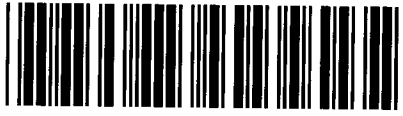




Control Number: 43976



Item Number: 14

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
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

10 CAN #

4397

RECEIVED

2015 JAN -7 AM 10:23

PUBLIC UTILITY COMMISSION  
FILING CLERK

*Wilson*

Administrative Review No.

Style

*South Central Water Company*

*Wilson*

Name Of Utility

County

LOG OF ITEMS IN FILE

Date	No.	Item of Description
<i>1/1/14</i>	1	<i>Application</i>
<i>1/1/14</i>	2	<i>Order</i>
<i>1/1/14</i>	3	<i>Fee</i>
<i>1/1/14</i>	4	<i>Receipt of payment</i>
<i>1/1/14</i>	5	<i>BID</i>
<i>1/1/14</i>	6	<i>Notice of app. rights</i>
<i>1/1/14</i>	7	<i>Final</i>
<i>1/1/14</i>	8	<i>Final order</i>
<i>7/27</i>	9	<i>Business conditions for bid</i>
	10	
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# Texas Commission on Environmental Quality

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INTEROFFICE MEMORANDUM

**To:** Tammy Davis  
Offices of the Chief Clerk

**Date:** August 8, 2006

**From:** Amy Cortinas  
Administrative Support  
Water Supply Division

**Subject:** Item for the Executive Director's Signature

South Central Water Company -Application Number 35254-C, CCN # 20964,  
CN # 602602179, RN # 104853437

The item listed above is for the Executive Director's Signature. Please present this to Tammy Davis.

Contact Name: Debbie Reyes Tamayo

**Date Stamp This Page Only**

## Texas Commission on Environmental Quality

**To:** Mike Cowan, Division Director  
Water Supply Division  
Texas Commission on Environmental Quality

**Date:** July 27, 2006

**Thru:** *DAH* Doug Holcomb, P.E. Section Manager  
Utilities & Districts Section  
Water Supply Division

*7/17/06*  
*TB* Tammy Benter, Team Leader  
Utilities Financial Review Team  
Water Supply Division

**From:** *DET* Debbie Reyes Tamayo  
*7-17-06* Utilities Financial Review  
Water Supply Division

**Subject:** Executive Summary and Staff Recommendation for Executive Director Approval of Application No. 35254-C

CN: 602602179; RN: 104853437 sewer

South Central Water Company a Texas Corporation has applied to amend a sewer Certificate of Convenience and Necessity No. 20964 in Wilson County, Texas. This application adds the Quail Run Subdivision to the existing CCN area.

The applicant meets all of the statutory requirements of Texas Water Code Chapter 13 and the Commission's Chapter 291 rules and regulations. Approving this application is necessary for the service, accommodation, convenience and safety of the public.

The applicant is capable of providing continuous and adequate service.

Staff recommends approval of the order.

TB/DT/ac



# Texas Commission On Environmental Quality

**By These Presents Be It Known To All That**

**South Central Water Company**

having duly applied for certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

## **Certificate of Convenience and Necessity No. 20964**

to provide continuous and adequate sewer utility service to that service area or those service areas in Wilson County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No.35254-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of South Central Water Company to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this \_\_\_\_\_

\_\_\_\_\_  
For the Commission

MAILING LIST FOR APPLICATION NO. 35254-C

Mr. Malcolm Bailey, President  
P.O. Box 570177  
Houston, Texas 77257-0177

TCEQ:

Region 13 San Antonio Office

Maria Rosalez and Teri Cisneros, Data Entry Team, MC 155,  
Utilities & District Section, Water Supply Division, MC 153

Please send a copy of the signed order to Central Records to be included in the following  
Certificate of Convenience and Necessity (CCN) permanent files:

South Central Water Company, CCN No. 20964

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



APPLICATION NO. 35254-C

IN THE MATTER OF THE APPLICATIONS OF SOUTH CENTRAL WATER COMPANY TO AMEND SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 20964 IN WILSON COUNTY, TEXAS.

§  
§  
§  
§  
§  
§  
§

BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

On \_\_\_\_\_, the Executive Director of the Texas Commission on Environmental Quality pursuant to Chapters 5 and 13 of the Texas Water Code considered the applications of South Central Water Company a Texas Corporation to amend sewer Certificate of Convenience and Necessity No. 20964 in Wilson County, Texas.

No person has requested a public hearing on the application;

Notice of the application was given to all affected and interested parties;

The criteria set forth in *Texas Water Code* Section 13.246(c) has been considered; and

The certificate amendment requested in this application is necessary for the service, accommodation, convenience, and safety of the public.

Now, therefore, be it ordered by the Texas Commission on Environmental Quality that the application be granted and Certificate of Convenience and Necessity No. 20964 be amended in accordance with the terms and conditions set forth herein and in the certificates.

IT IS FURTHER ORDERED that South Central Water Company shall serve every customer and applicant for service within the area certified under Certificate of Convenience and Necessity No. 20964 that such service shall be continuous and adequate.

Texas Commission on Environmental Quality

Issued date:

\_\_\_\_\_  
For the Commission

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 27, 2006

### CERTIFIED MAIL

Mr. Malcolm Bailey, President  
P.O. Box 570177  
Houston, Texas 77257-0177

Re: Application No. 35254-C, Application of South Central Water Company to Amend Sewer Certificate of Convenience and Necessity No. 20964 in Wilson County, Texas

CN: 602602179; RN: 104853437

Dear Mr. Bailey:

We have reviewed the above referenced applications.

### ENCLOSED ARE:

- ▶ CONSENT FORMS
- ▶ The proposed map, certificate, and staff recommendation.
- ▶ Copies of your approved tariff. The original copies of the tariff will be retained by the Commission. You should retain a complete copy of your tariffs at each utility business office.

### YOU SHOULD DO THE FOLLOWING:

- ▶ Review the map, certificate, and recommendation. If these documents are **accurate and you agree** with all of the provisions of the order, you must sign the **CONSENT FORM** and mark the line that says you concur and return the signed statement. You should keep a copy of the letter you signed along with the documents for your records. Failure to return the signed statement could result in your applications being returned.
- ▶ Notify us (**in writing**) within **14 days** of the date of this letter, if these documents are **inaccurate or you disagree** with any of the provision of the order. You may do this by marking the line on the **CONSENT FORM** that says you do not concur, signing the form and mailing it to the address on the form.
- ▶ **NOTE:** This letter does not authorize you to provide utility service. You must wait until the Commission has approved your application and issued you the amended CCN.

### WE WILL DO THE FOLLOWING:

- ▶ Submit the orders for these applications to the Executive Director for signature. However, before the Executive Director can sign the order, we **must** receive your written consent to the staff's recommendations.

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address [www.tceq.state.tx.us](http://www.tceq.state.tx.us)

PRINTED ON RECYCLED PAPER USING SOY INK



Mr. Malcolm Bailey, President

Page 2

July 27, 2006

- ▶ **After your signed CONSENT FORM** recommendation to the Executive Dire
- ▶ Mail you a signed copy of the order an

If you have any questions, please contact Ms. ]  
by fax at 512/239-0030, by email at dreyestam  
include MC-153 in the letterhead address.

Sincerely,



Tammy Benter, Team Leader  
Utilities Financial Review Team  
Water Supply Division

TB/DRT/ac

Enclosures

CONS

Applicant's Name: South Central Water Com  
Application No.: 35254-C

- I concur with the recommendation cont  
dated July 27, 2006
- I do not concur with and intend to res  
memorandum transmitted by letter dat  
I understand that I have 14 days from t

I am authorized by the South Central Water C

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Relationship to Applicant: \_\_\_\_\_

Date signed: \_\_\_\_\_

M  
Debbie F  
Utilities Financ  
Water Su  
Texas Commission c  
P.O. F  
Austin, T.

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

Mr. Malcolm Bailey, President  
P.O. Box 570177  
Houston, Texas 77257-0177

Re: Application No. 35254-C, Application of South Central Water Company to Amend Sewer Certificate of Convenience and Necessity No. 20964 in Wilson County, Texas

Order Amending CCN No. 20964

CN: 602602179; RN: 104853437

Dear Mr. Bailey:

Enclosed is a certified copy of an order and a copy of the Certificate of Convenience and Necessity issued by the Commission in the above referenced application.

You are now authorized to provide utility service in accordance with your approved tariff and the rules and regulations of the Commission.

If you have any questions, please contact Ms. Reyes Tamayo by phone at 512/239-6483, by fax at 512/239-6972, by email at [dreyestamayo@tceq.state.tx.us](mailto:dreyestamayo@tceq.state.tx.us), or if by correspondence, include MC 153 in the letterhead address.

Sincerely,

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

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

DH/DRT/ac

Enclosures

cc: mailing list

CONSENT FORM

Applicant's Name: South Central Water Company (Quail Run)

Application No.: 35254-C

I concur with the recommendation contained in the staff memorandum transmitted by letter dated July 27, 2006

I do not concur with and intend to respond to the recommendation contained in the staff memorandum transmitted by letter dated July 27, 2006  
I understand that I have 14 days from the date of this letter to provide my response

I am authorized by the South Central Water Company to sign this form.

Signature: Jeff Goebel

Printed Name: Jeff Goebel

Relationship to Applicant: VP of Development

Date signed: 8-3-2006

Mail to:  
Debbie Reyes Tamayo  
Utilities Financial Review, MC 153  
Water Supply Division  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087

*Also sending via reg. mail*

CCN Checklist

Applicant: South Central Water Company Application No.: 35254-C

§13.241(a)	Applicant possesses the financial and managerial capability to provide continuous and adequate service.	Date verified: 07/11/06
Description: Yes. See FMT memo.		
§13.241(b)	Applicant is capable of providing drinking water that meets the requirements of Chapter 341, Health & Safety Code.	Date verified: 05/12/06
Description: N/A. This is for sewer only.		
§13.241(b)	Applicant has access to an adequate supply of water.	Date verified: 05/12/06
Description: N/A. This is for sewer only.		
§13.241(c)	Applicant is capable of meeting commission's design criteria for sewer treatment plants.	Date verified: 06/27/06
Description: Yes. See Compliance Summary.		
§13.241(d)	If the applicant has proposed to construct a physically separate water or sewer system, the applicant has demonstrated that regionalization with another retail public utility is not economically feasible.	Date verified: 06/27/06
See attached Feasibility Checklist		
§13.244(b)	The applicant has provided all required maps.	Date verified: 06/27/06
See attached Mapping Checklist		
§13.246(b)	All overlaps have been resolved.	Date verified: 05/12/06
Description: None.		
§13.244(c)	The applicant has received the required consent, franchise, or permit of the proper municipality or other public authority.	Date verified: 05/12/06
N/A- No portion of the proposed area is within an incorporated area.		
§13.246(a)	Notice of the application has been provided to all affected parties.	Date verified: 05/12/06
Date(s) of Individual Notices: 04/22/06		
Date(s) of publication: 04/05/06 & 04/12/06 with the Wilson County News		
Description: The following entities received individual notice – City of Lavernia, Quail Run Golf Club, Capital Concepts Inc, and Real Estate & Development Company		
§13.246(a)	Notice of the application contains all required information.	Date verified: 05/12/06
Description: Yes. The applicant used the information provided with the BTR letter.		
§13.246(c)	Adequacy of service currently being provided to the requested area.	Date verified: 05/12/06
Description: At the filing of the application, no service had been extended to the proposed area.		
§13.246(c)	Is there a need for additional service to the requested area?	Date verified: 05/12/06
Description: Yes. See letter dated 0523/05 from the applicant which is also the developer of 620 proposed sewer connections needing service.		

§13.246(c)	What is the effect of granting a CCN to the recipient and on any other retail public utility of the same kind already serving the proximate area?	Date verified 05/12/06
Description: South Central Water Company will be amended to include the propose area. No other utilities will be affected.		
§13.246(c)	Is the applicant able to provide adequate service?	Date verified 07/11/06
Description: Yes, they will, but at this time there is no customers. See Compliance Summary.		
§13.246(c)	Is it feasible to obtain service from an adjacent retail public utility.	Date verified 06/27/06
Description: N/a. Service will be provided from applicant's existing facilities.		
§13.246(c)	Is the applicant Financially stabile, including debt-equity ratio?	Date verified 07/11/06
Description: Yes. See FMT checklist.		
§13.246(d)	Is a bond or other financial assurance required?	Date verified 07/11/06
Description: No. See FMT checklist.		
§13.246(e)	If applicable, has the applicant made efforts to extend service to any economically distressed areas?	Date verified 07/11/06
Description: N/a. Proposed area is not an economically distressed area.		

**COMPLIANCE SUMMARY:**

Wastewater System:	South Central Water (Quail Run)
TPDES Permit No.:	WQ0014672001 TX 0128449
Inspection Date:	Has not been inspected yet because there are no customers at this time.
Deficiencies:	None

Signed: Debbie Reyes Zamayo Date: 7-11-06

Feasibility Checklist

Applicant: South Central Water Company Application No.: 35254-C

§291.102(3)	Applicant has provided a list of all public drinking water supply systems within a 2 mile radius.	Date verified: 05/12/06
Description: Yes. Draft notices to neighboring utilities were included with the application.		
§291.102(3)	Applicant has provided copies of written requests seeking to obtain service from each system within a 2 mile radius.	Date verified: 05/12/06
Description: N/a. Applicant will be providing service from existing facilities.		
§291.102(a)(3)	Applicant has demonstrated that it is not economically feasible to obtain service from a neighboring system	Date verified: 05/12/06
Description: N/a. See above.		
§291.102(a)(3)	Applicant has provided copies of written responses or evidence that the neighboring system has failed to respond.	Date verified: 07/11/06
Description: Yes. See letters dated 07/22/05 to Sunbelt FWSD, Porter WSC, Consumers Water Inc., The City of Houston, Gulf Coast Waste Disposal Authority with no responses.		
§291.102(a)(3)	Applicant has provided a description of the type of service that the neighboring system is willing to provide and has compared it with the service the applicant is proposing and the applicant's service is clearly better.	Date verified: 07/11/06
Description: N/a. See above.		
§291.102(a)(3)	Applicant has provided an analysis of all necessary costs for constructing, operating, and maintaining the new system for at least the first five years.	Date verified: 07/11/06
Description: Yes. See FMT checklist.		
§291.102(a)(3)	Applicant has provided an analysis of all necessary costs for acquiring and continuing to receive service from the neighboring system for at least the first five years.	Date verified: 07/11/06
Description: N/a. See above.		
§291.102(a)(3)	How do the costs for providing service as a stand-alone system compare with the costs of obtaining service from a neighboring system?	Date verified: 07/11/06
Description: N/a. See above.		

Signed: Debbie Duss Zamayo Date: 7-11-06

## FM Checklist

Applicant: South Central Water Company to Amend Sewer Certificate of Convenience and Necessity (CCN) No. 20964, in Wilson County

Application No.: 35254-C

South Central Water Company, Mr. Malcolm Bailey, principal, applies for amendment to the sewer CCN to provide sewer service to a new stand-alone area of about 1,500 acres. There is no indication of current customers, requests for service, or the identity of the developer. The tariff requires the developer to be responsible for contribution in aid of construction, but as indicated below, Mr. Bailey continues to provide personal financial information indicating he has adequate reserve.

I have requested current financial information and received a personal balance sheet for Malcolm D. Bailey dated April 30, 2006, which is attached to the original of this memorandum. Mr. Bailey continues to show substantial liquidity with total assets of \$21 mil., total liabilities of \$3.7 mil. and equity of \$17.3 mil., for a debt to equity ratio of .21:1. The projected profit and loss statement for the development shows positive cash flow over \$8,000 in the third year, once again. Mr. Bailey's balance sheet shows marketable securities of \$6.4 mil. and cash of \$22,757 so he should be able to fund the cash flow loss in the first years.

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

Signed: Dan Smith Date: July 6, 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: 07/07/06
Comments: Yes.	
2. The growth projections are verifiable and make sense. Note: A growth rate greater than 10% per year will require significant documentation.	Date: 07/07/06
Comments: Yes.	



## FM Checklist

Applicant: South Central Water Company to Amend Sewer Certificate of Convenience and Necessity (CCN) No. 20964, in Wilson County

Application No.: 35254-C

<b>B. FEASIBILITY OF OBTAINING SERVICE FROM ALTERNATE SOURCES OF SUPPLY WITHIN A 2-MILE RADIUS</b>	
1. There are no alternate sources within a 2-mile radius. Go to section C.	Date: 07/07/06
Comments: The application represents no sewer service within two miles.	
2. Application for service was denied. Go to section C.	Date:
Comments:	
3. Applicant is asserting that interconnection is infeasible.	Date:
Comments:	
4. Documentation of the cost of interconnection is verifiable.	Date:
Comments:	
5. Cost information includes the cost of initiating service.	Date:
Comments:	
6. Cost information includes the cost of any facilities that may be need to be constructed to obtain service	Date:
Comments:	
7. Cost information includes costs of receiving and maintaining service for 5 years	Date:
Comments:	
8. Assumptions about the cost of receiving and maintaining service are based on valid information	Date:
Comments:	

## FM Checklist

Applicant: South Central Water Company to Amend Sewer Certificate of Convenience and Necessity (CCN) No. 20964, in Wilson County

Application No.: 35254-C

<b>C. FEE FOR SERVICE</b>	
1. Projected number of connections agrees with assumptions listed.	Date: 07/07/06
Comments: Yes.	
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: 07/07/06
Comments: Yes.	
3. Proposed rates reflect cost of service and are affordable. [Could consider the percentage of Median Household Income]	Date: 07/07/06
Comments: Yes.	

<b>D. DOCUMENTATION RELATED TO PROVIDING SERVICE USING APPLICANT'S FACILITIES</b>	
<i>Note: This section applies to NEW CCNs and substantial amendments.</i>	
1. Cost of construction is based on engineering estimates.	Date: 07/07/06
Comments: The application projections indicate a cost of about \$1,000,000 but the information available to me does not indicate if that is based on an engineered estimate.	
2. Cost of maintaining and operating the system includes <b>reasonable</b> amounts for a contract operations company.	Date:
Comments:	

## FM Checklist

Applicant: South Central Water Company to Amend Sewer Certificate of Convenience and Necessity (CCN) No. 20964, in Wilson County

Application No.: 35254-C

3. Cost of maintaining and operating the system includes <b>reasonable</b> amounts for the following: (☆ - Insert Comment # in this column)					
Expense Item	Yes	☆	Expense Item	Yes	☆
Wholesale water or sewer			Insurance - office equipment		
Salaries - O & M Staff	X		Legal fees	X	
Salaries - Admin staff	X		Engineering fees	X	
Salaries - Owner			Employee training	X	
Power for operating all facilities	X		Office supplies/postage	X	
Treatment Chemicals	X		Telephone/other office utilities	X	
Monitoring/Testing	X		Office rent		
M & R materials & labor	X		Accounting	X	
Vehicle maintenance expenses	X		Income taxes		
Contract Labor			Property taxes	X	
Equipment rental			Employment taxes	X	
Insurance - vehicle	X		Debt service		
Insurance - liability	X		Bad debt expense		
Insurance - Workmen's comp	X		Lease payments		
Includes cost of operating system for 5 years:				Date: 07/07/06	
Comments (Number comments to correspond with numbers above:					

# FM Checklist

Applicant: South Central Water Company to Amend Sewer Certificate of Convenience and Necessity (CCN) No. 20964, in Wilson County

Application No.: 35254-C

<b>E. FINANCING</b>	
1. Applicant has identified sources for funding construction and capital improvements.	Date: 07/07/06
Comments: Yes, the tariff provides for a developer to finance the construction, and the applicant has provided a current personal balance sheet showing adequate reserve.	
2. Sources of revenue for construction and capital improvements are verifiable and documented.	Date: 07/07/06
Comments: Yes.	
3. Sources of revenue for construction and capital improvements are guaranteed or reasonably assured.	Date: 07/07/06
Comments: Reasonably assured.	
4. Sources of revenue for shortfalls, other than from rates, are guaranteed, or reasonably assured.	Date: 07/07/06
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: 07/07/06
Comments: Yes.	

<b>F. OWNERSHIP</b>	
1. Applicant has identified current and any future potential owners.	Date: 07/07/06
Comments: Yes.	

# FM Checklist

Applicant: South Central Water Company to Amend Sewer Certificate of Convenience and Necessity (CCN) No. 20964, in Wilson County

Application No.: 35254-C

2. Applicant has identified all other affiliated businesses.	Date: 07/07/06
Comments: Yes.	
3. Applicant has documented qualifications of all organizations and persons who will be involved in the operation of the system.	Date: 07/07/06
Comments: Yes.	

<b>G.CONCLUSIONS</b>	
1. The source to be used is identified and documentation supports the application.	Date: 07/07/06
Comments: Yes.	
2. Applicant is capable/of financing and operating the system for at least the 1 <sup>st</sup> 5 years of operation if the applicant provides financial assurance in the amount of \$ _____ 0 ____.	Date: 07/07/06
Comments: Yes.	
3. Applicant is capable of managing the system for the long term.	Date: 07/07/06
Comments: Yes.	
4. Applicant has the technical capacity to operate the system for the long term.	Date: 07/07/06
Comments: Yes.	

**FINANCIAL INFORMATION**

Malcolm D. Bailey  
Name

5818 Beverly Hill, Houston, Texas 77057  
Business Address

**STATEMENT OF ASSETS AND LIABILITIES AS OF APRIL 30, 2006**

Assets		Liabilities	
1 Cash Accounts	\$ 22,757	10. Accounts Payable, Trade	\$ -
2. Marketable Securities	\$ 6,391,612	11 Notes Payable to Banks	\$ 1,211,250
3 Accounts Receivable	\$ 2,440,815	12 Notes Payable to Others	\$ 2,481,344
4 Notes, Loans & Account Receivable	\$ 162,273	13 Real Estate Mortgages	\$ -
5 Retirement Funds	\$ -	14. Interest and Taxes Due (IRS Estimate)	\$ -
6 Real Estate Owned	\$ 8,026,746	TOTAL LIABILITIES	\$ 3,692,594
7 Corp /Partnerships/Investments	\$ 3,341,857	15 Net Worth	\$ 17,281,136
8 Vehicles, Personal & Household	\$ 587,670		
9 Other Assets	\$ -		
<b>TOTAL ASSETS</b>	<b>\$ 20,973,730</b>	<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>\$ 20,973,730</b>

002/006

07/05/2006 WED 11:17 FAX 7132252824 Unlimited 3-D Design



SUPPORTING SCHEDULES - ASSETS

<b>1 CASH ACCOUNTS</b>	<b>22,757.06</b>
<b>2 MARKETABLE SECURITIES</b>	
Paine Webber Stocks	-
EM-02813	126,396
EM-02986	1,758,894
EM-25546	(111)
EM-26386	1,288,225
EM-26387	987,923
EM-26388	602,711
EM-26389	461,849
EM-40885	399,541
EM-26364	766,183
	<hr/>
<b>TOTAL MARKETABLE SECURITIES</b>	<b>6,391,612</b>
<b>3. ACCOUNTS RECEIVABLE</b>	
Bailey 1995 Children's Trust	20,954
Brenda Bailey	397,465
Brookshire 359 Jt Venture	2,500
D & S	8,476
DD	24,934
Doug Bailey	1,484,034
Joe Newell	22,000
Malcolm Bailey, Jr	131,700
Robert Boyd	5,180
Susan Gallings	200
T. O. Bailey - AF #A-3	(1,795)
Unlimited 3-D Design	317,631
 Doubtful Accounts Receivable	
Henrietta Rigsby	4,300
JG-AquaSource	8,235
Wendy Mueller	15,000
	<hr/>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>2,440,815</b>
<b>4 NOTES &amp; LOAN RECEIVABLES</b>	
Robby Day	162,273
	<hr/>
<b>TOTAL NOTES &amp; LOAN RECEIVABLES</b>	<b>162,273</b>



5. RETIREMENT FUNDS

TOTAL RETIREMENT FUNDS

6. REAL ESTATE OWNED

10210 Longmont		103,198
11710 Southlake Condo/Cobblestone		49,800
2905 Marina Shores		1,600,000
3103 Rosemary Park Ln		1,551,654
Lakecliff 8 Lots		1,655,441
50/50 MDB & MDB, Jr Royal Oaks Home		495,133
5818 Beverly Hill		
Building	851,959	
Building Appraisal	15,000	
Building Improvements - 1995	45,762	
Building Improvements - 1996	3,026	
Building Improvements - 1997	14,300	
Building Improvements - 2000	11,548	
Building Improvements - 2002	33,189	
Furniture & Fixtures	34,216	
Total 5818 Beverly Hill		1,009,000
9530 Dartridge - Dallas		48,915
Angel Fire - Halo Terrace		13,275
Angel Fire - Condominium #A-3		58,000
Angel Fire - Condominium #A-4		113,883
Beaumont Acreage		29,810
Brookshire Ranch 359 Venture		58,050
Hangar Lot		44,892
Liberty County - 200 Acres - Steamboat Springs		800,000
Liberty County - 200 Acres - Steamboat Springs	Escrow	(10,000)
Marina Lot Sec4, Blk 2, Lot 22		300,000
Seton Avenue Condominium		85,719
Windemere Center Cove Lot		4,900
Woodchase Condominium #130		15,076

TOTAL REAL ESTATE OWNED

8,026,746

7. CORPORATIONS/PARTNERSHIPS/INVESTMENTS

Corporations

BCL Marina, Inc.	1,040,000
Shades Cafe	70,250
South Central Water Company	218,354
Spicewood Aviation, Inc	27,500
Windemere Airpark, LLC	21,000

Total Corporations

1,377,104

Partnerships/Investments

B & B Partners	979,290
Baytown 146 Limited Partners	7,177
Cedar Pond	130,000
Foster Creek #2/Oil	50,000
Kragg Ltd	50,000
Northwood Venture II, L.P.	250,000
Oil & Gas Working Interests	10,000
Park Row Center	50,000
Pipeline Skateboard Park	53,000
Porter Research	25,000
State Bank of Texas Stock	27,475
Texas Growth Capital Fund-38.5%	283,708
Texas Utilities (TXU)	5,705
Trend Technologies	30,000
Woodway II/651 Bering	13,398

**Total Partnerships/Investments** 1,964,753

**TOTAL CORPORATIONS/PARTNERSHIPS/INVESTMENTS** 3,341,857

**8. VEHICLES/PERSONAL/HOUSEHOLD**

**Automobiles/Boats/Aircraft**

1996 Sugar Sand Jet Boat	8,000
1997 Waverunner	2,000
1998 Mustang Convertible	18,000
1999 Chris Craft Boat	25,000
1999 Golf Cart	2,500
1999 Suburban-Lake House	12,000
2000 Dodge Truck	15,000
2001 Lexus-Patsy	60,000
2003 Lexus	66,175

**Total Automobiles/Boats/Aircraft** 208,675

**Furniture/Art/Jewelry** 378,995

**TOTAL VEHICLES/PERSONAL/HOUSEHOLD** 587,670

**9. OTHER ASSETS**

None

**TOTAL OTHER ASSETS**           

**TOTAL ASSETS** 20,973,730

SUPPORTING SCHEDULES LIABILITIES & EQUITIES

10. ACCOUNTS PAYABLE TRADE	
None	-
<b>TOTAL ACCOUNTS PAYABLE TRADE</b>	<u>-</u>
11. NOTES PAYABLE TO BANKS	
Security Bank & Trust	1,211,250
<b>TOTAL NOTES PAYABLE TO BANKS</b>	<u>1,211,250</u>
12. NOTES PAYABLE TO OTHERS	
Paine Webber Credit Line	2,481,344
<b>TOTAL NOTES PAYABLE TO OTHERS</b>	<u>2,481,344</u>
<b>TOTAL NOTES PAYABLE</b>	<u>3,692,594</u>
13. REAL ESTATE MORTGAGES	
None	-
<b>TOTAL REAL ESTATE MORTGAGES</b>	<u>-</u>
14. INTEREST & TAXES DUE (IRS)	-
<b>TOTAL LIABILITIES</b>	<u>3,692,594</u>
15. NET WORTH	17,281,136
<b>TOTAL LIABILITIES &amp; EQUITIES</b>	<u><u>20,973,730</u></u>



MDB Interests

5818 Beverly Hill, Suite 200 • Houston, Texas 77057 • (713) 783-6611 • (713) 783-6321 (FAX)  
mdbailey@houston.rr.com

# FACSIMILE COVER SHEET

To: Deen Smith From: Malcolm Bailey

Company: TCBQ

Fax: 512-239-6972 Pages: 6 Including Cover Sheet

Phone: \_\_\_\_\_ Date: 7-5-06

Re: Latest Personal Financial Statement

Urgent     For Review     Please Comment     Please Reply

If this transmission is incomplete, please call (713) 783-6611

**MESSAGE:**

SEWER UTILITY TARIFF

FOR

South Central Water Company  
(Utility Name)

P. O. Box 570177  
(Business Address)

Houston, Texas 77257-0177  
(City, State, Zip Code)

(713) 783-6611  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20964

This tariff is effective in the following counties:

Harris, Liberty, Parker and Wilson

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective for the following subdivisions and Water Quality permit number:

- Ober 212: WQ 1463300100 (TX01280616)
- Pine Trace: WQ0014606001 (TX0127795)
- Quail Run: WQ0014672001 (TX0128449)
- Steamboat Springs: WQ12344001 (TX0086096)
- Sugar Tree: WQ0014163001 (TX0122271)
- Twelve Oaks: WQ0014517001 (TX0125547)

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION	PAGE
1.0      RATE SCHEDULE .....	2
2.0      SERVICE RULES .....	3
3.0      EXTENSION POLICY .....	13
APPENDIX A      SERVICE AGREEMENT	

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
35254-C, CCN 20964, MAY 12, 2006  
APPROVED TARIFF BY LJ/DBT

**South Central Water Company**

PO Box 570177  
Houston, Texas 77257  
713-783-6611

RECEIVED

April 21, 2006

Ms. Debbie Reyes  
Texas Commission on Environmental Quality  
Utility and Districts Section MC-153  
PO Box 13087  
Austin Texas 78711-3087

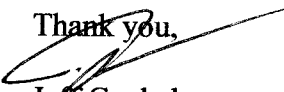
Re: CCN Application for South Central Water Company  
Application No. 35254-C  
Quail Run

Dear Ms. Reyes:

Please see the attached Affidavit and tear sheet, along with copies of the notices sent out to surrounding sewer utilities and landowners. Also the affidavits correlating with the notices are attached.

If you have any questions please call me at 713-724-9321.

Thank you,

  
Jeff Goebel

RECEIVED



Texas Commission on Environmental Quality

APPLICATION NO. \_\_\_\_\_

PUBLISHER'S AFFIDAVIT

STATE OF TEXAS

COUNTY OF Wilson

Before me, the undersigned authority, on this day personally appeared Erica M. Quintanilla

who being by me duly sworn, deposes and says that (s)he is the Classified Ad Manager of the

Wilson County News; that said  
NAME OF NEWSPAPER

newspaper is regularly published in Wilson

County(ies) and generally circulated in Wilson

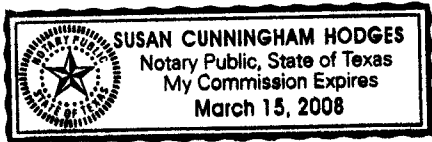
County (Counties), Texas; and that the attached notice was published in said newspaper on the following date(s), to wit:

April 5 & 12, 2006

Erica M. Quintanilla  
Newspaper Representative's Signature

Subscribed and sworn to before me this 13<sup>th</sup> day of April, 2006, to certify which witness my hand and seal of office.

Susan Cunningham Hodges  
Notary Public in and for the State of Texas



Susan Cunningham Hodges  
Print or Type Name of Notary Public

Commission Expires 3-15-08



Texas Commission on Environmental Quality

APPLICATION NO. 35254-C

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES

STATE OF TEXAS

COUNTY OF Wilson

South Central Water Company has provided individual notice to the following entities:

City of Lavernia

DATE 9-22-06

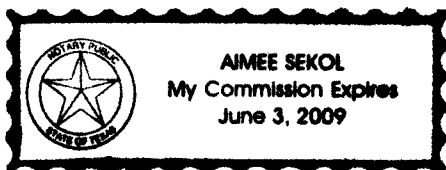
OATH

I, Jeff Goebel, being duly sworn, file this form as VP of Development (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.

[Signature]  
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 24th day of April, 2006, to certify which witness my hand and seal of office.



Aimee Sekol  
Notary Public in and for the State of Texas

Aimee Sekol  
Print or Type Name of Notary Public  
Commission Expires 6-3-09



NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY  
(CCN) TO PROVIDE SEWER UTILITY SERVICE IN WILSON COUNTY

To: City of La Vernia Date Notice Mailed: 4-22, 2006  
(Neighboring System or City)  
PO BOX 225  
(Address)  
La Vernia TX 78121-0020  
(City State Zip)

South Central Water Company has filed an application to amend CCN No. 20964 with the Texas Commission on Environmental Quality to provide sewer utility service in Wilson County.

The proposed utility service area is located approximately 18 miles northeast of downtown Floresville, Texas, and is generally bounded on the north by FM 2772; on the east by Roundabout Rd.; on the south by Oak Valley Dr.; and on the west by FM 539. The total area being requested includes approximately 1500 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 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.



RECEIVED

Texas Commission on Environmental Quality

APPLICATION NO. 35254-c

AFFIDAVIT OF NOTICE TO LANDOWNERS

STATE OF TEXAS

COUNTY OF Wilson

South Central Water Company has provided individual notice to the following entities:

	DATE
<u>Quail Run Golf Club</u>	<u>4-22-06</u>
<u>Capital Concepts Inc</u>	<u>4-22-06</u>
_____	_____
_____	_____
_____	_____

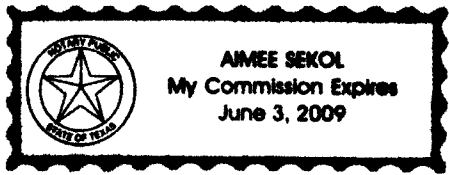
OATH

I, Jeff Goebel, being duly sworn, file this form as VP Developer (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.

[Signature]  
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 24th day of April, 2006, to certify which witness my hand and seal of office.



Aimee Sekol  
Notary Public in and for the State of Texas

Aimee Sekol  
Print or Type Name of Notary Public  
Commission Expires 6-3-09

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND  
(CCN) TO PROVIDE SEWER UTILITY SERVICE IN WILSON COUN

To: Quail Run Golf Club Date Notice Mailed: 4/20/04  
(Landowner)  
120 Las Palomas Dr  
(Address)  
Lavernia Texas 78121  
(City State Zip)

South Central Water Company has filed an application to amend CCN No. 20964 with the Texas Commission on Environmental Quality to provide sewer utility service in Wilson County.

The proposed utility service area is located approximately 18 miles northeast of Floresville, Texas, and is generally bounded on the north by FM 2772; on the east by FM 2772 Rd.; on the south by Oak Valley Dr.; and on the west by FM 539. The total area being proposed includes approximately 1500 acres and 0 current customers. See enclosed map of 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 another reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief statement of how you or the persons you represent, would be adversely affected by the grant of this application for a CCN; and (5) your proposed adjustment to the application or CCN to 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

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

If a public hearing is requested, the Executive Director will not issue the CCN and will refer the application to the State Office of Administrative Hearings (SOAH) for a hearing. If a hearing 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 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  
(CCN) TO PROVIDE SEWER UTILITY SERVICE IN WILSON COUNTY

To: Capital Concepts Inc Date Notice Mailed: 4-22, 2006  
(Landowner)  
PO Box 14744  
(Address)  
Albuquerque NM 87191-4744  
(City State Zip)

South Central Water Company has filed an application to amend CCN No. 20964 with the Texas Commission on Environmental Quality to provide sewer utility service in Wilson County.

The proposed utility service area is located approximately 18 miles northeast of downtown Floresville, Texas, and is generally bounded on the north by FM 2772; on the east by Roundabout Rd.; on the south by Oak Valley Dr.; and on the west by FM 539. The total area being requested includes approximately 1500 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 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.

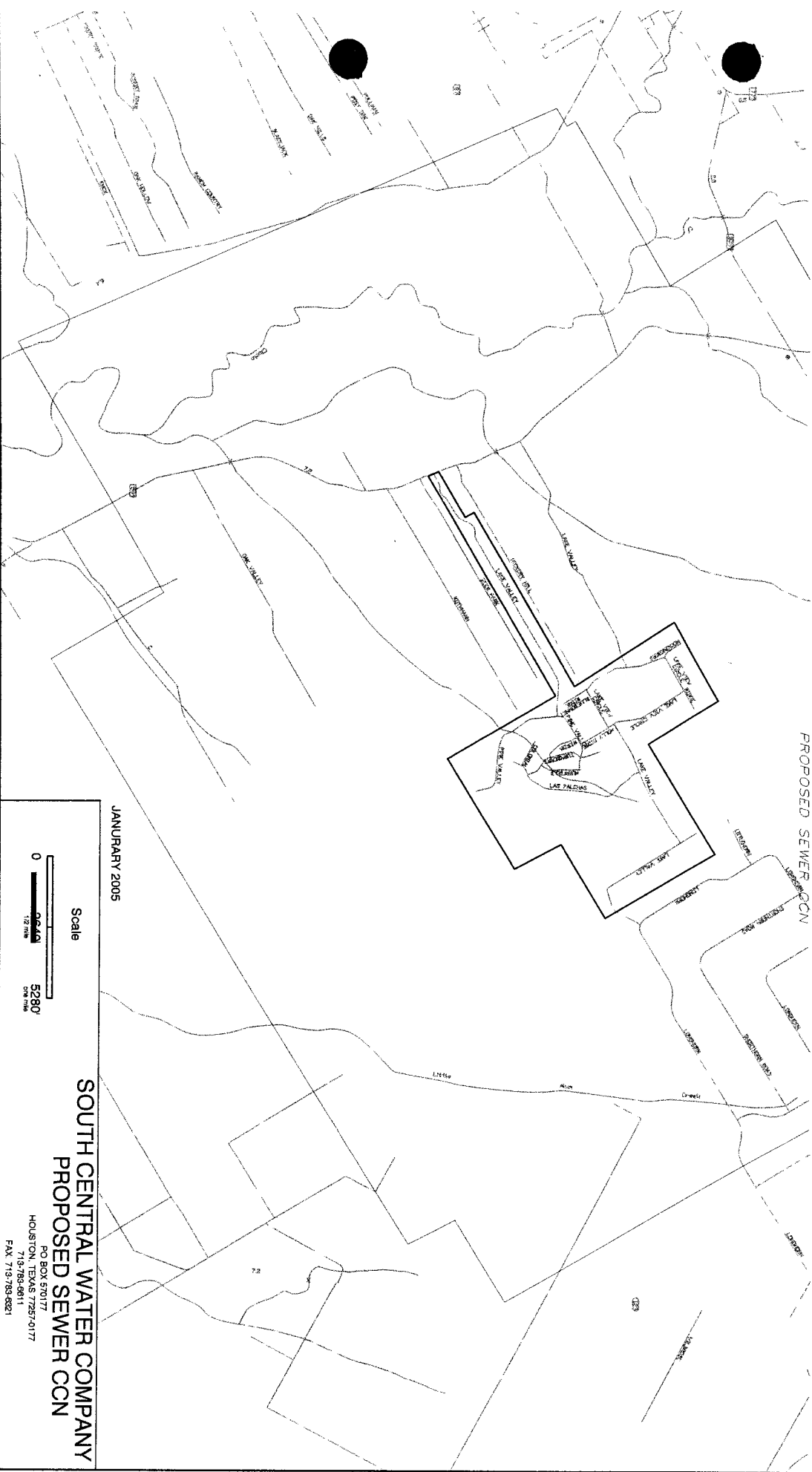
Persons who wish to intervene or comment should write the:

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.



PROPOSED SEWER CCN

JANUARY 2005

Scale



**SOUTH CENTRAL WATER COMPANY**  
**PROPOSED SEWER CCN**

PO BOX 570177  
 HOUSTON, TEXAS 77257-0177  
 713-788-6611  
 FAX: 713-788-8821

N/A NONE WITHIN (SEWER) 2 miles

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN \_\_\_\_\_ COUNTY(IES)

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_\_\_  
(Neighboring System or City)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City State Zip)

\_\_\_\_\_ has filed an application for a CCN / to  
Name of Applicant  
amend CCN No. \_\_\_\_\_ / and to decertify a portion(s) of \_\_\_\_\_ (Name of Decertificated Utility) with  
the Texas Commission on Environmental Quality to provide \_\_\_\_\_ (specify 1) water or 2) sewer or  
3)water & sewer) utility service in \_\_\_\_\_ County(ies).

The proposed utility service area 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 \_\_\_\_\_  
\_\_\_\_\_. See enclosed map of the proposed service area.

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

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*

April 13, 2006

Mr. Jeff Goebel  
South Central Water Company  
P.O. Box 570177  
Houston, Texas 77257

### **Notice of Deficiency**

Re: Application from South Central Water Company, a Texas Corporation to Amend Certificate of Convenience and Necessity (CCN) No. 20964 in Wilson County; Application No. 35254-C

CN: 602602179; RN: ~~104220645~~ *Wilson*

Dear Mr. Goebel:

On **February 16, 2006**, we sent you a letter requesting information to complete the processing of the application referenced above. This information was due in our office by **March 24, 2006**. However, as of the date of this letter, we have not received the items discussed in the following paragraphs

Your next step is to provide the **revised** 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 Wilson County. It is the responsibility of the applicant to provide correct notice of the application to any utilities within two (2) miles of your proposed service area, customers, 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,
- d) four copies of notice sent to customers; and
- e) an original and three copies of the signed affidavits that individual notice to neighboring utilities, affected individuals, customers and each landowner has been given (Copies of the Affidavit forms are enclosed with this letter.)



Mr. Jeff Goebel  
Page 2  
April 13, 2006

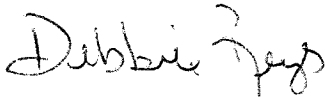
Include the enclosed location map delineating the proposed service area with your individual notices to neighboring utilities, other affected parties and each landowner.

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

These items must be completed and returned by **April 28, 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 me at 512/239-4683, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,



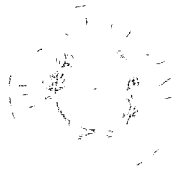
Debbie Reyes  
Utilities & Districts Section  
Water Supply Division

DR/ac

Enclosures

cc: TCEQ, Region 13 Office

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*

February 16, 2006

Mr. Jeff Goebel  
South Central Water Company  
P.O. Box 570177  
Houston, Texas 77257

Re: Application from South Central Water Company, a Texas Corporation to Amend Certificate of Convenience and Necessity (CCN) No. 20964 in Wilson County; Application No. 35254-C

CN: 602602179; RN: 104220645

Dear Mr. Goebel:

Your application for South Central Water Company (Quail Run) to amend their CCN was received on January 24, 2006, and has been accepted for filing. Ms. Debbie Reyes has been assigned to perform the technical review. The application has been assigned Application No. 35254-C. Please refer to this number in future correspondence.

Your next step is to provide the **revised** 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 Wilson County. It is the responsibility of the applicant to provide correct notice of the application to any utilities within two (2) miles of your proposed service area, customers, 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;
- d) four copies of notice sent to customers; and
- e) an original and three copies of the signed affidavits that individual notice to neighboring utilities, affected individuals, customers and each landowner has been given. (Copies of the Affidavit forms are enclosed with this letter.)

Include the enclosed location map delineating the proposed service area with your individual notices to neighboring utilities, other affected parties and each landowner.

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: [www.tceq.state.tx.us](http://www.tceq.state.tx.us)

Mr. Jeff Goebel  
Page 2  
February 16, 2006

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

These items must be completed and returned by **March 24, 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 Ms. Debbie Reyes at 512/239-4683, or if by correspondence, include Mail Code 153 in the letterhead address

Sincerely,



Elizabeth Flores, Acting Team Leader  
Utilities & Districts Section  
Water Supply Division

EF/KLB/ac

Enclosures

cc: TCEQ, Region 13 Office



NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE SEWER UTILITY SERVICE IN WILSON COUNTY

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 2006  
(Neighboring System or City)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City State Zip)

South Central Water Company has filed an application to amend CCN No. 20964 with the Texas Commission on Environmental Quality to provide sewer utility service in Wilson County

The proposed utility service area is located approximately 18 miles northeast of downtown Floresville, Texas, and is generally bounded on the north by FM 2772; on the east by Roundabout Rd.; on the south by Oak Valley Dr.; and on the west by FM 539. The total area being requested includes approximately 1500 acres and \_\_\_\_\_ 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 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 (CCN) TO PROVIDE SEWER UTILITY SERVICE IN WILSON COUNTY

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_\_\_
(Landowner)
\_\_\_\_\_  
(Address)
\_\_\_\_\_  
(City State Zip)

South Central Water Company has filed an application to amend CCN No. 20964 with the Texas Commission on Environmental Quality to provide sewer utility service in Wilson County.

The proposed utility service area is located approximately 18 miles northeast of Floresville, Texas, and is generally bounded on the north by FM 2772; on the east by Oak Valley Rd.; on the south by Oak Valley Dr.; and on the west by FM 539. The total area being served includes approximately 1500 acres and \_\_\_\_\_ current customers. See enclosed map of 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 another reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief statement of how you or the persons you represent, would be adversely affected by the grant of this application for a CCN; and (5) your proposed adjustment to the application or CCN to satisfy your concerns and cause you to withdraw your request for a hearing.

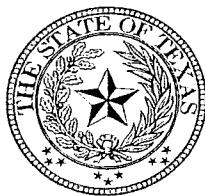
Persons who wish to intervene or comment should write the:

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

If a public hearing is requested, the Executive Director will not issue the CCN and will refer the application to the State Office of Administrative Hearings (SOAH) for a hearing. If a hearing 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 and may result in a civil trial in state district court.

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



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 \_\_\_\_\_





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 forth therein are true and correct.

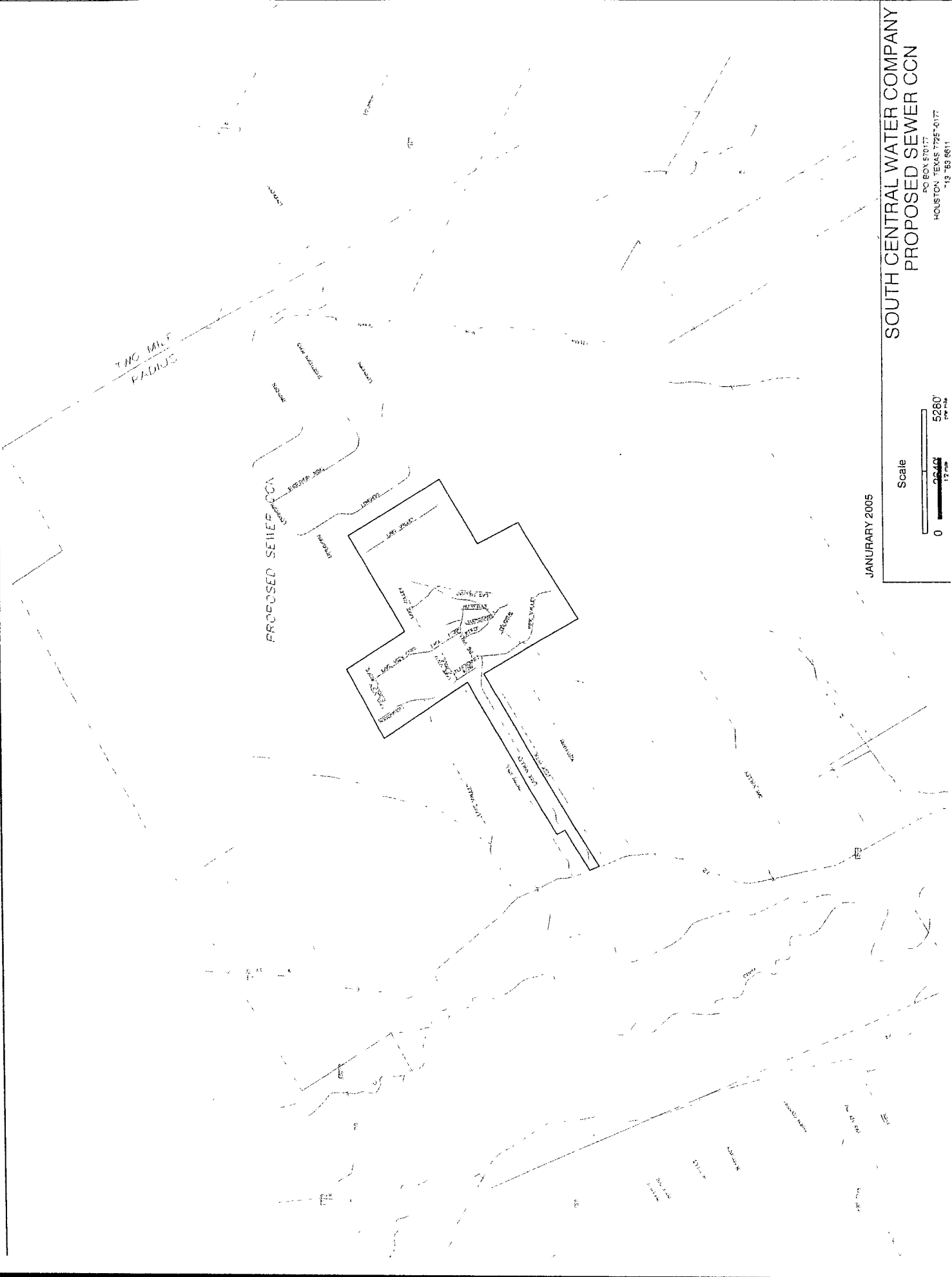
\_\_\_\_\_  
Applicant's Authorized Representative

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.

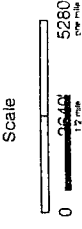
\_\_\_\_\_  
Notary Public in and for the  
State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public  
Commission Expires \_\_\_\_\_



SOUTH CENTRAL WATER COMPANY  
PROPOSED SEWER CCN

PO BOX 870177  
HOUSTON, TEXAS 77257-0177  
1-93-83 6611



JANUARY 2005