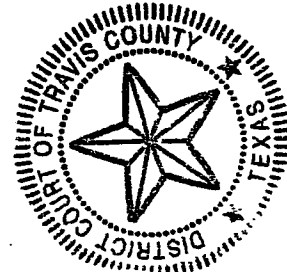


82. BexarMet has undergone a rate increase and consolidation to improve its net cash flows and to meet its debt service obligations.
83. BexarMet has a long-standing in-house capability to design, construct, and operate water utilities to provide continuous and adequate service.
84. BexarMet has provided water service to the greater San Antonio area for over 50 years.
85. BexarMet currently has over 250 employees serving over 70,000 water connections.
86. BexarMet is dedicated to serving its requested service area on a priority basis.
87. BexarMet is financially stable.

#### EFFECT ON ENVIRONMENTAL INTEGRITY

88. If the CCN amendment is granted, the environment will be temporarily disrupted by the construction of water distribution systems, additional pumping, and storage facilities.
89. There is no scientific evidence of undue harm to flora, fauna, geological formations, or any other unique environmental feature.
90. There was no scientific evidence that the use of surface water would be better for the environment than groundwater.
91. The environment will not be unduly endangered by the construction of the BexarMet water utility system.



## IMPROVEMENT OF SERVICE/LESSENING OF COSTS

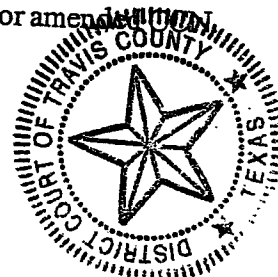
92. The installation of a uniform water distribution network subject to state and federal standards would be an improvement over the present situation in BexarMet's requested service area where water is provided on an *ad hoc*, unplanned basis, with various landowners receiving water from personnel water wells, BexarMet stand-alone systems, or small utilities created to serve particular developments.

## STATUTORY FINDINGS

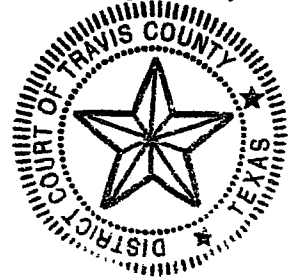
93. A CCN in BexarMet's requested service area south of Highway 46 and north of Highway 46 in places where it has a specific request for service and in its two existing service areas is necessary for the service, accommodation, and convenience of the public.
94. Except as stated in Finding of Fact No. 93, a CCN in BexarMet's requested service area north of Highway 46 is not necessary for the service, accommodation, convenience, or safety of the public.
95. BexarMet possesses the financial, managerial, and technical capability to provide continuous and adequate service.
96. BexarMet has access to an adequate supply of water.

## CONCLUSIONS OF LAW

1. The Commission has jurisdiction to grant an application and issue a CCN or amend an existing CCN under TEX. WATER CODE ANN. § 13.246 (Vernon 2000).



2. Notice of the application was sent to affected persons. TEX. WATER CODE ANN. § 13.246 and 30 TEX. ADMIN. CODE § 291.106 (2002).
3. The parties received proper and timely notice of the hearing. TEX. GOV'T. CODE ANN. §§ 2001.051 and 2001.052 (Vernon 2000).
4. Bulverde's contracts with GBRA do not require GBRA to assume the same obligations and responsibilities Bulverde would have as a CCN-holder.
5. Based on the above Findings of Fact and Conclusion of Law No. 4, Bulverde fails to meet the standards set out in TEX. WATER CODE ANN. § 13.241(a) (Vernon 2000), and its application should be denied.
6. BexarMet is authorized to receive a CCN amendment to provide water service in Comal County, Texas. TEX. WATER CODE ANN. §§ 13.241, 13.244, 13.246, 49.211(a) and (b), and 49.215 (Vernon 2000).
7. BexarMet is authorized to provide water service in Bulverde's corporate limits only if it obtains Bulverde's consent or its district boundaries are expanded to include Bulverde's corporate limits. TEX. WATER CODE ANN. § 49.215.
8. GBRA is obligated to sell water to the public without discrimination. *City of San Antonio v. Tex. Water Comm'n.*, 407 S.W. 2d 752, 768 (Tex. 1966).
9. BexarMet is capable of providing drinking water that meets the requirements of Chapter 341, Health and Safety Code, and the requirements of the Water Code.



# State Office of Administrative Hearings



Shelia Bailey Taylor  
Chief Administrative Law Judge

November 25, 2002

To All Parties

Re: SOAH Docket No. 582-01-3633; Proposal for Decision

Enclosed are the last two pages of the proposed order. They were not sent with the Original Proposal for Decision.

Sorry for the inconvenience.

Sincerely,

A handwritten signature in cursive script that reads "Christina Eischens".

Christina Eischens  
State Office of Administrative Hearings  
(512) 475-1203

TEXAS  
COMMISSION  
ON ENVIRONMENTAL  
QUALITY  
2002 NOV 26 PM 3:46  
CHIEF CLERKS OFFICE

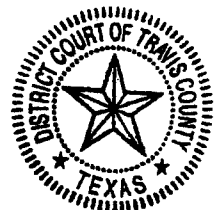
Post Office Box 13025 ♦ William P. Clements Building ♦ Austin Texas 78711-3025  
(512) 475-4993 300 West 15th Street, Suite 502 ♦  
Docket (512) 475-3445 Fax (512) 475-4994  
<http://www.soah.state.tx.us>



10. Based on the above Findings of Fact and Conclusions of Law, BexarMet's application to amend its CCN No. 10675 to add its requested service area south of Highway 46 and in its requested service area north of Highway 46 in places where it has a specific request for service and in its two existing service areas meets the standards set out in TEX. WATER CODE ANN. §§ 13.241, 13.244, and 13.246; 30 TEX. ADMIN. CODE § 291.102 (c) and (d), and its application should be granted to that extent; provided, that it should be permitted to provide water service in Bulverde's corporate limits only if it obtains Bulverde's consent or its district boundaries are expanded to include Bulverde's corporate limits.
11. Based on the above Findings of Fact and Conclusions of Law, a CCN is not needed for the service, accommodation, convenience, or safety of the public, north of Highway 46 except in places where BexarMet has a specific request for service and in its two existing service areas, and BexarMet's application should be denied to that extent. TEX. WATER CODE ANN. §§ 13.241, 13.244, and 13.246; 30 TEX. ADMIN. CODE § 291.102 (c) and (d).

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

1. Application No. 33309-C by Bexar Metropolitan Water District to amend its CCN No. 10675 in Comal County is approved for its requested service area south of Highway 46 and in its requested service area north of Highway 46 in places where it has a specific request for service and in its two existing service areas; provided, it may serve within Bulverde's corporate limits only if it obtains Bulverde's consent or its district boundaries are expanded to include Bulverde's corporate limits.
2. Application No. 33309-C by Bexar Metropolitan Water District to amend its CCN No. 10675 to provide water service in Comal County is denied in its requested service area north of Highway 46 except in places where it has a specific request for service and in its two existing service areas.



3. Application No. 33194 by the City of Bulverde for a CCN to provide water service in Comal County is denied.
4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief not expressly granted herein, are hereby denied for want of merit.
5. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order to all parties and, subject to the filing of motions for rehearing, issue an amended CCN No. 10675 to Bexar Metropolitan Water District that conforms to this Order.
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.
7. The effective date of this Order is the date the Order is final, as provided by 30 TEX. ADMIN. CODE § 80.273 and § 2001.144 of the Administrative Procedure Act, TEX. GOV'T CODE ANN. ch. 2001.

Issue Date: \_\_\_\_\_

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

\_\_\_\_\_  
**Robert J. Huston, Chairman**



OFFICE OF ADMINISTRATIVE HEARINGS  
 William P. Clements Building  
 300 West Fifteenth Street  
 Room 502  
 Austin, Texas 78701  
 Phone (512) 475-4993  
 Facsimile (512) 475-4994

2002 NOV 22 PM 3:55  
 CHIEF CLERK'S OFFICE  
 November 22, 2002  
 TEXAS  
 ON ENVIRONMENTAL  
 QUALITY  
 582-01-3633  
 JAMES W. NORMAN

DATE:  
 NUMBER OF PAGES INCLUDING THIS COVER SHEET:

SOAH DOCKET NO.:  
 FROM:

FAX TO:	FAX NO:
Mark Zeppa (Bexar Metropolitan Water District)	346-6847
John Deering & Goeffrey Kirshbaum (TNRCC Ex. Director)	239-3434
<del>John O. Houchins (Canyon Lake Water Supply Corp.)</del>	<del>713/461-8711</del>
Mayo Galindo (Mayor - City of Belverde)	210/822-8009
Bob Barton (City of Belverde)	830/438-7867
<del>Mike Howell (TNRCC Engineer Specialist)</del>	<del>239-6145</del>
Blas Coy (Public Interest Counsel)	239-6377
Charles Ahrens (Bexar Metropolitan Water District)	210/922-5152
David L. Wallace (Water Services and Diamond Water Company)	830/438-2721
Kathleen B. Ciliske (President-Cornal Water Company)	281/360-1938
Bruce Wasinger (Guadalupe Blanco River Authority)	320-5638
Kennedy Court Reporting	474-6704
Docket Clerk	239-3311

**MESSAGE:** ATTACHED ARE PAGES 17 & 18 FOR THE PROPOSED ORDER, I APOLOGIZE FOR THE INCONVIENCE.

NOTE: IF ALL PAGES ARE NOT RECEIVED, PLEASE CONTACT CHRISTINA EISCHENS @ 512-475-1203

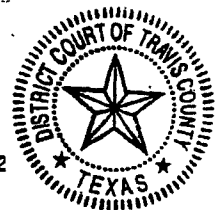
The information contained in this facsimile message is privileged and confidential information intended only for the use of the above-named recipient(s) or the individual or agent responsible to deliver it to the intended recipient. You are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service. Thank you.



10. Based on the above Findings of Fact and Conclusions of Law, BexarMer's application to amend its CCN No. 10675 to add its requested service area south of Highway 46 and in its requested service area north of Highway 46 in places where it has a specific request for service and in its two existing service areas meets the standards set out in TEX. WATER CODE ANN. §§ 13.241, 13.244, and 13.246; 30 TEX. ADMIN. CODE § 291.102 (c) and (d), and its application should be granted to that extent; provided, that it should be permitted to provide water service in Bulverde's corporate limits only if it obtains Bulverde's consent or its district boundaries are expanded to include Bulverde's corporate limits.
11. Based on the above Findings of Fact and Conclusions of Law, a CCN is not needed for the service, accommodation, convenience, or safety of the public, north of Highway 46 except in places where BexarMet has a specific request for service and in its two existing service areas, and BexarMet's application should be denied to that extent. TEX. WATER CODE ANN. §§ 13.241, 13.244, and 13.246; 30 TEX. ADMIN. CODE § 291.102 (c) and (d).

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

1. Application No. 33309-C by Bexar Metropolitan Water District to amend its CCN No. 10675 in Comal County is approved for its requested service area south of Highway 46 and in its requested service area north of Highway 46 in places where it has a specific request for service and in its two existing service areas; provided, it may serve within Bulverde's corporate limits only if it obtains Bulverde's consent or its district boundaries are expanded to include Bulverde's corporate limits.
2. Application No. 33309-C by Bexar Metropolitan Water District to amend its CCN No. 10675 to provide water service in Comal County is denied in its requested service area north of Highway 46 except in places where it has a specific request for service and in its two existing service areas.





3. Application No. 33194 by the City of Bulverde for a CCN to provide water service in Comal County is denied.
4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief not expressly granted herein, are hereby denied for want of merit.
5. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order to all parties and, subject to the filing of motions for rehearing, issue an amended CCN No. 10675 to Bexar Metropolitan Water District that conforms to this Order.
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.
7. The effective date of this Order is the date the Order is final, as provided by 30 TEX. ADMIN. CODE § 80.273 and § 2001.144 of the Administrative Procedure Act, TEX. GOV'T CODE ANN. ch. 2001.

Issue Date: \_\_\_\_\_

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

\_\_\_\_\_  
**Robert J. Huston, Chairman**

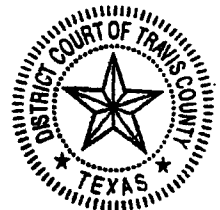
AMALIA RODRIGUEZ-MENDOZA, District Clerk,  
Travis County, Texas, do hereby certify that this is  
a true and correct copy as same appears of  
record in my office. Witness my hand and seal  
of office on 3/16/04

AMALIA RODRIGUEZ-MENDOZA

DISTRICT CLERK

By Deputy: 

18



NO. C2003-1201A

CITY OF BULVERDE, TEXAS and  
GUADALUPE-BLANCO RIVER  
AUTHORITY,

Plaintiff

v.

BEXAR METROPOLITAN WATER  
DISTRICT

Defendant

IN THE DISTRICT COURT OF

COMAL COUNTY, TEXAS

22<sup>nd</sup> JUDICIAL DISTRICT

By KATHY H. FAULKNER  
Clerk District Court, Comal County, TX  
Deputy

MAY 11 2004

FILED FOR RECORD  
At 3:30 o'clock PM

**AFFIDAVIT**

STATE OF TEXAS §  
COUNTY OF TRAVIS §

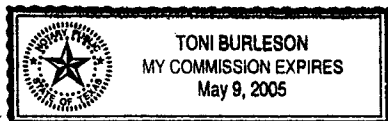
Before me, the undersigned authority, personally appeared Sheresia Perryman, who, being by me duly sworn, deposed as follows:

My name is Sheresia Perryman, I am of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

I am a Custodian of Records for the Water Supply Division of the Texas Commission on Environmental Quality ("Commission"). I hereby certify that the attached is a true and correct copy of the records of the Application of Water Services, Inc. (WSI) and Diamond Water Company (Diamond) to Sale Water Utility Facilities and to Transfer Portions of CCN Nos. 11006 and 12865 to Bexar Metropolitan Water District (Bexar Met) (CCN No. 10675) in Bexar and Comal Counties, which are filed in the permanent records of the Commission.

Sheresia Perryman  
Sheresia Perryman

SWORN TO AND SUBSCRIBED before me on the 15<sup>th</sup> day of March, 2004.



Toni Burleson  
Notary Public, State of Texas

My commission expires:

5/9/2005

Toni Burleson  
Notary's printed name

**PETITIONER'S  
EXHIBIT**

5/11/04  
R

6

Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P.

816 Congress Avenue

Suite 1700

Austin, Texas 78701

(512) 472-8021

Fax (512) 320-5638

www.bickerstaff.com

RECEIVED

FEB 05 2004

TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

February 5, 2004

Via Hand Delivery

Mr. Doug Holcomb  
Texas Commission on Environmental Quality  
Water Supply Division  
Utilities & Districts Section, MC-153  
12100 35 Park Circle, Bldg. F, 3rd Fl.  
Austin, TX 78711-3087

RE: Application of Water Services Inc. (WSI) and Diamond Water Company (Diamond) to Sell Water Utility Facilities and to Transfer Portions of CCN's Nos. 11106 and 12865 to Bexar Metropolitan Water District (Bexar Met) CCN No. 10675 in Bexar and Comal Counties - Application No. 34458-S

Dear Mr. Holcomb:

In response to Notice received on January 21, 2004, the Guadalupe-Blanco River Authority (GBRA) opposes and protests the above-referenced application and respectfully requests a public hearing.

1. I am Bruce Wasinger, an attorney representing GBRA. My mailing address is Bruce Wasinger, Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P., 816 Congress Avenue, Suite 1700, Austin, Texas 78701-2448. My telephone number is (512) 472-8021 and fax number is (512) 320-5638.
2. The applicants' names are WSI and Diamond. Although the notice states that the applicants are WSI and Diamond, it appears that the application may have been filed by Bexar Met. Regardless, the application number is 34458-S.
3. I, on behalf of GBRA, oppose and protest Application No. 34458-S and request a public hearing.

4. GBRA is the owner of water CCN No. 12977 in Comal County, in close proximity to WSI's and Diamond's water systems in Comal County. In a cover letter accompanying the application, legal counsel for the applicants and/or Bexar Met states that the owners of WSI and Diamond have determined that Bexar Met has the superior financial, managerial, and technical ("FMT") resources to bring long-term supplement water supplies to WSI's and Diamond's water systems and/or to make other regional capacity improvements to these water systems. GBRA disagrees that Bexar Met has the superior FMT resources as alleged by legal counsel for the applicants and/or Bexar Met. GBRA submits that the Commission has recently held otherwise in its issuance of water CCN No. 12864 to the City of Bulverde (Bulverde) and the denial of Bexar Met's application to amend its water CCN No. 10675 in Comal County (*see* TCEQ Docket Nos. 2001-0697-UCR and 2001-0951-UCR; SOAH Docket Nos. 582-02-0432 and 582-01-3633). WSI's and Diamond's water systems and CCN service areas in Comal County are either in close proximity to Bulverde's and GBRA's CCN service areas and in some cases are completely surrounded by Bulverde's CCN service area. GBRA and Bulverde have the superior FMT resources to provide long-term water supplies to WSI's and Diamond's CCN service areas in Comal County.

In addition to the fact that GBRA and Bulverde are existing utilities in close proximity to WSI's and Diamond's water systems and CCN service areas in Comal County, GBRA opposes this application on the ground that Bexar Met does not possess the legal authority to provide water service anywhere in Comal County, except in those four (4) small isolated service areas certificated under water CCN No. 10675. Bexar Met's authority to provide water service in other areas of Comal County, including those Comal County service areas certificated to WSI and Diamond, is the subject of pending litigation in *City of Bulverde, Texas, and Guadalupe-Blanco River Authority vs. Bexar Metropolitan Water District*, Cause No. C2003-1201A, in the District Court of Comal County, Texas, 22nd Judicial District. A copy of Bulverde and GBRA's (Plaintiffs) Original Petition is enclosed herein.

Approving the sale and transfer of WSI's and Diamond's water systems and CCN's in Comal County to Bexar Met, a utility without the legal authority to provide water services to such service areas in Comal County would be against public policy and in violation of state statutes and the Commission's own rules. GBRA's interest, as well as the public interest, is adversely affected by the proposed sale and transfer by WSI and Diamond Water to Bexar Met.

5. The only adjustment to the application that would result in GBRA withdrawing its opposition and protest and request for public hearing is if Application No. 34458-S is

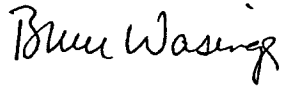
Mr. Doug Holcomb  
Texas Commission on Environmental Quality  
February 5, 2004  
Page 3

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amended such that the proposed sale and transfer from WSI and Diamond is limited to only those specific service areas and water supply facilities located in Bexar County. The proposed sale and transfer to Bexar Met of water supply facilities and CCN's in Kendall and Comal Counties must be removed completely from Application No. 34458-S.

Should you have any questions, please feel free to call me at (512) 472-8021. Thank you.

Sincerely,



Bruce Wasinger

Enclosure

cc (w/o encl.): W.E. West, Jr.  
General Manager  
Guadalupe-Blanco River Authority

David Welsch  
Director of Project Development  
Guadalupe-Blanco River Authority

Mayor Bill Cole  
City of Bulverde

Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P.

816 Congress Avenue

Suite 1700

Austin, Texas 78701

(512) 472-8021

Fax (512) 320-5638

www.bickerstaff.com

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FEB 05 2004

TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

February 5, 2004

Via Hand Delivery

Mr. Doug Holcomb  
Texas Commission on Environmental Quality  
Water Supply Division  
Utilities & Districts Section, MC-153  
12100 35 Park Circle, Bldg. F, 3rd Fl.  
Austin, TX 78711-3087

RE: Application of Water Services Inc. (WSI) and Diamond Water Company (Diamond) to Sell Water Utility Facilities and to Transfer Portions of CCN's Nos. 11106 and 12865 to Bexar Metropolitan Water District (Bexar Met) CCN No. 10675 in Bexar and Comal Counties - Application No. 34458-S

Dear Mr. Holcomb:

In response to Notice received on January 20, 2004, the City of Bulverde, Texas (Bulverde) opposes and protests the above-referenced application and respectfully requests a public hearing.

1. I am Bruce Wasinger, an attorney representing Bulverde. My mailing address is Bruce Wasinger, Bickerstaff, Heath, Smiley, Pollan, Kever & McDaniel, L.L.P., 816 Congress Avenue, Suite 1700, Austin, Texas 78701-2448. My telephone number is (512) 472-8021 and fax number is (512) 320-5638.
2. The applicants' names are WSI and Diamond. Although the notice states that the applicants are WSI and Diamond, it appears that the application may have been filed by Bexar Met. Regardless, the application number is 34458-S.
3. I, on behalf of Bulverde, oppose and protest Application No. 34458-S and request a public hearing.
4. Bulverde is the owner of water CCN No. 12864 in Comal County, in close proximity to

WSI's and Diamond's water systems in Comal County. In a cover letter accompanying the application, legal counsel for the applicants and/or Bexar Met states that the owners of WSI and Diamond have determined that Bexar Met has the superior financial, managerial, and technical ("FMT") resources to bring long-term supplement water supplies to WSI's and Diamond's water systems and/or to make other regional capacity improvements to these water systems. Bulverde disagrees that Bexar Met has the superior FMT resources as alleged by legal counsel for the applicants and/or Bexar Met. Bulverde submits that the Commission has recently held otherwise in its issuance of water CCN No. 12864 to Bulverde and the denial of Bexar Met's application to amend its water CCN No. 10675 in Comal County (see TCEQ Docket Nos. 2001-0697-UCR and 2001-0951-UCR; SOAH Docket Nos. 582-02-0432 and 582-01-3633). WSI's and Diamond's water systems and CCN service areas in Comal County are either in close proximity to Bulverde's and GBRA's CCN service areas and in some cases are completely surrounded by Bulverde's CCN service area. GBRA and Bulverde have the superior FMT resources to provide long-term water supplies to WSI's and Diamond's CCN service areas in Comal County.

In addition to the fact that GBRA and Bulverde are existing utilities in close proximity to WSI's and Diamond's water systems and CCN service areas in Comal County, Bulverde opposes this application on the ground that Bexar Met does not possess the legal authority to provide water service anywhere in Comal County, except in those four (4) small isolated service areas certificated under water CCN No. 10675. Bexar Met's authority to provide water service in other areas of Comal County, including those Comal County service areas certificated to WSI and Diamond, is the subject of pending litigation in *City of Bulverde, Texas, and Guadalupe-Blanco River Authority vs. Bexar Metropolitan Water District*, Cause No. C2003-1201A, in the District Court of Comal County, Texas, 22nd Judicial District. A copy of Bulverde and GBRA's (Plaintiffs) Original Petition is enclosed herein.

Approving the sale and transfer of WSI's and Diamond's water systems and CCN's in Comal County to Bexar Met, a utility without the legal authority to provide water services to such service areas in Comal County would be against public policy and in violation of state statutes and the Commission's own rules. Bulverde's interest, as well as the public interest, is adversely affected by the proposed sale and transfer by WSI and Diamond Water to Bexar Met.

5. The only adjustment to the application that would result in Bulverde withdrawing its opposition and protest and request for public hearing is if Application No. 34458-S is amended such that the proposed sale and transfer from WSI and Diamond is limited to

Mr. Doug Holcomb  
Texas Commission on Environmental Quality  
February 5, 2004  
Page 3

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only those specific service areas and water supply facilities located in Bexar County. The proposed sale and transfer to Bexar Met of water supply facilities and CCN's in Kendall and Comal Counties must be removed completely from Application No. 34458-S.

Should you have any questions, please feel free to call me at (512) 472-8021. Thank you.

Sincerely,



Bruce Wasinger

Enclosure

cc (w/o encl.): Mayor Bill Cole  
City of Bulverde

W.E. West, Jr.  
General Manager  
Guadalupe-Blanco River Authority

David Welsch  
Director of Project Development  
Guadalupe-Blanco River Authority



SHERESIA

*Andrew J. Ballard, P.E.  
30580 Bridlegate Drive  
Bulverde, Texas 78163*

January 30, 2004

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

RECEIVED  
FEB 02 2004  
TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

Gentlemen/Ladies:

I am aware that the current purveyor (Diamond Water Company) in my residential subdivision (Rimrock Ranch) is planning to sell to Bexar Metropolitan Water District.

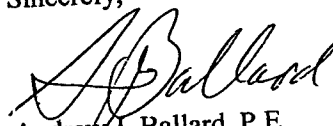
Not being very knowledgeable about water issues that are particular to Bexar Met, I do not know what to think regarding the advisability of this proposal.

I am, however, concerned about the future of the water supply in my subdivision. I am told that our water comes from the Cow Creek of the Trinity Aquifer, and that this source does not recharge as readily as does the Edwards Aquifer.

Can you tell me what the long term viability is of the water supply to this area?

Thank you.

Sincerely,

  
Andrew J. Ballard, P.E.

**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF TRAVIS

I, MARK H. ZEPPA, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Attorney and Consultant for both Water Services, Inc. and Diamond Water Company, each a seller/transferor; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(f) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(g) of the Water Code.



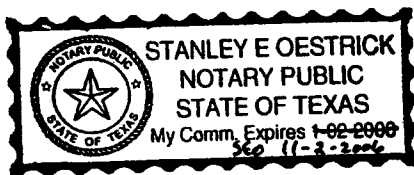
AFFIANT

(Applicant's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 10th day of December 2003.

SEAL



  
Notary Public

One copy of this page must be submitted for each utility involved in this transaction.

RECEIVED  
DEC 10 2003  
Water Quality Applications Team

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF TEXAS

COUNTY OF TRAVIS

I, MARK H. ZEPPA, being duly sworn, file this notice of intent to purchase, acquire, lease or rent, or merge or consolidate as Attorney and Consultant, that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

  
AFFIANT

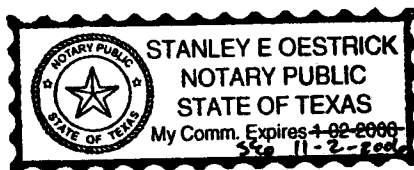
(Applicant's Authorized Representative)

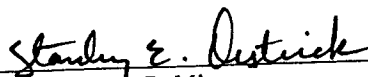
If the Affiant to this form is any person other than the sole owner, partner, officer of the applicant or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 17<sup>th</sup> day of December 2003.

SEAL



  
Notary Public

One copy of this page must be submitted for each utility involved in this transaction.

# **LAW OFFICES OF MARK H. ZEPPA, P.C.**

4833 Spicewood Springs Road, Suite 202  
Austin, Texas 78759-8436  
(512) 346-4011 Fax (512) 346-6847  
mhzeppa@attglobal.net

December 5, 2003

**RECEIVED**

DEC 08 2003

Water Quality Applications Team

Mr. Doug Holcomb, PE, Manager  
Utilities & Districts Section  
TCEQ  
P O Box 13087, MC 173  
Austin, Texas 78711-3087

Re: Application of Water Services, Inc. (WSI) and Diamond Water Company (Diamond) to Sale Water Utility Facilities and to Transfer Portions of CCNs Nos. 11106 and 12865 to Bexar Metropolitan Water District (BexarMet) (CCN No. 10675) in Bexar and Comal Counties

Dear Mr. Holcomb:

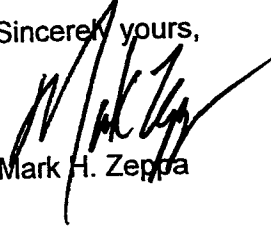
Accompanying this letter please find copies of the BexarMet, WSI and Diamond STM application affecting various retail public water systems in North Bexar and Comal Counties. As you will remember, WSI and Diamond are affiliate companies owned by Tom Baudat, Ron Payne and David Wallace, which are collectively operated by their contract operations company Apex Water Services, LC. A number of the WSI and Diamond systems are in close proximity to BexarMet systems. The owners have determined that BexarMet has the superior FMT resources to bring long-term supplement water supplies to these systems and/or to make other regional capacity improvements to these systems. Selling them to BexarMet allows the current owners to focus their business activities elsewhere while BexarMet builds its customer base where it already has a growing service obligation and a capital improvement commitment. This sale will not result in the total divestiture of all water systems owned by WSI or Diamond. Each company will remain in business after this transaction and will continue to be operated by Apex along with its third-party contract operations systems.

This is essentially one comprehensive sales transaction and the STM has been filed as such. However, accompanying the application in my firm's check for \$700 to cover the usual filing fee: \$500 for WSI (>500) and \$200 for Diamond (200 < 500).

Mr. Doug Holcomb, PE, Manager  
December 5, 2003  
Page 2

If you or your staff has any questions about this application, please do not hesitate to call Chuck Ahrens, Ron Payne or me at the numbers listed in the application.

Sincerely yours,



Mark H. Zeppa

Encl. (4)

cc w/ 1 encl.: Chuck Ahrens  
Tom Baudat  
Jim McPhaul  
David Wallace



## APPLICATION FOR SALE, TRANSFER,

RECEIVED

DEC - 8 2003

Water Quality  
Applications Team

\*RN #

\*CN #

1. Proposed action of application (check all the boxes that apply):

<input checked="" type="checkbox"/> Sale	<input type="checkbox"/> All	<input checked="" type="checkbox"/> Water system(s) under CCN No.: <u>11106 &amp; 12865</u>
<input type="checkbox"/> Acquisition	of <input checked="" type="checkbox"/> Portion	of the <input type="checkbox"/> Sewer system(s) under CCN No.: _____
<input type="checkbox"/> Lease/Rental		
<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> All	<input checked="" type="checkbox"/> Certificated water service area - CCN No.: <u>11106 &amp; 12865</u>
	of <input checked="" type="checkbox"/> Portion	of the <input type="checkbox"/> Certificated sewer service area - CCN No.: _____

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivisions involved:

**Water Services, Inc. (WSI):** Bavarian Hills, Coolcrest, Oaks North, Stagecoach Hills, Country Bend and Oak Village North Subdivisions. **Diamond Water Company (Diamond):** Kestrel Airpark, Windmill Ranch and Rimrock Ranch

and to:

<input type="checkbox"/>	Obtain a CCN for the transferee (purchaser)
<input checked="" type="checkbox"/>	Amend the transferee's CCN No.: <u>10675</u>
<input type="checkbox"/>	Merge or consolidate public utilities
<input type="checkbox"/>	Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction:
- Earliest date permitted by law
- 
- (Must be at least 120 days after completion of notice)

**QUESTIONS 3 THROUGH 5 APPLY TO AND SHOULD BE COMPLETED ONLY BY THE TRANSFEROR, CURRENT SERVICE PROVIDER OR SELLER**

3. For the current CCN holder or service provider please indicate:

A. Name: Water Services, Inc. and Diamond Water Company

(Individual, Corporation or Other Legal Entity)

who is a(n): ☐ Individual ☒ WSI Corporation ☐ WSC ☐ HOA or POA ☒ Other: Diamond Limited Liability Company

B. Utility Name (if different than above): \_\_\_\_\_

Address: P O Box 421, Bulverde, TX 78163Telephone: 830.980.3774

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

Name: Mark Zeppa  
Ron Payne

Title: Attorney  
Corp. Secretary

Address: 4833 Spicewood Springs Rd #202, Austin, TX 78759-8436  
4950 FM 1960 West, Ste A-9, Houston, Texas 77069

Telephone: 512.346.4011  
281. 444.4221

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase?

May 20, 2001 - WSI

B. Was notice of this increase provided to the Texas Natural Resource Conservation Commission or its predecessors Public Utility Commission or Texas Water Commission?

☐

No.

☒

Yes.

Application/Docket Number: Application No. 33456-R

Date: April 17, 2001

Diamond Water Company has never had a rate case. It charges its original CCN tariffed rates.

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of utility customer	Date of Deposit	Amount of Deposit	Amount of unpaid interest on Deposit
All deposits will be returned	prior to closing.	Recent customer deposit	list attached.

Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TNRCC, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

**QUESTIONS 6 THROUGH 13 REFER TO AND SHOULD BE COMPLETED BY THE TRANSFEREE OR PURCHASER**

6. For the person or entity acquiring the facilities and/or CCN:

Applicant: Bexar Metropolitan Water District

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address: 2047 W Malone St, San Antonio, TX 78225 Telephone: 210.354.6501

CCN Numbers held prior to the filing of this application: 10675, 12759, 12760, 20877

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

☐  
☐  
☐  
☐

Individual

Home or Property Owners Association

Partnership; attach copy of partnership agreement

Corporation; provide charter number as recorded with the Office of the Secretary of State

for Texas: \_\_\_\_\_

☐

Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number: \_\_\_\_\_

☐  
☒  
☐  
☐

Municipally-owned utility

x District (MUD, SUD, WCID, etc.)

County

Other (please explain): \_\_\_\_\_

8. If the applicant is an *Individual* provide the following information. If not, skip to the next question.

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Address: \_\_\_\_\_

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8. or question 9., whichever applies to the transferee applicant. **Note: Directors have changed since last election. This is old board. See attachments.**

•Name: Ronald C. Williamson Telephone: 210.354.6501

Address: 2047 W Malone St, San Antonio, TX 78255

Position President Ownership % (if applicable): 0

•Name: Dean H. Perry Telephone: same

Address: same

Position: Vice-President Ownership % (if applicable): 0

•Name: Jim Lopez Telephone: same

Address: same

Position: Treasurer Ownership % (if applicable): 0

•Name: Linda Nelson Telephone: same

Address: same

Position: Director Ownership % (if applicable): 0



Address: same  
Position: Director Ownership % (if applicable): 0  
• Name Ysidro Solis Telephone: same  
:  
Address: same  
Position: Director Ownership % (if applicable): 0

**Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from: **N/A - Special Law District**

Comptroller of Public Accounts, Office Management  
P. O. Box 13528, Capitol Station  
Austin, Texas 78711  
1-800-252-5555

• If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: Mark H. Zeppa  
Charles Ahrens

Title: Attorney  
Deputy General  
Manager

Address: 4833 Spicewood Springs Rd #202, Austin, TX 78759-8436  
2047 W Malone St, San Antonio, TX 78255

Telephone: 512.346.4011  
210.357.5710

**IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY**

Please respond to each of the following questions. Attach additional sheets if necessary.

- A. Describe the experience and qualifications of the applicant to provide adequate utility service:

Bexar Metropolitan Water District (BexarMet) is a general law water district created in 1945 to provide water service in Southern Bexar County. The Texas Legislature has now expanded its statutory service area. It serves over 70,000 water connections under CCN's issued by the TCEQ. BexarMet is one of the two largest water utilities in this portion of Central Texas with a proven record of water resource development and public service. BexarMet has multiple sources of water from surface water to ground water from multiple aquifers to purchase water. BexarMet has experienced in-house engineering, construction and operations personnel more than capable of operating these additional systems. BexarMet already owns and operates water systems in close proximity to these water systems, which is why BexarMet seeks to acquire these additional systems.

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the Texas Department of Health, the Commission, the Attorney General or EPA in the past for noncompliance with rules, orders or State Statutes? ☒ Yes. ☐ No.

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements.

- C. Describe the source and availability of funds required to make the planned or required improvements to meet minimum requirements of the Texas Natural Resource Conservation Commission and ensure continuous and adequate service.

BexarMet generally raises its own capital in the open bond markets. However, as a general law water district, BexarMet is eligible for TWDB funding. BexarMet has a 70,000-customer base and its revenue flows to stand behind any capital improvements these acquired systems might need in the future.

- D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

BexarMet is developing regional water resources for the area containing these systems, which also contains system already owned by BexarMet. Expanding BexarMet's customer base makes those regional water

resource plans more economically feasible over the short-term. It will also speed the conversion of the seller's customers to surface water supplies because BexarMet has greater technical and financial

resources to dedicate to surface water acquisition.

12. Please describe the nature of the proposed transaction:

The sale of the indicated subdivision water systems from WSI and Diamond to BexarMet and the transfer of those portions of WSI's CCN 11106 and Diamond's CCN 12865 to BexarMet. WSI will remain an active retail public water utility after the sale because the sale does not include all of its currently certificated water systems.

13. If the transferee applicant is an IOU and will be under the rate jurisdiction of the TNRCC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A.: **N/A - WATER DISTRICT NO ORIGINAL RATE JURISDICTION**

• Total Purchase Price: \_\_\_\_\_

- Total Original Cost (as recorded on books of seller or merging entity): \_\_\_\_\_
- Accumulated Depreciation as of the proposed effective date of the transaction: \_\_\_\_\_
- Contributions in Aid of Construction:

-Specific surcharges approved by TNRCC: \_\_\_\_\_

-Revenues from explicit customer agreements: \_\_\_\_\_

-Developer Contributions (please explain): \_\_\_\_\_

-Other Contributions (please explain): \_\_\_\_\_

\_\_\_\_\_  
Total Contributions in Aid of Construction: \_\_\_\_\_

- Net Book Value: \_\_\_\_\_

- ☐ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TNRCC, please provide the Application/Docket Number and date:

Application/Docket Number: \_\_\_\_\_ Date: \_\_\_\_\_

- ☐ If the applicant is not under the rate jurisdiction of the TNRCC, only the purchase price and information related to Contributions in Aid of Construction is required.

- B. Please provide any other information concerning the nature of the transaction and consideration given if not explained elsewhere in the application (attach additional sheet(s) if necessary):

See attached contracts of sale. Affiliate Apex Water Services, LLC will operate the water systems on an interim basis while an orderly transfer of control is accomplished to insure the minimal disruption of service or billing problems to customers.

- C. Complete the following proposed entries in books of purchasing (or surviving) company to record purchase or merger). Additional entries may be made, the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service: ∴ N/A -  
**WATER DISTRICT NO ORIGINAL  
RATE JURISDICTION**

Plant Acquisition Adjustment: \_\_\_\_\_

Extraordinary Loss on Purchase: \_\_\_\_\_

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

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

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

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

Others (please list):

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: BMWD

Date: 11-04-03

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☐

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

☐

Some ☐ All customers will be charged different rates than they were charged before the transaction.

If so, please explain:

☐

Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

☒

Other. Please explain: All customer rates will remain the same until changed by future action by the BexarMet Board of Directors. No immediate plans exist to submit these systems to the Board for a rate change. BexarMet undertakes periodic impact fee studies pursuant to Local Gov't Code 395 and the rules of the TCEQ. As part of the district, these systems could become subject to such fees under these authorities separate from a water service tariff rate change.

15. List all neighboring water and/or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from Applicant's licensed water operator or regional Texas Department of Health Office.

Guadalupe-Blanco River Authority

City of Bulverde

San Antonio Water Company

Lomas Water Company

BSR Water Company

BBR Water Company

Comal Water Company

Canyon Lake Water Supply Corporation

Berry Oaks Water Company

The Oaks Water Supply Corporation

Green Valley Special Utility District

**PLEASE ANSWER QUESTIONS 16 THROUGH 22 FOR EACH PHYSICALLY DISTINCT SYSTEM WHICH IS BEING TRANSFERRED OR ACQUIRED ON A DIFFERENT SHEET**

16. A. For Water Systems. TNRCC Public Water System Identification Number:

0150235, 0150046, 0150421,  
0460222, 0460221, 0460211,  
0460037, 0150135, 0150096

--	--	--	--	--	--	--	--

B. For Wastewater Systems:

-TNRCC Discharge Permit Number:

W	Q										
---	---	--	--	--	--	--	--	--	--	--	--

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

-Date of application to transfer Discharge Permit submitted: \_\_\_\_\_

-Date of application to transfer Discharge Permit approved by TNRCC: \_\_\_\_\_

17. A. Are any improvements required to meet TNRCC standards? ☐ Yes ☒ No

B. Is there a moratorium on new connections? ☐ Yes ☒ No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TNRCC standards (attach additional sheets if necessary):

Description of the required improvement	Schedule to Complete	Estimated Cost
No major capital improvements. See inspection reports concerning sanitary control success or TCEQ waiver process.	12 -18 months depending upon easements. Compliance	<\$50,000 depends on acquisition

18. Does the system being transferred operate within the city limits of a municipality? Oak Village North is inside Bulverde

☒ Yes ☐ No

If yes, indicate the number of customers within the city limits: ≈ 600 Water        Sewer

☐ Attach copy of franchise agreement or consent letter from the city. **None required Texas Water Code §13.247, service and CCN pre-dated incorporation of the city.**

19. Do you currently purchase water or sewer treatment capacity from another source?

☒ Yes ☐ No

☒ Water ☐ Sewer Purchased on a ( ) regular - ( ) seasonal - ( ) emergency basis

• Source: Diamond water sales to WSI in Rimrock Ranch % of total supply: as needed

20. List the number of existing connections to be affected by this transaction:

Water:				Sewer:			
Non Metered			2" meter	Residential connection			
5/8" or 3/4" meter		1973	3" meter	Commercial connection			
1" meter		21	4" meter	Industrial connection			
1 1/2" meter		1	Other 2 Min.	Other _____			
Total Water connections:			2008	Total Sewer connections			

21. Has the system reached 85% of its capacity based on TNRCC's minimum requirements? ☒ Yes ☐ No  
 The Country Bend water system, PWS 0150046, reached 85% in 1999. An engineering report was filed by Thomas L. Baudat, PE and approved by TNRCC Staff Engineer Roy Roberts by letter dated May 17, 1999.

transfer of a listing of all BexarMet personnel and license numbers is requested. Utility systems will continue to be operated by same licensed operators of WSI's affiliate, Apex Water Services, LC, under contract. A phased transition will be made to BexarMet operators to insure the least disruption to current customers.

23. Attach the following maps with each copy of the application: (All maps should include Applicant's name, address, and telephone number, and date of drawing or revision. All maps should be folded to 8½ X 11")
- a. One small-scale map clearly showing affected service area. This map will assist TCEQ staff in locating the service area in relation to neighboring utility service areas. If the application is for the transfer of all or a portion of a CCN, the service area boundary should be delineated on a copy of the TCEQ official CCN map. If there is no current CCN, the service area should be delineated on a county map (Texas Highway Department 1" = 2 miles). The service area boundaries should conform to verifiable landmarks such as roads, creeks, railroads, etc. County maps may be obtained locally or from the Texas Department of Transportation, Map Scales, P. O. Box 5020, Austin, Texas 78763-5020, (512) 486-5014 and 486-5015. *A copy of the TCEQ official CCN map may be obtained by contacting the Utilities & Districts Section at 512/239-4691 or by mailing a written request to the following address:*

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

- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. Applicant should use U.S.G.S. 7½-minute series, subdivision plat, engineer planning map, or other large-scale map.

**A map is attached which shows all systems in all affected counties. It is requested that this maps be accepted in lieu of the standard maps. BexarMet, WSI and Diamond are merely requesting that these identified systems be transferred from WSI and Diamond to BexarMet in the TCEQ CCN database without change to their existing service area boundaries.**

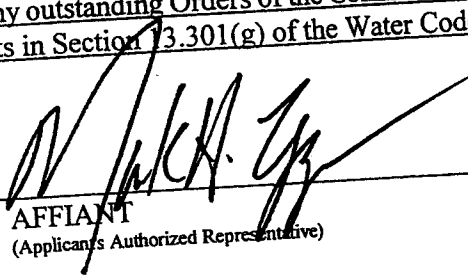
**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF TRAVIS

I, MARK H. ZEPPA, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Attorney and Consultant for both Water Services, Inc. and Diamond Water Company, each a seller/transferor; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(f) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(g) of the Water Code.

  
\_\_\_\_\_  
AFFIANT  
(Applicant's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this \_\_\_\_ day of November 2003.

SEAL

\_\_\_\_\_  
Notary Public

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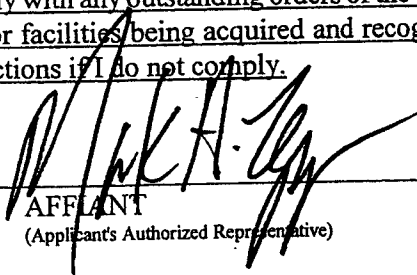
**OATH FOR PURCHASER OR ACQUIRING ENTITY**

STATE OF TEXAS

COUNTY OF TRAVIS

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I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

  
\_\_\_\_\_  
AFFIANT  
(Applicant's Authorized Representative)

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Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this \_\_\_\_ day of November 2003.

SEAL

\_\_\_\_\_  
Notary Public

One copy of this page must be submitted for each utility involved in this transaction.



NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER A PORTION OF THE CERTIFICATE OF  
CONVENIENCE AND NECESSITY (CCN) OF WATER SERVICES, INC. AND DIAMOND WATER  
COMPANY TO BEXAR METROPOLITAN WATER DISTRICT IN BEXAR AND COMAL COUNTIES,  
TEXAS

Gentlemen:

Date Notice Mailed: (After approval by Executive Director)

WATER SERVICES, INC. and DIAMOND WATER COMPANY, P O Box 421, Bulverde, TX 78163

Seller's or Transferor's Name	Address	City	State	Zip Code
-------------------------------	---------	------	-------	----------

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer a portion of CCN No. 11106 to provide water utility service in Bexar and Comal Counties to:

Bexar Metropolitan Water District, 2047 W. Malone St, San Antonio, TX 78255

Purchaser's or Transferee's Name	Address	City	State	Zip Code
----------------------------------	---------	------	-------	----------

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN includes the following subdivisions: **WATER SERVICES, INC.:** Bavarian Hills, Coolcrest, Oaks North, Stagecoach Hills, Country Bend and Oak Village North Subdivisions and **DIAMOND WATER COMPANY:** Kestrel Airpark, Windmill Ranch and Rimrock Ranch.

**Bavarian Hills:** The area subject to this transaction is located approximately 18 miles north of downtown San Antonio, Texas and is generally bounded on the north by Speck Road; on the east by Hwy 281 N; on the south by Borgfeld Road; and on the west by Blanco Road. The total area being requested includes approximately 65 current customers.

**Coolcrest:** The area subject to this transaction is located approximately 15 miles west of downtown San Antonio, Texas and is generally bounded on the north by Potranco Road; on the east by Loop 1604; on the south by IH-10 West; and on the west by Grossenbacher. The total area being requested includes approximately 290 current customers.

**Oaks North:** The area subject to this transaction is located approximately 17 miles north of downtown San Antonio, Texas and is generally bounded on the north by Borgfeld Road; on the east by Hwy 281 N; on the south by Estates of Stonegate; and on the west by Blanco Road. The total area being requested includes approximately 325 current customers.

**Stagecoach Hills:** The area subject to this transaction is located approximately 20 miles northwest of downtown San Antonio, Texas and is generally bounded on the north by Boerne Stage Road and on the west by Scenic Loop. The total area being requested includes approximately 325 current customers.

**Country Bend:** The area subject to this transaction is located approximately 21.5 miles northwest of downtown San Antonio, Texas and is generally bounded on the north by Scenic Loop; on the east by Boerne Airpark; on the south by Leon Creek; and on the west by Boerne Stage Road. The total area being requested includes approximately 243 current customers.

**Oak Village North:** The area subject to this transaction is located approximately miles 3 east of downtown Bulverde, Texas and is generally bounded on the north by Hwy. 46; on the east by Stahl Road; on the south by FM 1863; and on the west by Bridlegate Drive. The total area being requested includes approximately 603 current customers.

downtown San Antonio, Texas and is generally bounded on the north by Ahren Creek; on the east by Spring Branch; on the south by Windmill Ranch; and on the west by Hwy. 281. The total area being requested includes approximately 32 current customers.

**Windmill Ranch:** The area subject to this transaction is located approximately miles 28 north of downtown San Antonio, Texas and is generally bounded on the north by Ahren Creek; on the east by Spring Branch Road; on the south by Hwy. 46; and on the west by Hwy. 281. The total area being requested includes approximately 87 current customers.

**Rimrock Ranch:** The area subject to this transaction is located approximately miles 4 east of downtown Bulverde, Texas and is generally bounded on the north by Hwy. 46; on the east by Beck Road; on the south by FM 1863; and on the west by Little Deer Road. The total area being requested includes approximately 224 current customers.

This transaction will have the following effect on the current customer's rates and services:

There will be no immediate change in rates or services. Service will have a phased transition to BexarMet service crews and supporting construction and repair resources. Long-term supplemental water supplies will be brought to some of the affected systems as part of regional capital improvement plans. Rates will not change until future action by the BexarMet Board of Directors in a noticed public meeting. No change is planned at this time.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, 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, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the 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. Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application 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

**Mark H. Zeppa,**  
Counsel to the Applicant Utilities

NOTICE OF INTENT TO SELL FACILITIES OF  
TO \_\_\_\_\_ AND TO OBTAIN OR AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY (CCN) IN \_\_\_\_\_ COUNTY, TEXAS

Gentlemen:

Date Notice Mailed: \_\_\_\_\_, 20

\_\_\_\_\_  
Seller's or Transferor's Name                      Address                      City                      State                      Zip Code  
has submitted an application with the Texas Commission on Environmental Quality to sell facilities to provide  
\_\_\_\_\_ [water/sewer] utility service in \_\_\_\_\_ [County Name] County to:

\_\_\_\_\_  
Purchaser's or Transferee's Name                      Address                      City                      State                      Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and proposed service area includes the following subdivisions: \_\_\_\_\_

The area subject to this transaction is located approximately \_\_\_\_\_ miles \_\_\_\_\_ [direction] of  
downtown \_\_\_\_\_ [City or Town], Texas and is generally bounded on the north by  
\_\_\_\_\_ ; on the east by \_\_\_\_\_ ; on the south by \_\_\_\_\_ ; and on the west by \_\_\_\_\_ .

The total area being requested includes approximately \_\_\_\_\_ acres and \_\_\_\_\_ current customers.

This transaction will have the following effect on the current customer's rates and services:

Services will improve as BexarMet brings its larger work force and technical resources into the service area. BexarMet will incorporate these systems into its regional water resource plans to bring multiple water sources to the area to enhance water service during periods of drought. All customer rates will remain the same until changed by future action by the BexarMet Board of Directors. No immediate plans exist to submit these systems to the Board for a rate change. BexarMet undertakes periodic impact fee studies pursuant to Local Gov't Code 395 and the rules of the TCEQ. As part of the district, these systems could become subject to such fees under these authorities separate and apart from a water service tariff rate change.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing 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, the persons you represent, or the public interest would be adversely affected by the proposed transaction and issuance of the 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. Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application 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

NECESSITY RELATED APPLICATIONS (CCN/STM/STOCK TRANSFER)

FINANCIAL, MANAGERIAL, AND TECHNICAL INFORMATION  
FOR NEW SYSTEMS and EXISTING SYSTEMS

BexarMet is a political subdivision and a general law water district created by special act of the Legislature in 1945. It has been successfully providing water utility service to Bexar and surrounding counties since 1945. It is now serving over 70,000 water utility connections. It is acquiring the plant and customers of a successfully operating water utility serving in the same region as BexarMet. The enhancement of the service reliability and resources of these neighboring systems (BexarMet's and WSI's) and the resultant growth in a single unified customer base is why this transaction is occurring.

BexarMet offers the exhibits in the alternative to the schedules below to demonstrate that BexarMet has the financial-managerial-technical ability to provide continuous and adequate water utility service under the TCEQ standards of 30 TAC Chapters 290 and 291. Initially water will be produced from the same facilities that WSI is producing it from so it will continue to meet 30 TAC Chapters 290 and 291 standards. BexarMet will also be bringing additional long-term supplies to various systems as they are phased into regional supplemental water supplies. For example, BexarMet has a purchased/surface water supply line in Comal County that is jointly owned with Canyon Lake WSC that supplies a jointly owned elevated storage tank on Hwy 281 near the City of Bulverde on Hwy 46. A BexarMet transmission main has been constructed to bring supplemental water to BexarMet's Bulverde Hills system. This regional supply can also be the source of water for WSI's Oak Village North system and Diamond Water Company, Kestrel Airport, Windmill Estates and Rim Rock water systems.

A waiver of the standard data submission is requested. If denied, it will be provided. However, BexarMet as a Texas political subdivision, follows state law and prepares one-year annual budgets. It does not have official 5-year budgets of the type requested.

The Commission is required to determine if the applicant has the necessary financial, managerial, and technical capability to provide continuous and adequate service. The Commission is also committed to promoting the regionalization or consolidation of systems where practical and feasible. The following questions are designed to aid in making these decisions. If the applicant has this information available in the form of a Business Plan, Facility Plan, Engineering Study, or other document, it may be submitted instead - however, the Commission reserves the right to request additional information if necessary.

I. Technical Capacity - The Facilities Plan

A. The Reason for Service: exactly what is this application for?

1. Describe the service area and circumstances driving the need for service in this area. Is this a distinct, platted subdivision(s) or a rural area? List all areas to be served by the system. Who owns this property? Are there people already living there? If developers are involved, describe relationship to utility.

2. Population Projections:

USAGE DEMAND:	POPULATION	CONNECTIONS
UPON COMPLETION OF PROJECT (DATE: )		
ONE YEAR AFTER (DATE: )		
FIVE YEARS AFTER (DATE: )		

3. What other utility systems are within 2 miles? For each one, describe all attempts or feasibility to obtain service. Indicate location, system capabilities, contact person, and telephone number. Attach copies of written correspondence.

B. The Plan for Service: How service will be provided.

1. For New Systems or Additions to Existing Systems - Summarize what will be constructed. If project will be built in phases, describe each separately, including when the phases will be started and the connections to be served. Indicate who will be responsible for construction and inspection.

A. Distribution system (collection system)

B. Source of supply and production (wells, surface water treatment facilities, tanks, etc.). Summarize facilities to be constructed or existing facilities to be used. Include overall design capacity.

C. Attach construction cost breakdown.

2. For Purchase of Existing System - Describe existing facilities and additions or upgrades that will address deficiencies or will meet growth projections.

- A. Distribution system (collection system)
- B. Source of supply and production (wells, surface water treatment facilities, tanks, etc.). Summarize facilities to be constructed or existing facilities to be used. Include overall design capacity.
- C. Attach construction cost breakdown.

## II. Managerial Capacity - Ownership and Management Structure

- A. Clear Ownership Identity: Indicate whether owner of the system is municipal, member-owned water supply corporation, investor-owned, mobile home park, or other. List all partners, major stockholders, and affiliated companies.
- B. Directorship and Accountability: Attach an organizational chart or describe governing or management structure.
- C. Describe complete staffing pattern with number of employees. Summarize qualifications and job duties of key personnel such as office manager, chief operator, other licensed operators, president, etc.
- D. Describe business office and customer service set-up. Indicate office location, business hours, and after hours emergency practices.

- E. Summarize employee benefit and training programs.

III. Financial Capacity - Ability to meet current and future capital and operating needs.

- A. Attach a pro-forma income, expense, and cash flow worksheet for each of the first five years of operation. Income from rates should correlate to the growth projections in Part I.
- B. Attach a pro forma balance sheet for each the first five years of operation. Include a line item for emergency or equipment replacement reserve.
- C. Describe sources of capital. Indicate interest rate and payment schedules for loans, bonds, or notes.
- D. Describe the procedure for determining the rates and fees and indicate date of last change. Attach copies of any cost of service studies or rate analysis worksheets.
- E. Identify any appropriate capital assurances, including those offered to capital providers.
- F. Describe the accounting standards and practices. Indicate frequency and distribution of periodic financial reports.

# Historical Profit & Loss Statement

	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
Number of connections					
<b>Income:</b>					
Gross Revenue					
Fees					
Other					
Gross Income					
<b>Expenses: General &amp; Administrative:</b>					
Salary Expense					
Office Expense					
Computer Expense					
Auto Expense					
Insurance Expense					
Telephone Expense					
Utilities Expense					
Property Tax Expense					
Professional Fees					
Other					
Total General & Administrative					
<b>Expenses: Operational</b>					
Salary Expense					
Auto Expense					
Utilities Expense					
Supply Expense					
Maintenance & Repair Expense					
Other Expense					
Total Operational					
Total Expenses					
Net Income					



Historical Balance Sheets - ASSETS					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
<b>CURRENT ASSETS</b>					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
<b>TOTAL CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Land					
Collection/Distribution System					
Buildings					
Equipment					
Other					
<b>TOTAL FIXED ASSETS</b>					
Less:					
Accum Depreciation/Reserve					
<b>NET FIXED ASSETS</b>					
<b>TOTAL ASSETS</b>					
<b>Historical Balance Sheets - LIABILITIES</b>					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
<b>CURRENT LIABILITIES</b>					
Accounts Payable					
Notes Payable, Due < 1 Year					
Accrued Expenses					
Customer Deposits					
Other					
<b>TOTAL CURRENT LIABILITIES</b>					
<b>LONG TERM LIABILITIES</b>					
Notes Payable, Due > 1 Year					
Other					
<b>TOTAL LONG TERM LIABILITIES</b>					

OWNER'S EQUITY					
Paid-in Capital					
Retained Equity					
Other					
Current Period Profit or Loss					
<b>TOTAL OWNER'S EQUITY</b>					
<b>TOTAL LIABILITIES &amp; EQUITY</b>					

Projected Profit & Loss Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Number of connections					
<b>Income:</b>					
Gross Revenue					
Fees					
Other					
Gross Income					
<b>Expenses: General &amp; Administrative:</b>					
Salary Expense					
Office Expense					
Computer Expense					
Auto Expense					
Insurance Expense					
Telephone Expense					
Utilities Expense					
Property Tax Expense					
Professional Fees					
Other					
Total General & Administrative					
<b>Expenses: Operational</b>					
Salary Expense					
Auto Expense					
Utilities Expense					
Supply Expense					
Maintenance & Repair Expense					
Other Expense					
Total Operational					
Total Expenses					
Net Income					

Projected Balance Sheets - ASSETS					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>CURRENT ASSETS</b>					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
<b>TOTAL CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Land					
Collection/Distribution System					
Buildings					
Equipment					
Other					
<b>TOTAL FIXED ASSETS</b>					
Less:					
Accum Depreciation/Reserve					
<b>NET FIXED ASSETS</b>					
<b>TOTAL ASSETS</b>					
<b>Projected Balance Sheets - LIABILITIES</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>CURRENT LIABILITIES</b>					
Accounts Payable					
Notes Payable, Due < 1 Year					
Accrued Expenses					
Customer Deposits					
Other					
<b>TOTAL CURRENT LIABILITIES</b>					
<b>LONG TERM LIABILITIES</b>					
Notes Payable, Due > 1 Year					
Other					
<b>TOTAL LONG TERM LIABILITIES</b>					

OWNER'S EQUITY						
	Paid-in Capital					
	Retained Equity					
	Other					
	Current Period Profit or Loss					
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES & EQUITY						

Projected Statements of Sources & Uses of Cash					
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>SOURCES OF CASH</b>					
Net Profit					
Depreciation (if funded)					
Loan Proceeds					
Other					
<b>TOTAL SOURCES</b>					
<b>USES OF CASH</b>					
Net Loss					
Principal portion of payments					
Fixed Asset Purchases					
Reserve					
Other					
<b>TOTAL USES</b>					
<b>NET CASH FLOW</b>					
<b>AVAILABLE DEBT SERVICE COVERAGE (ADSC)</b>					
Cash Available for Debt Service					
Net Profit/Loss					
Depreciation or Reserve					
Interest					
<b>TOTAL ADSC</b>					
<b>REQUIRED DEBT SERVICE COVERAGE (RDSC)</b>					
Principal + Interest					
<b>DEBT SERVICE COVERAGE RATIO (ADSC/RDSC)</b>					

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## CUSTOMER LIST

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ACCT ROUTE	NAME	BILLING ADDRESS	AVERAGES	PUMP#	LATE	PHONE NUMBER
Seq	METER	TURN ON TURN OFF RATE SERVICE ADDRESS	12 MTH. OVERALL		MONTHS	LAST LATE DATE
** DIAMOND **						
1 40 JACKSON, RHONDA	5655 RAWHIDE TRL	BULVERDE TX	20083	19115	1	78163-2444 830 980-36
Seq.# 190	98781462	9-19-97 1				10 4-25-03
2 40 ALAN DELAY, MARY ETLINGER	30655 LONGHORN TRL	BULVERDE TX	43000	35346	1	78163-2454 830 980-70
Seq.# 70	94513323	9-19-97 1				2 7-24-02
5 40 LOW, KIM	30885 RETAMA RDG	BULVERDE TX	9083	8307	1	78163-4102 830 980-735
Seq.# 1190	93714094	12-23-97 1 30885 RETAMA RIDGE				7 3-21-03
6 40 MICHAEL, MARIE	30885 LONGHORN TRL	BULVERDE TX	10083	7730	1	78163-2425 210 734-60
Seq.# 160	84513325	1-28-97 1				3 7-24-02
7 40 OLIVER, JEFF	112 DEW FALL TRAIL	CIBILO, TX	5142	4384	1	78108 210 696-202
Seq.# 1560	93714176	1-28-97 1 30855 BRIDLE GATE LT 4				5 2-21-03
8 40 BOTTELBERGHE, PAT	31065 RETAMA RIDGE	BULVERDE TX	5777	7346	1	78163-2442 830 438-273
Seq.# 1162	77596396	11-15-02 1				6 6-19-03
9 40 STEELE, ROBERT	31652 RETAMA RDG	BULVERDE TX	7250	8115	1	78163-4183 830 980-764
Seq.# 500	46828816	3-18-98 1 31652 RATAMA RIDGE				3 7-24-02
10 40 BLACK, GEORGE & VIRGINIA	30475 BRIDLEGATE DR	BULVERDE TX	5333	4846	1	78163-4112 210 885-554
Seq.# 1620	49336424	2-20-98 1				2 7-25-02
11 40 REDDRICK, LAMAR	30550 HUNTINGTON CIR	BULVERDE TX	6583	7576	1	78163-4129 210 655-529
Seq.# 1250	98762400	3-18-98 1				2 7-25-02
12 40 STARASINIC, LEN	30580 HUNTINGTON CIR	BULVERDE TX	3833	3692	1	78163-4129 830 438-388
Seq.# 1240	94513314	3-10-98 1				1 2-28-02
13 40 KINZY, BRUCE	30975 ELISA ANN	BULVERDE TX	17000	19961	1	78163-4139 830 438-763
Seq.# 1380	46828860	3-18-98 1 30975 ELSIE ANN LT 132				8 5-20-03
15 40 YOUNG, JAY	30360 BRIDLEGATE DR	BULVERDE TX	6500	6192	1	78163-4132 210 490-916
Seq.# 1670	93717283	4-08-98 1				15 6-24-03
16 40 RAY, CAREY	30535 LONGHORN TRL	BULVERDE TX	11166	11807	1	78163-2451 210 626-347
Seq.# 50	1440939	4-14-98 1				12 12-18-02
17 40 MENSEN, DOUG & CANDY	30435 BRIDLEGATE DR	BULVERDE TX	8666	9769	1	78163-4112 830 980-3265
Seq.# 1640	1504944	4-14-98 1				11 5-20-03
18 40 BALLARD, ANDREW	30580 BRIDLEGATE DR	BULVERDE TX	11250	12961	1	78163-4151 210 207-7732
Seq.# 1600	19984979	4-23-98 1				3 7-24-02
19 40 BOYLE, JIM	5570 PRANCING DEER DR	BULVERDE TX	56166	63576	1	78163-2427 830 980-3174
Seq.# 10	89892020	5-05-98 1				3 7-24-02
20 40 WALTHER, MARK	6020 DERBY WAY	BULVERDE TX	15083	13500	1	78163-4142 830 438-2085
Seq.# 1420	39020210	4-28-98 1				5 7-25-02

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## CUSTOMER LIST

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ACCT ROUTE	NAME	BILLING ADDRESS	AVERAGES		PUMP#	LATE	PHONE NUMBER
SEQ	METER	TURN ON TURN OFF RATE SERVICE ADDRESS	12 MTH.	OVERALL		MONTHS	LAST LATE DATE
** DIAMOND **							
21 40 PURIFOY, THOMAS J.	30975 RETAMA RDG	BULVERDE TX					
Seq.# 1170 97769293	6-10-98 1	30975 RETAMA RIDGE	7666	9269	1	78163-4136 210 679-86	2 7-22-02
22 40 DUNAGAN, AL	6160 DERBY WAY	BULVERDE TX					
Seq.# 1210 98646807	6-03-98 1		14833	15884	1	78163-4173 210 657-52	3 7-25-02
23 40 BINKLEY, JIM	5157 HONEYSUCKLE BR	BULVERDE TX					
Seq.# 1460 97769292	6-10-98 1	31076 BRIDLEGATE DR.	2833	3192	1	78163-2273 830 980-223	2 3-27-02
24 40 SNELL, JOHN	31760 TRES LOMAS	BULVERDE TX					
Seq.# 570 19985052	6-10-98 1		14833	15846	1	78163-4169 830 980-86E	12 1-20-03
25 40 BARRETT, AGER	30745 ELISA ANN	BULVERDE TX					
Seq.# 1320 44418513	6-10-98 8	6480 DERBY WAY LT 118	31750	35153	1	78163-4186 512 392-33E	3 7-25-02
26 40 HALFORD, PAMELA	31055 TRES LOMAS	BULVERDE TX					
Seq.# 700 29804428	8-24-98 1		4416	6153	1	78163-4168 210 715-601	3 7-24-02
27 40 CECCONI, EDWARD	30450 BRIDLEGATE DR	BULVERDE TX					
Seq.# 1630 44418512	6-10-98 1		3818	3576	1	78163-4112 210 653-710	2 7-22-02
28 40 DIETERT, CHRIS & DEBRA	30125 BRIDLEGATE DR	BULVERDE TX					
Seq.# 1740 44418518	6-11-98 1		4583	4576	1	78163-4130 210 590-037	17 5-20-03
29 40 VECOMNSKIE, ALEX	30075 BRIDLEGATE DR	BULVERDE TX					
Seq.# 1750 49336569	7-29-98 1		8333	8269	1	78163-4131 210 704-289	2 7-25-02
30 40 JOHNSON, KEVIN	30760 ELISE ANN	BULVERDE TX					
Seq.# 1390 93520762	7-01-98 1		27833	24153	1	78163-4135 830 438-377	13 6-24-03
31 40 BENOIT, MARIA KLIJN	31571 TRES LOMAS	BULVERDE TX					
Seq.# 610 44418917	7-01-98 1		10666	10153	1	78163-4146 210 493-148	10 4-25-03
32 40 NORRIS, SCOTT	18200 BLANCO SPRINGS	APT.# 1311					
Seq.# 1030 44418918	7-01-98 1	200 RETAMA RIDGE	0	38	1	78258 210 456-227	4 2-17-03
33 40 NALL, DOUG	5764 DERBY WAY	BULVERDE TX					
Seq.# 130 321858	7-01-98 1		14333	17038	1	78163-2455 210 223-160	9 12-18-02
34 40 BOWMAN, TOM & JEANNE	31162 BRIDLEGATE DR	BULVERDE TX					
Seq.# 1470 31189781	7-27-98 1		10500	10730	1	78163-4101	3 7-25-02
35 40 RUSSELL, PAT	5650 DERBY WAY	BULVERDE TX					
Seq.# 100 44418702	7-27-98 1	47 DERBY WAY	8750	8423	1	78163-2434	5 4-21-03
36 40 HATCHER, DON & HOLLY	5670 DERBY WAY	BULVERDE TX					
Seq.# 110 29804451	8-24-98 1		13833	13807	1	78163-2434 830 980-4592	8 5-20-03
37 40 HOA, RIMROCK PARK	5850 DERBY WAY	BULVERDE TX					
Seq.# 140 99190330	7-28-98 1	9999 RIMROCK PARK	2100	2461	1	78163-2445	2 8-19-02



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## CUSTOMER LIST

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ACCT	ROUTE	NAME	BILLING ADDRESS	SERVICE ADDRESS	AVERAGES	PUMP#	LATE	PHONE NUMBER
Seq		METER	TURN ON	TURN OFF	RATE	12 MTH. OVERALL	MONTHS	LAST LATE DATE
** DIAMOND **								
38 40	HOA, RIMROCK SPRINKLER		5850 DERBY WAY	BULVERDE TX	7000	923	1	78163-2445
Seq.# 1780	99190327		7-28-98	1 7777 RIMROCK SPRINKLER				0
39 40	THOMAS, WILLIAM		30945 LONGHORN TRAIL	BULVERDE TX	25250	24500	1	78163-2429 830 980-88
Seq.# 170	44418516		8-24-98	1				2 3-27-02
40 40	FORINASH, JAMES D.		5735 RAWHIDE TRL	BULVERDE TX	4583	5346	1	78163-2456 210 652-650
Seq.# 210	21086859		8-24-98	1				2 7-24-02
41 40	LAXTON, GREGORY		30045 BRIDLEGATE DR	BULVERDE TX	7250	7307	1	78163-4131 830 438-721
Seq.# 1760	93520658		8-11-98	1				15 6-24-03
42 40	CASTILLO, STEVE		31055 LONGHORN TRL	BULVERDE TX	6750	5692	1	78163-2431 210 499-069
Seq.# 220	1399338		9-22-98	1				10 3-21-03
43 40	ZAVALA, RICHARD & KAREN		30470 LONGHORN TRL	BULVERDE TX	17916	18230	1	78163-2420 210 522-832
Seq.# 30	29804443		9-23-98	1				9 3-24-03
44 40	NOLAN, DAVID		31230 RETAMA RDG	BULVERDE TX	9750	8884	1	78163-4166 830 438-863
Seq.# 1110	29804548		9-10-98	1 31230 RETAMA RIDGE				5 7-25-02
45 40	FROMLATH, HAROLD		6550 CHEYENNE PASS	BULVERDE TX	8583	9038	1	78163-4157 210 351-410
Seq.# 880	29804552		9-23-98	1				3 10-21-02
46 40	FLORES, DEBBIE		31311 TRES LOMAS	BULVERDE TX	11000	6230	1	78163-4159 210 979-671
Seq.# 660	19139567		9-23-98	1				3 7-18-02
47 40	BUILDERS, S & S		13423 BLANCO RD	SAN ANTONIO TX	24666	29461	1	78216-2187 210 497-241
Seq.# 1720	29804488		10-15-98	1 30185 BRIDLEGATE				7 11-19-02
48 40	KITCHEN, CHARLIE		5650 TEMERITY WAY	BULVERDE TX	10666	15000	1	78163-4161 210 867-255
Seq.# 350	98646808		1-06-98	1 5650 TERMERITY WAY				2 7-24-02
49 40	TICER, ROBERT		6430 DERBY WAY	BULVERDE TX	9166	10115	1	78163-4137 210 377-617
Seq.# 1310	76244584		10-13-98	1				3 7-25-02
50 40	SCOTT, CHARLES M.		PO BOX 47699	SAN ANTONIO TX	35416	36769	1	78265-8699 210 494-000
Seq.# 1440	98762403		10-13-98	1 30750 BRIDLE GATE LT				6 7-25-02
52 40	COHEN, MAX ROSS & SANDRA		6360 DERBY WAY	BULVERDE TX	8454	7538	1	78163-4117 830 980-862
Seq.# 1290	37905283		11-11-98	1				2 7-25-02
53 40	GREEN, ROBERT		30520 HUNTINGTON CIR	BULVERDE TX	11750	10961	1	78163-4129 210 892-414
Seq.# 1260	18180979		11-30-98	1				4 9-19-02
54 40	DAVIDSON, GREG		P.O BOX 1068	SPRING BRANCH, TX	17555	15653	1	78070 830 980-7670
Seq.# 280	98762399		1-28-98 3-25-03 2	31988 RETAMA RIDGE LT3				6 1-20-03
55 40	LINCOLN, SIDNEY		31837 PALOMINO PASS	BULVERDE TX	4363	3961	1	78163-4154 830 438-8066
Seq.# 830	98781500		11-30-98	1				2 7-24-02

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## CUSTOMER LIST

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ACCT ROUTE	NAME	BILLING ADDRESS	AVERAGES	PUMP#	LATE	PHONE NUMBER
SEQ	METER	TURN ON TURN OFF RATE SERVICE ADDRESS	12 MTH. OVERALL		MONTHS	LAST LATE DATE
** DIAMOND **						
56 40 HOGAN, MARISA	31625 CATALINA WAY	BULVERDE TX	78163-4162			
Seq.# 310	29804490	1-21-98 1	5333 6884 1	3	7-24-02	
57 40 KIGHT, ANNA	31645 CATALINA WAY	BULVERDE TX	78163-4162 210 824-12			
Seq.# 320	72000730	1-26-98 1	9166 9000 1	3	7-24-02	
58 40 BROWN, LARRY	31427 TRES LOMAS	BULVERDE TX	78163-4160 210 508-243			
Seq.# 640	72000732	12-21-98 1	9500 10923 1	1	2-28-02	
59 40 KIPPENBERGEN, DONALD	30325 BRIDLEGATE DR	BULVERDE TX	78163-4163			
Seq.# 1680	99811716	12-21-98 1	6833 7615 1	3	7-25-02	
60 40 RAMOS, JACKIE & EDWARD	31346 BRIDLEGATE	BULVERDE, TX	78163 210 497-350			
Seq.# 1480	99811717	2-09-99 1 184 BRIDLEGATE	19166 17576 1	15	6-24-03	
61 40 JAVORE, GARY	5802 W IH 10	SAN ANTONIO TX	78201-2851 210 733-623			
Seq.# 550	19985055	2-01-99 1 31720 TRES LOMAS LT	22666 16653 1	3	7-24-02	
62 40 THOMPSON, ROBERT	5550 PRANCING DEER DR	BULVERDE TX	78163-2427 830 980-200			
Seq.# 5	46948529	1-22-99 1	9545 10653 1	3	7-24-02	
63 40 WATSON, BRADY	30830 ELISA ANN	BULVERDE TX	78163-4153 210 826-062			
Seq.# 1330	44631828	2-09-99 1 30830 ELISE ANN LT 12	17500 17115 1	3	7-25-02	
64 40 HNATIUK, MARK	31159 BRIDLEGATE DR	BULVERDE TX	78163-4101			
Seq.# 1530	99091142	2-09-99 3	7000 6769 1	8	6-24-03	
66 40 MCINTRYE, JEFF	31080 RETAMA RDG	BULVERDE TX	78163-4155 830 980-878			
Seq.# 1150	42703917	3-04-99 1 31080 RATAMA RIDGE	18833 18384 1	5	3-21-03	
67 40 GARMON, VICK D.	30935 RETAMA RDG	BULVERDE TX	78163-4136 210 704-722			
Seq.# 1200	99063795	2-16-99 1 30935 RETAMA RIDGE LT	7166 8423 1	2	7-25-02	
69 40 CERNOHOUS, JOHN & KARA	30775 LONGHORN TRL	BULVERDE TX	78163-2422 210 771-368			
Seq.# 150	99063797	2-16-99 1	10166 9192 1	9	2-21-03	
71 40 SCHREIER, DAVID	31382 TRES LOMAS	BULVERDE TX	78163-4147 830 980-724			
Seq.# 770	1440902	2-16-99 1	7250 8423 1	2	7-24-02	
73 40 MAY, DAVID	30640 ELISA ANN	BULVERDE TX	78163-4152 830 438-474			
Seq.# 1400	98781486	2-28-99 1 30640 ELISE ANN LT 1	10333 13000 1	5	7-25-02	
74 40 POZNECKI JR., ANDREW W.	31090 LONGHORN TRL	BULVERDE TX	78163-2431 830 980-436			
Seq.# 230	99063781	2-28-99 1	21750 23615 1	3	7-24-02	
76 40 FELLER, BARBARA	6475 CHEYENNE PASS	BULVERDE TX	78163-4177 830 980-5078			
Seq.# 810	99063752	3-04-99 1	8666 9307 1	20	5-20-03	
77 40 CASH, JOSEPH	5950 TEMERITY WAY	BULVERDE TX	78163-4170 830 980-2237			
Seq.# 450	99190340	3-15-99 1	10833 10000 1	22	6-24-03	