Leader

THB/KA/ac

cc: TCEQ Public Interest Counsel; ATTN: Vic McWherter
TCEQ Agency Communications; ATTN: Andy Saenz, Manager
TCEQ Chief Clerk's Office; ATTN: Melanie Mohair
TCEQ Legal Division; ATTN: Daniel Klein

CHIEF CLERK'S OFFICE

27 FEB - 1 11 54

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Martin A. Hubert, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 30, 2007

CERTIFIED MAIL

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Re: Application from New Water Supply Corporation (WSC) to Obtain a water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

Dear Ms. Nevitt:

The Texas Commission on Environmental Quality (TCEQ) has received protests for the application referenced above. The Commission's Chief Clerk has assigned Docket No. 2007-0055-UCR to this matter. Any further communications should refer to this docket number. V.T.C.A. Water Code, Section 13.246 provides that affected parties may protest the application and request a hearing on whether a CCN should be issued.

We received protests from the City of San Augustine, Long Bell Petroleum Co., Mr. William C. Richards and Mrs. C.B. Richards. All of these individuals and entities have requested a public hearing on your application.

This matter has been referred to the State Office of Administrative Hearings to schedule a hearing. When a hearing has been scheduled, you will receive a notice of hearing which explains when and where the hearing will be held.

In order to review this CCN application, the staff of the TCEQ may need additional information regarding your utility's service. You may be receiving Staff Requests for Information (RFI's) within a few weeks. We would appreciate your cooperation in providing the information requested.

If you have questions about this process or what material you should bring with you to the hearing, please contact Mr. Kamal Adhikari at (512) 239-0680.

Sincerely,

A handwritten signature in cursive script that reads "Doug Holcomb".

Doug Holcomb, P.E., Section Manager
Utilities & Districts Section
Water Supply Division

DH/THB/KA/ac

cc: Attached Mailing List

Mailing List (Application No. 35434-C)
New WSC

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Mr. Duke Lyons, City Manager
301 South Harrison
San Augustine, Texas 75972

Mr. Ray t. Kaczorowski, Vice President
Long Bell Petroleum Co.
P.O. Box 4258
Houston, Texas 77210

Mr. William C. Richards
P.O. Box 193
San Augustine, Texas 75972

Mrs. C.B. Richards
P.O. Box 1030
San Augustine, Texas 75972

MRS. C B. RICHARDS

Route 2, Box 1030
San Augustine, TX 75972

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

Date Mailed: November 29, 2006

Dear Texas Commission on Environmental Quality,

By copy of this letter, I hereby express protest of the proposed new water supply district in San Augustine, Shelby, and Sabine Counties. I currently have farm land in each of the three counties and operate the land for agricultural and/or timber production. In order to comply with your demand for a written request to protest the creation of this new water plan, I hereby provide the requested information:

- 1) Name and Address: Mrs. C. B. Richards
Route 2, Box 1030
San Augustine, TX 75972
- 2) Applicant Name: I am NOT an applicant. Furthermore, I have not made any application to anything related to this CCN plan and by copy of this letter, hereby state I will not participate in any such plan if implemented and I will not willingly donate and/or sell any land and/or grant any easement from any of my properties for its implementation.
- 3) "I request a public hearing."
- 4) As previously stated, water lines would adversely effect my agricultural/timber operations by intruding in the of my land. This area is surrounded by pristine National Forest, and managed timberland. Excavation in these areas would adversely effect the landscape and the environment, and also induce erosion. The proposed area is occupied for the most part by an agricultural economy and the majority of the land owners are involved in agriculture. All water supply needs of the population have been fulfilled by ground water, and we have no water shortages. This plan would only waste State and Federal tax dollars. Having a water district would encourage a barrage of subdivisions and/or trailer parks from an influx of people into the area. These people usually have no interest in agriculture or the agricultural community and conflicts would arise from these special interest groups. This has most recently occurred with the formation of the Toledo Bend Bi-State Alliance in which this group nominated itself to dictate to the Sabine River Authority the operation of Lake Toledo Bend in regard to the generation of hydroelectric power and the water level of the reservoir. People of this nature would more than likely have other conflicts with agriculturist and demand restrictions in regard to the smell, noise, dust, and all other necessary occurring byproducts involved in agricultural production. My family has already had land taken/stolen in the construction of the Toledo Bend Reservoir and received the whopping sum of \$133.72 per acre. Do any of you have any land for sale at this so gracious of a price? Finally, water development would also demand construction of water lines into property and access to those lines would be by individuals unknown to any of us and we would be unable to protect our property from unwanted intrusions.

Page Two "Letter of Protest"

Most Sincerely,

Mrs C B. Richards

Enclosures. 1). Copy letter of condemnation from Sabine River Authority on family property
2). Letter from Toledo Bend Bi-State Alliance

cc: Ranger, Eddie Taylor
Sabine National Forrest
Hemphill, TX

Mr. Ricky Maxey
Land Conservationist/Texas Parks and Wildlife
Marshall, TX

Mr Ed Benchoff, Attorney at Law
Benchoff & Benchoff
Nacogdoches, TX

Mr. Michael Gregory
Sierra Club
Washington, DC

SENDER: COMPLETE THIS SECTION

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 2. We can return the card to you. Please print your name and address on the reverse of this card to the back of the mailpiece, in front if space permits.

Addressed to:

Common on Environment / Quality
 Supply Division
 16 Section Me-153
 Box 13087
 in Jcy 78711-3087

COMPLETE THIS SECTION

A. Signature

X

B. Received by (Print name)

D. Is delivery address different from address on mailpiece?
 If YES, enter delivery address

DEC 04

TEXASBU

3. Service Type

☒ Certified Mail
☐ Registered Mail
☐ Insured Mail

4. Restricted Delivery? (If YES, enter ZIP+4)

7005 1820 0004 4402 96

Number from service label

811, February 2004

Domestic Return Receipt

2005 1620 0004 4402 9657

U.S. Postal Service[™]
CERTIFIED MAIL[™] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 0.39	0972
Certified Fee	\$2.40	01
Return Receipt Fee (Endorsement Required)	\$1.85	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 4.64	11/29/2006

Sent To: *Dep Comm on Endorsed Quality*
 Street, Apt. No. or PO Box No. *PO Box 13087*
 City, State, ZIP+4[®] *Austin, Tex 78741-3087*

PS Form 3800, June 2002 See Reverse for Instructions

2005 1620 0004 4402 9664

U.S. Postal Service[™]
CERTIFIED MAIL[™] RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 0.39	0972
Certified Fee	\$2.40	01
Return Receipt Fee (Endorsement Required)	\$1.85	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 4.64	11/29/2006

Sent To: *Dep Comm on Endorsed Quality*
 Street, Apt. No. or PO Box No. *PO Box 13087*
 City, State, ZIP+4[®] *Austin, Tex 78741-3087*

PS Form 3800, June 2002 See Reverse for Instructions

MR Adhik ARA,

These are copies of Certified mailing Receipts on
 letters faxed to you earlier from William C Richard
 & my mother Wilma Richard

Shauls William R. J.

WILLIAM C. RICHARDS

P O Box 193
San Augustine, TX 75972

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

Date Mailed: November 29, 2006

Dear Texas Commission on Environmental Quality,

By copy of this letter, I hereby express protest of the proposed new water supply district in San Augustine, Shelby, and Sabine Counties. I currently have farm land in each of the three counties and operate the land for agricultural and/or timber production. In order to comply with your demand for a written request to protest the creation of this new water plan, I hereby provide the requested information.

1). Name and Address: William C. Richards
P.O. Box 193
San Augustine, TX 75972

2). Applicant Name: I am NOT an applicant. Furthermore, I have not made any application to anything related to this CCN plan and by copy of this letter, hereby state I will not participate in any such plan if implemented and I will not willingly donate and/or sell any land and/or grant any easement from any of my properties for its implementation.

3). "I request a public hearing."

4). As previously stated, water lines would adversely effect my agricultural/timber operations by intruding in the of my land. This area is surrounded by pristine National Forest, and managed timberland. Excavation in these areas would adversely effect the landscape and the environment, and also induce erosion. The proposed area is occupied for the most part by an agricultural economy and the majority of the land owners are involved in agriculture. All water supply needs of the population have been fulfilled by ground water, and we have no water shortages. This plan would only waste State and Federal tax dollars. Having a water district would encourage a barrage of subdivisions and/or trailer parks from an influx of people into the area. These people usually have no interest in agriculture or the agricultural community and conflicts would arise from these special interest groups. This has most recently occurred with the formation of the Toledo Bend Bi-State Alliance in which this group nominated itself to dictate to the Sabine River Authority the operation of Lake Toledo Bend in regard to the generation of hydroelectric power and the water level of the reservoir. People of this nature would more than likely have other conflicts with agriculturist and demand restrictions in regard to the small water duct and all other necessary occurrine byproducts involved in agricultural production. My

Most Sincerely,

William C. Richards

Enclosures. 1). Copy letter of condemnation from Sabine River Authority on family property
2). Letter from Toledo Bend Bi-State Alliance

cc: Ranger, Eddie Taylor
Sabine National Forrest
Hemphill, TX

Mr. Ricky Maxey
Land Conservationist/Texas Parks and Wildlife
Marshall, TX

Mr. Ed Benchoff, Attorney at Law
Benchoff & Benchoff
Nacogdoches, TX

Mr. Michael Gregory
Sierra Club
Washington, DC

Long-Bell Petroleum Co
PO Box 4258
Houston TX 77210

RECEIVED
TCEQ WATER SUPPLY

2006 NOV 28 PM 4:18

Via US Express Mail

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section MC-153
PO Box 13087
Austin, TX 78711-3087

November 27, 2006

Dear Sir:

Pursuant to an application by NEW WATER SUPPLY CORPORATION for a 108,000 acre CCN in San Augustine, Sabine, and Shelby Counties, please is advised that Long-Bell Petroleum Company hereby requests a public hearing to learn more about this application.

- 1) Name: Long-Bell Petroleum Company
- 2) Applicants Name: NEW WATER SUPPLY CORPORATION
- 3) I/we request a public hearing.
- 4) Long-Bell and others water rights may be affected/impacted by this activity.
- 5) No proposed recommendation or adjustment until more information about the applicant's plans is available and understood. The paperwork that Long-Bell received specified that there were 0 current customers but presumably this is expected to increase, potentially affecting the water right of others including Long-Bell Petroleum.

Sincerely,



Ray T Kaczorowski
Vice-President



CITY OF SAN AUGUSTINE

301 SOUTH HARRISON
SAN AUGUSTINE, TX 75972
TEL (936) 275.2121
FAX (936) 275.9146
E MAIL: dukelyons@qzip.net

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P.O. Box 13087
Austin, Texas 74711-3087

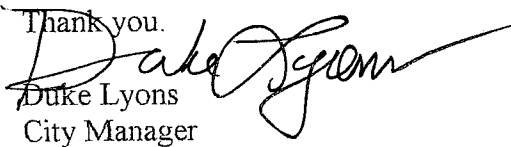
November 8, 2006

SUBJECT: Request for Public Hearing on CCN for NEW WATER SUPPLY CORPORATION

I am Duke Lyons, 301 South Harrison, San Augustine, Texas 75972 and RR2 (Texas Highway 21 East at Farm Road 3153 – Black Ankle Road) using Post Office Box 55, San Augustine, Texas 75972. The applicant is NEW WATER SUPPLY CORPORATION. There were no other identifying factors or references with the notice to landowners dated November 1, 2006.

We request a public hearing.

Thank you.


Duke Lyons
City Manager

CC: City Council

RECEIVED
NOV 10 2006
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
November 20, 2006

CERTIFIED MAIL

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Request for Information

Re: Application from New Water Supply Corporation (WSC) to Obtain a Water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

Dear Ms. Nevitt:

We have received your letter dated November 13, 2006, requesting an extension of the timeline to submit notice documents. We are granting your request for an extension and the deadline is extended to December 20, 2006.

After further review of your application, it was determined that in addition to the information requested in our letter dated October 11, 2006, you are also required to provide following information:

1. Please explain the need for service for the entire proposed area of 108,000 acres. Also, submit a map showing the locations of any current customers and the existing facilities of New Water Supply Corporation (WSC) which are located in the proposed area.
2. Your application indicates there are no requests for service in the proposed area. Please identify the requests for service for the entire proposed area, including number of written and/or verbal requests you have received, the names, addresses and telephone numbers of each person or entity requesting service from you. Also, identify the location of each request for service on a map of the proposed area.
3. Please explain in detail why New WSC is requesting 108,000 acres, since there are no requests for service in the proposed area and there are only 447 existing customers.

These items must be completed and returned to our office by **December 20, 2006**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact me at 512/239-6932, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in dark ink, appearing to read "K. Adhikari", written over a horizontal line.

Kamal Adhikari, E.I.T.
Utilities & Districts Section
Water Supply Division, MC-153

J. F. FONTAINE & ASSOCIATES, INC.

CONSULTING ENGINEERS

P. O. Box 4187
Palestine, Texas 75802

Telephone (903) 729-6005
Fax (903) 729-7310

December 18, 2006

Mr. Kamal Adhikari, E.I.T.
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division, MC-153
P. O. Box 13087
Austin, Texas 78711-3087

RECEIVED
DEC 19 2006
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

Re: Application of the NEW Water Supply Corporation for a Water Certificate of Convenience & Necessity in San Augustine, Sabine & Shelby Counties, Texas
Application No. 35434-C

Dear Mr. Adhikari:

Enclosed as requested in your letter of November 20, 2006 please find the following information:

1. Original and three (3) copies of the Publisher's Affidavits with tear sheets.
2. Original and three (3) copies of the Affidavit of Notice to Neighboring Utilities and Affected Parties.
3. Original and three (3) copies of the Affidavit of Notice to Landowners.

In answer to the questions requesting the following information, I offer the following:

1. The need for serve for the entire proposed area of 108,000 acres is needed due to the property owners in this area have to depend on shallow wells that are full of iron and bacteria. I have included four (3) copies of the Distribution System plans to show the proposed customer locations and facilities.
2. I included copies of all the applications for the proposed customer request with the application that was submitted on September 27, 2006. If you cannot located these, please let us know and we will submit additional copies of the applications.

Kathleen H. Nett White, *Chairman*
Larry R. Soyars, *Commissioner*
Glenn Shanley, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 14, 2006

BY FAX TO 903/729-7310 AND
BY CERTIFIED MAIL

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Re: Application from New Water Supply Corporation (WSC) to Obtain a Water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

Dear Ms. Nevitt:

Your CCN application for New WSC, received on August 7, 2006, has been assigned Application No. 35434-C, but has not been accepted for filing. Please refer to the application number in future correspondence.

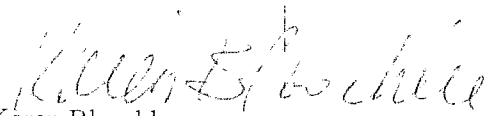
Processing for the above referenced application cannot proceed and notices cannot be published or mailed until we receive the following information:

1. Please complete the enclosed addendum for application's to obtain a CCN. For your convenience I have enclosed a copy of the addendum form.
2. Please complete item 2. B. on page 6, items 4. A., B., C., D., E., F. and G., on page 9 of the original application.

These items must be completed and returned to our office by **September 15, 2006**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact me at 512/239-6932, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,


Karen Blaschke
Utilities & Districts Section
Water Supply Division

KLB/ac

Enclosure

cc: Mr. Kamal Adhikari, TCEQ
TCEQ, Region 10 Office

P.O. Box 13087 • Austin Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

J. F. FONTAINE & ASSOCIATES, INC.



P O BOX 4187 ♦ 700 N SYCAMORE ♦ PALESTINE, TEXAS 75802
Phone AC/903 - #729-6005 ♦ Fax AC/903 - #729-7310

August 28, 2006

RECEIVED
AUG 30 2006
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

Ms. Karen Blaschke
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division, Mail Code 153
P. O. Box 13087
Austin, Texas 78711-3087

Re: Application on New Water Supply Corporation
Application No. 35434-C
CN: 602577223; RN: 104394135

Dear Ms. Blaschke:

This is a request for an 30 day extension of time on the above referenced project.

The information that has been requested is taking more time and we will not be able to meet the September 15 deadline.

Your prompt attention to this matter is greatly appreciated. Thank you for your assistance in this matter.

Yours very truly,

Lola Nevitt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, TX 75802
KB/fg Application No. 35434-C

New WSC

2. Article Number
(Transfer from service label)

7002 2410 0001 7629 8632

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Wanda J. Green

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

WANDA J GREENE

C. Date of Delivery

9-25-06

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
September 21, 2006

BY FAX TO 903/729-7310 AND
BY CERTIFIED MAIL

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

FINAL NOTICE OF DEFICIENCY

Re: Application from New Water Supply Corporation (WSC) to Obtain a Water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

Dear Ms. Nevitt:

In a letter dated August 14, 2006, we requested additional information on this application. However, as of the date of this letter, we have not received all the information necessary to continue processing the application referenced above.

Processing for the above referenced application cannot proceed and notices cannot be published or mailed until we receive the following information:

1. Please complete the addendum for application's to obtain a CCN.
2. Please complete Item 2. B. on page 6, items 4. A., B., C., D., E., F. and G., on page 9 of the original application.

These items must be completed and returned to our office by **October 6, 2006**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact me at 512/239-6932, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

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

Karen Blaschke
Utilities & Districts Section
Water Supply Division

KLB/

cc: Mr. Kamal Adhikari, TCEQ
TCEQ, Region 10 Office

FIVE MILE: includes listed above

Choice WSC (11408)

Sam Rayburn Water Inc. (11707)

Denning WSC (10390)

Hilltop Lakes WSC (10341)

San Augustine Rural WSC (10389)

Bland Lake Rural WSC (10392)

G M WSC (11393)

McClelland WSC (10396)

Melrose WSC (10377)

Rayburn Hideaway Water System (12538)

City of San Augustine (10431)

Sand Hills WSC (11230)

Swift WSC (11420)

Etoile WSC (11540)

City of Pineland (12829)

Sutton Hills Estates POA (12935)

City of Broadus (10391)

City of Bronson

11. Notice: *o/c*

12. Other comments:

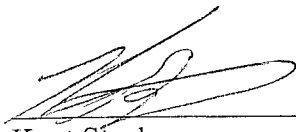


Kent Steelman

To: Administrative Reviewer Date: October 2, 2006
From: Cartographer-Utilities & Districts Section
Subject: Overlap & Notice Check for Administrative Review No. A-101-6
New WSC to obtain water CCN in Shelby, Sabine, and San Augustine counties.

1. No new overlap of service areas exists.
2. An overlap:
3. Dual certification:
4. An overlap exists with the city limits of:
5. If this is a Sale, Transfer, or Merger, is additional area being requested?
6. Due to an inadequate map filed by the applicant, a determination cannot be made as to the actual location of requested service boundary.
7. Map submitted is digital request digital data.
- X 8. Need maps matching requirements in addendum.
9. Utility notice was sufficient.
10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:
TWO MILES:
FIVE MILE:
- X 11. Notice: DO NOT NOTICE
- X 12. Other comments: Need mapping requirements from addendum.

2nd set of maps are the same as the first set. They do not meet new requirements.


Kent Steelman

To: Administrative Reviewer

Date: October 9, 2006

From: Cartographer-Utilities & Districts Section

Subject: Overlap & Notice Check for Administrative Review No. A-101-6
New WSC to obtain a water CCN in San Augustine, Shelby, & Sabine counties.

- X
1. No new overlap of service areas exists.
 2. An overlap:
 3. Dual certification:
 4. An overlap exists with the city limits of:
 5. If this is a Sale, Transfer, or Merger, is additional area being requested?
 6. Due to an inadequate map filed by the applicant, a determination cannot be made as to the actual location of requested service boundary.
 7. Map submitted is digital request digital data.
 8. Need a more detailed map, such as a subdivision plat or USGS topo map with the boundary clearly identified.
 9. Utility notice was sufficient.
 10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:

TWO MILES: request for service

- ✓ Choice WSC (11408)
- ✓ Sam Rayburn Water Inc. (11707)
- ✓ Denning WSC (10390)
- ✓ Hilltop Lakes WSC (10341)
- ✓ San Augustine Rural WSC (10389)
- ✓ Bland Lake Rural WSC (10392)
- ✓ G M WSC (11393)
- ✓ McClelland WSC (10396)
- ✓ Melrose WSC (10377)



Texas Commission on Environmental Quality

APPLICATION NO. _____

AFFIDAVIT OF NOTICE TO LANDOWNERS

STATE OF TEXAS

COUNTY OF _____

_____ has provided individual notice to
the following entities:

DATE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is, owner,
member of partnership, title of officer of corporation, or other authorized representative of applicant);
that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar
with the notices given with this application, and have complied with all notice requirements in the
application and application acceptance letter; and that all such statements made and matters set for
therein are true and correct.

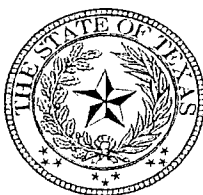
Applicant's Authorized Representative

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

Subscribed and sworn to before me this _____ day of _____, 20____, to
certify which witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public
Commission Expires _____



Texas Commission on Environmental Quality

APPLICATION NO. _____

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES

STATE OF TEXAS

COUNTY OF _____

_____ has provided individual notice to the following entities:

	DATE
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

OATH

I, _____, being duly sworn, file this form as _____ (indicate relationship to applicant, that is, owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set for therein are true and correct.

Applicant's Authorized Representative

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

Subscribed and sworn to before me this _____ day of _____, 20____, to certify which witness my hand and seal of office.

Notary Public in and for the
State of Texas

Print or Type Name of Notary Public
Commission Expires _____



Texas Commission on Environmental Quality

APPLICATION NO. _____

PUBLISHER'S AFFIDAVIT

STATE OF TEXAS

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____,

who being by me duly sworn, deposes and says that (s)he is the _____ of
the _____
TITLE

_____ ; that
said

NAME OF NEWSPAPER

newspaper is regularly published in _____

County(ies) and generally circulated in

_____ County (Counties), Texas; and that

the attached notice was published in said newspaper on the following date(s), to wit: _____

Newspaper Representative's Signature

Subscribed and sworn to before me this _____ day of _____, 200_, to certify
which

witness my hand and seal of office.

Notary Public in and for the State of Texas

Print or Type Name of Notary Public

Commission Expires _____

Notice to Landowners

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY
(CCN) TO PROVIDE WATER UTILITY SERVICE IN SAN AUGUSTINE, SABINE AND
SHELBY COUNTIES

To: _____ Date Notice Mailed: _____, 2006
(Landowner)

(Address)

(City State Zip)

New Water Supply Corporation has filed an application for a CCN with the Texas Commission on Environmental Quality to provide water utility service in San Augustine, Shelby and Sabine Counties.

The proposed utility service area in San Augustine County is located approximately 6 miles south and 2 ½ miles west of downtown San Augustine, Texas, and is generally bounded on the north by the Shelby, San Augustine line; on the east by Highway 96; on the south by Bobbitt Creek; and on the west by Attoyac Bayou. In Sabine County the system is generally bounded on the north by Patroon Creek; on the east by Colarow Creek; on the south by Highway 21; and on the west by Boggy Creek. In Shelby County the system is generally bounded on the north by Highway 87 & Highway 1279; on the east by Highway 87; on the south by the Sabine County line; and on the west by Highway 1279. See enclosed map of the proposed service area.

The total area being requested will serve 438 customers. The total area being requested includes approximately 108,000 acres and 0 current customers.

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

Persons who wish to intervene or comment should write the:

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

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

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

Si desea informacion en Espanol, puede llamar al 1-512-239-0200.

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN
SAN AUGUSTINE, SABINE AND SHELBY COUNTIES

TO

Date Notice Mailed _____ 2006

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties.

The proposed utility service area in San Augustine County is located approximately 6 miles South and 2 ½ miles west of downtown San Augustine, Texas and is generally bounded on the North by the Shelby, San Augustine line; on the East by Highway 96; on the South by Bobbitt Creek, and on the West by Attoyac Bayou. In Sabine County the system is generally bounded on the North by Patroon Creek; on the East by Colarow Creek; on the South by Highway 21; and on the West by Boggy Creek. In Shelby County the system is generally bounded on the North by Highway 87 & Highway 1279, on the East by Highway 87; on the South by the Sabine County line; and on the West by Highway 1279. The total area being requested will serve 438 customers.

The total area being requested includes approximately 108,000 acres and 0 current customers. See enclosed map of the proposed service area.

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

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

within thirty (30) days from the date of this publication or notice. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

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

Si desea informacion en Espanol, puede llamar al 1-512-239-0200.

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN
SAN AUGUSTINE, SABINE AND SHELBY COUNTIES

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties

The proposed utility service area in San Augustine County is located approximately 6 miles South and 2 ½ miles west of downtown San Augustine, Texas and is generally bounded on the North by the Shelby, San Augustine line, on the East by Highway 96; on the South by Bobbitt Creek; and on the West by Attoyac Bayou. In Sabine County the system is generally bounded on the north by Patroon Creek, on the East by Colarow Creek, on the South by Highway 21; and on the West by Boggy Creek. In Shelby County the system is generally bounded on the North by Highway 87 & Highway 1279; on the East by Highway 87; on the South by the Sabine County line; and on the West by Highway 1279. The total area being requested will serve 438 customers.

The total area being requested includes approximately 108,000 acres and 0 current customers.

A copy of the proposed service area map is available at the New WSC Office, P. O. Box 800, San Augustine, Texas 75972 (936) 275-2914

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

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Si desea informacion en Espanol, puede llamar al 1-512-239-0200.

Ms. Lola Nevitt
Page 2
October 11, 2006

These items must be completed and returned to our office by November 17, 2006. Processing of this application cannot proceed until the close of the 30 day public comment period which begins after all the required notices have been given. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact Mr. Kamal Adhikari at 512/239-0680, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,



Tammy Benter, Team Leader
Utilities & Districts Section
Water Supply Division

Enclosures: as stated

KLK/THB/fg

cc: TCEQ, Region 10 Office

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 11, 2006

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Re: Application from New Water Supply Corporation (WSC) to Obtain a Water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

Dear Ms. Nevitt:

Your application for New WSC to obtain a CCN was received on August 7, 2006, and has been accepted for filing. Thank you for providing the items we requested with your September 27, 2006, and October 3, 2006, letters. Mr. Kamal Adhikari has been assigned to perform the technical review.

Your next step is to provide the public notices without delay. The notice to the public must be published once each week for two (2) consecutive weeks in a newspaper of general circulation in San Augustine, Shelby and Sabine Counties. It is the responsibility of the applicant to provide correct notice of the application to any utilities within five (5) miles of your proposed service area, any city with an extraterritorial jurisdiction which overlaps the proposed service area or other affected parties in your requested area. You will also be required to provide mailed notice to all landowners of more than 25 acres in your proposed CCN area pursuant to TCEQ 30 TAC Chapter 291 Rules adopted on January 5, 2006. The landowner information may be obtained from the county appraisal district tax rolls for the county or counties in which the proposed CCN lies. Check the notices carefully before mailing or publishing.

As proof that notice was provided, you are required to send us the following:

- a) an original and three copies of a publisher's affidavit of the newspaper publication with tear sheets of the published notice attached;
- b) four copies of each individual notice and map sent to neighboring utilities and affected parties;
- c) one copy of the landowner notice and map sent to each landowner; and
- d) an original and three copies of the signed affidavits that individual notice to neighboring utilities, affected individuals and each landowner has been given. (Copies of the Affidavit forms are enclosed with this letter.)

Please be sure to include a map showing the proposed service area with your individual notices to neighboring utilities, other affected parties and each landowner. It is the applicant's burden to provide an accurate map delineating the proposed area with each individual notice.

After technical review additional financial, technical or other information may also be requested through future correspondence.

OPERATING BUDGET
PROPOSED SYSTEM
BASED ON \$4,785,000 LOAN SEPTEMBER, 03

Schedule 1

Name NEW WATER SUPPLY CORPORATION		Address ROUTE 2, BOX 365		City BRONSON	
Applicant Fiscal Year From JANUARY 1		To DECEMBER 31		County SABINE	
				State (Including ZIP Code) TEXAS 75935	

	20	20	20 04	20 05	First Full Year
	(1)	(2)	(3) Under Construction	(4) 438 Cust. @ \$71.50	(5) 438 Cust. @ \$71.50
OPERATING INCOME					
1. 438 Cust. @ \$71.50 Mo. Min.				375,804	375,804
2. Over Minimum				47,358	47,358
3. 9 Dry Taps (No Income Used)					0
4.					
5. Miscellaneous					
6. Less: Allowances and Deductions	()	()	()	()	()
7. Total Operating Income (Add Lines 1 through 6)			0	423,162	423,162
OPERATING EXPENSES					
8. Wages				48,000	48,000
9. Taxes/Insurance				15,000	15,000
10. Utilities				20,400	20,400
11. Office Expense				9,300	9,300
12. Miscellaneous				6,000	6,000
13. Repairs & Maintenance				7,200	7,200
14. Audits				1,500	1,500
15. Interest (RD)				245,231	245,231
16. Depreciation					
17. Total Operating Expense (Add Lines 8 through 16)			0	352,631	352,631
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)			0	70,531	70,531
NONOPERATING INCOME					
19.					0
20.					0
21. Total Nonoperating Income (Add Lines 19 and 20)			0	0	0
22. NET INCOME (LOSS) (Add Lines 18 and 21) (Transfer to Line A Schedule 2)			0	70,531	70,531

Budget and Projected Cash Flow Approved by Governing Body

Attest: _____ Secretary _____ Date _____
MEARLENE DAVIS

DR. CHARLES W. SMITH Appropriate Official Date _____

FM Checklist

Applicant: New Water Supply Corporation (WSC), to Obtain a Water Certificate of Convenience and Necessity (CCN) in San Augustine, Sabine and Shelby Counties

Application No.: 35434-C

E. FINANCING	
1. Applicant has identified sources for funding construction and capital improvements.	Date: 11/15/06
Comments: Yes, as specified earlier, the applicant has funds of nearly 75% grant committed for phase one and phase two, from USDA/RD.	
2. Sources of revenue for construction and capital improvements are verifiable and documented.	Date: 11/15/06
Comments: Yes.	
3. Sources of revenue for construction and capital improvements are guaranteed or reasonably assured.	Date: 11/15/06
Comments: Reasonably assured.	
4. Sources of revenue for shortfalls, other than from rates, are guaranteed, or reasonably assured.	Date: 11/15/06
Comments: Reasonably assured.	
5. Applicant has contingency financing plan to fund any unforeseen repairs or equipment replacements, e.g. Reserves equal to depreciation or 1/8 O & M.	Date: 11/15/06
Comments: Yes.	

F. OWNERSHIP	
1. Applicant has identified current and any future potential owners.	Date: 11/15/06
Comments: Yes.	

FM Checklist

Applicant: New Water Supply Corporation (WSC), to Obtain a Water Certificate of Convenience and Necessity (CCN) in San Augustine, Sabine and Shelby Counties

Application No.: 35434-C

C. FEE FOR SERVICE	
1. Projected number of connections agrees with assumptions listed.	Date:
Comments: Projections other than RD requirements, were not provided or required.	
2. Consumption assumptions are reasonable in light of the types of consumers expected to be on the system, e.g., large homes on large lots versus mobile home parks, or residential versus commercial.	Date:
Comments:	
3. Proposed rates reflect cost of service and are affordable. [Could consider the percentage of Median Household Income]	Date:
Comments:	

D. DOCUMENTATION RELATED TO PROVIDING SERVICE USING APPLICANT'S FACILITIES <i>Note: This section applies to NEW CCNs and substantial amendments.</i>	
1. Cost of construction is based on engineering estimates.	Date: 11/15/06
Comments: Yes, the engineer is J. F. Fontaine & Associates, Inc.	
2. Cost of maintaining and operating the system includes reasonable amounts for a contract operations company.	Date:
Comments:	

FM Checklist

Applicant: New Water Supply Corporation (WSC), to Obtain a Water Certificate of Convenience and Necessity (CCN) in San Augustine, Sabine and Shelby Counties

Application No.: 35434-C

New WSC was chartered in late 2000, then apparently went into an "inactive" status, then was "reinstated" to active status by the Secretary of State's office as indicated in a copy of a certificate of filing dated September 15, 2004. The copy of their Articles of Incorporation calls them "NEWS." They now apply for the third time to obtain a water CCN for 108,000 acres in San Augustine, Sabine and Shelby counties. The first two were returned for lack of evidence of capital availability; the USDA/RD first had no record of an application pending, then had only very preliminary information, and considering the length of their loan/grant review and approval process, the applications were returned until further progress in that process could be documented.

Now, Ms. Sabrina Glenn of the USDA/RD office in Lufkin confirms that funds have been committed for both phase one and phase two, a total of about \$4.7 mil. Phase one will be \$640,000 loan and \$1,710,000 grant, which is generous, nearly a 75% grant ratio. Projections which were provided to RD as a part of that application process indicate cash net income can be generated. No further projections were provided or required.

In my opinion, this applicant has demonstrated adequate financial and managerial capability to provide service to the requested area. 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.

Signed: Dan Smith Date: November 15, 2006

A. PROJECTED # OF CONNECTIONS	
1. The customer classes and meter sizes are appropriate for the type of development and the predicted consumption patterns.	Date: 11/15/06
Comments: Projections other than RD requirements, were not provided or required.	
2. The growth projections are verifiable and make sense. Note: A growth rate greater than 10% per year will require significant documentation.	Date:
Comments:	

J. F. FONTAINE & ASSOCIATES, INC.

CONSULTING ENGINEERS

TCEO WATER SUPPLY

RECEIVED
TCEO WATER SUPPLY

P. O. Box 4187
Palestine, Texas 75802

2006 NOV 14 11:06 AM
Telephone (903) 729-6005
Fax (903) 729-7310

November 13, 2006

KA
35434-C

Ms. Tammy Benter, Team Leader
Texas Commission on Environmental Quality
Water Quality Applications Team (MC 153)
Utilities and Districts Section
Water Supply Division
P. O. Box 13087
Austin, Texas 78711-3087

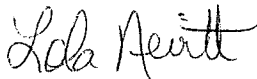
Re: Application of the NEW Water Supply Corporation for a Water Certificate of Convenience
& Necessity in San Augustine, Sabine & Shelby Counties, Texas
Application Number 35434-C

Dear Ms. Benter:

This is a written request for an extension of time on the above referenced project. There were so many landowners to notify due to the size of the areas that the time allotted has nearly arrived. In order to publish the notices and send out all landowner notices we are in need of an extension.

Your assistance and approval of this extension of time is greatly appreciated. If you should have any questions, please let us know. Thank you!

Yours very truly,



Lola Nevitt
encl:

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
November 20, 2006

CERTIFIED MAIL

Ms. Lola Nevitt
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Request for Information

Re: Application from New Water Supply Corporation (WSC) to Obtain a Water Certificate of Convenience and Necessity (CCN) in Shelby, Sabine and San Augustine Counties; Application No. 35434-C

CN: 602577223; RN: 104394135

Dear Ms. Nevitt:

We have received your letter dated November 13, 2006, requesting an extension of the timeline to submit notice documents. We are granting your request for an extension and the deadline is extended to December 20, 2006.

After further review of your application, it was determined that in addition to the information requested in our letter dated October 11, 2006, you are also required to provide following information:

1. Please explain the need for service for the entire proposed area of 108,000 acres. Also, submit a map showing the locations of any current customers and the existing facilities of New Water Supply Corporation (WSC) which are located in the proposed area.
2. Your application indicates there are no requests for service in the proposed area. Please identify the requests for service for the entire proposed area, including number of written and/or verbal requests you have received, the names, addresses and telephone numbers of each person or entity requesting service from you. Also, identify the location of each request for service on a map of the proposed area.
3. Please explain in detail why New WSC is requesting 108,000 acres, since there are no requests for service in the proposed area and there are only 447 existing customers.

These items must be completed and returned to our office by **December 20, 2006**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact me at 512/239-6932, or if by correspondence, include Mail Code 153 in the letterhead address.

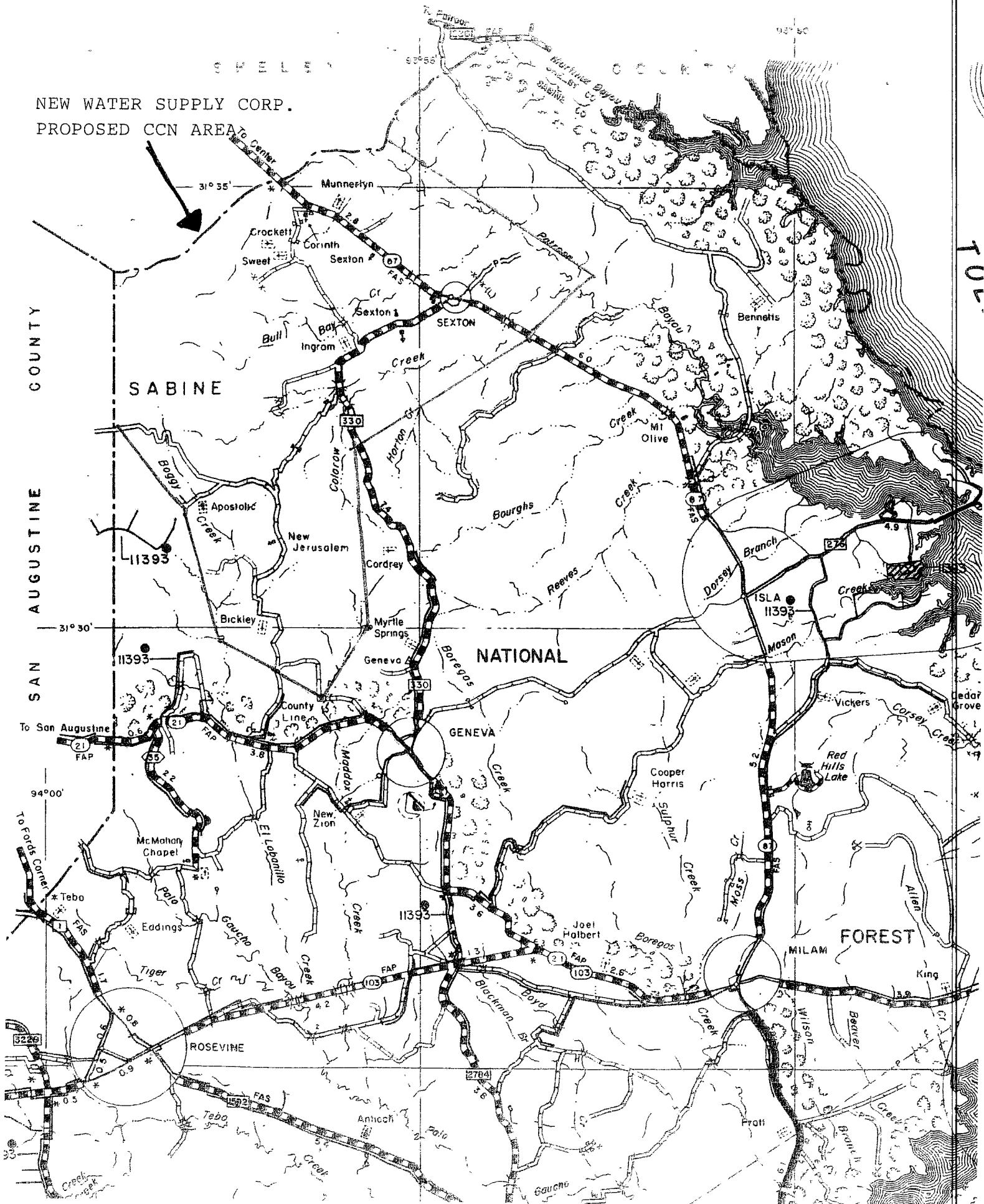
Sincerely,

A handwritten signature in blue ink, appearing to read "K. Adhikari", is written over the signature line.

Kamal Adhikari, E.I.T.
Utilities & Districts Section
Water Supply Division, MC-153

SABINE COUNTY

NEW WATER SUPPLY CORP.
PROPOSED CCN AREA



**NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN
SAN AUGUSTINE, SABINE AND SHELBY COUNTIES**

TO: City of Bronson
Bronson, Texas 75930

Date Notice Mailed November 1, 2006

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties.

The proposed utility service area in San Augustine County is located approximately 6 miles South and 2 ½ miles west of downtown San Augustine, Texas and is generally bounded on the North by the Shelby, San Augustine line; on the East by Highway 96; on the South by Bobbitt Creek; and on the West by Attoyac Bayou. In Sabine County the system is generally bounded on the North by Patroon Creek; on the East by Colarow Creek; on the South by Highway 21; and on the West by Boggy Creek. In Shelby County the system is generally bounded on the North by Highway 87 & Highway 1279; on the East by Highway 87; on the South by the Sabine County line; and on the West by Highway 1279. The total area being requested will serve 438 customers.

The total area being requested includes approximately 108,000 acres and 0 current customers. See enclosed map of the proposed service area.

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

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

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

Si desea informacion en Espanol, puede llamar al 1-512-239-0200

**NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN
SAN AUGUSTINE, SABINE AND SHELBY COUNTIES**

TO: City of Broaddus
P. O. Box 149
Broaddus, Texas 75929

Date Notice Mailed November 1, 2006

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties.

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AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN
SAN AUGUSTINE, SABINE AND SHELBY COUNTIES**

TO: Sutton Hills Estate POA
P. O. Box 25
Broadus, Texas 75929

Date Notice Mailed November 1, 2006

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AND NECESSITY TO PROVIDE WATER UTILITY SERVICE IN
SAN AUGUSTINE, SABINE AND SHELBY COUNTIES**

TO: City of Pineland
P. O. Box 6
Pineland, Texas 75968

Date Notice Mailed November 1, 2006

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties.

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**NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
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TO: Etoile Water Supply Corp.
P. O. Box 67
Etoile, Texas 75944

Date Notice Mailed November 1, 2006

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties.

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SAN AUGUSTINE, SABINE AND SHELBY COUNTIES**

TO: Swift Water Supply Corp.
10410 N FM 95
Nacogdoches, Texas 75961

Date Notice Mailed November 1, 2006

NEW WATER SUPPLY CORPORATION has filed an application for a CCN with the Texas Natural Resource Conservation Commission to provide water utility service in San Augustine, Sabine and Shelby Counties.

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TO: Sand Hills Water Supply Corp.
13938 State Highway 7 W
Center, Texas 75935

Date Notice Mailed November 1, 2006

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