

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

ENCLOSURE (3) (P) (1) (S) (1) (1) (1)

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,

A handwritten signature in cursive script, appearing to read "Elizabeth Flores".

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

EF/KLB/ac

Enclosures

cc: TCEQ, Region 13 Office

Notice for Publication

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

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.

A copy of the proposed service area map is available at South Central Water Company, 5818 Beverly Hill Street, Houston, Texas 77057-6710 and Phone Number 713/783-6611

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: _____, 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.

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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: _____, 2006
(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 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.

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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.



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 for therein are true and
correct.

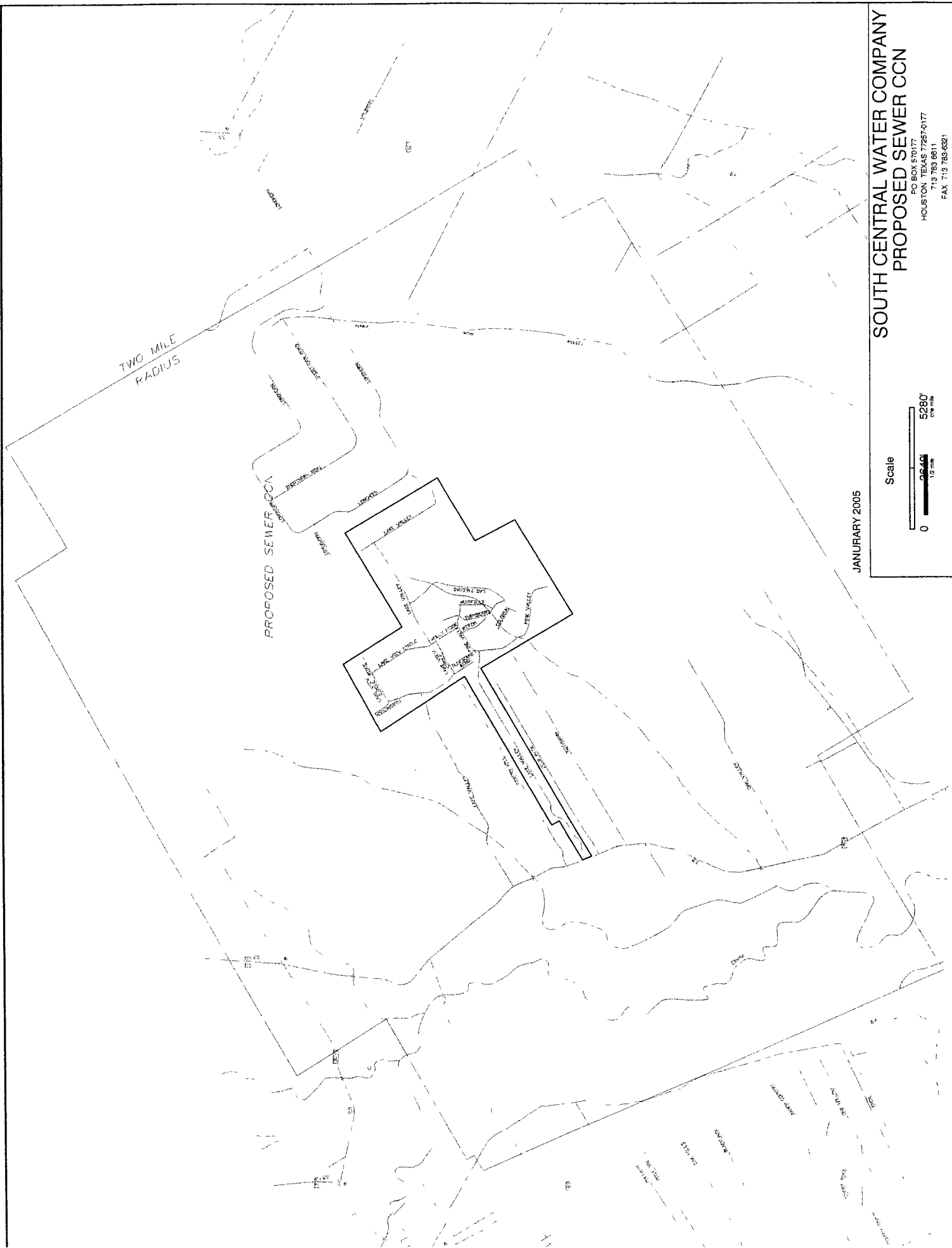
Applicant's Authorized Representative

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 _____



SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCA

PO BOX 570177
HOUSTON, TEXAS 77257-0177
713 753 8611
FAX 713 753-6321

Scale



JANUARY 2005

7003 1680 0000 6292 9373

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage provided)

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

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

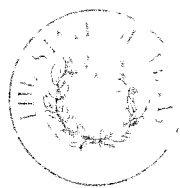
Sent To

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, June 2002

See Reverse for Instructions



ON ON ENVIRONMENTAL QUALITY
as by Reducing and Preventing Pollution
February 7, 2006

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 CCN application for South Central Water Company (Quail Run), received on January 24, 2006, has been assigned Application No. 35254-C, but has not been accepted for filing. Please refer to this number in future correspondence.

The next step towards having your application accepted is to provide the following information

1. Provide copies of any letters of intent from developers, landowner requests, applications for service or a combination of the above to justify the need for sewer service in the requested area
2. Provide a copy of the most recent inspection report for South Central Water Company's sewer systems. For each system deficiency listed in the inspection report letters, attach a brief explanation listing the actions taken or being taken to correct the listed deficiencies, including the proposed completion dates.
3. Submit a copy of the proposed sewer tariff for South Central Water Company

These items must be completed and returned by **March 27, 2006**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute

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

Sincerely,

Karen Blaschke
Utilities & Districts Section
Water Supply Division

DH/KLB/ac

cc: Ms. Debbie Reyes, TCEQ
TCEQ, Region 13 Office
P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address www.tceq.state.tx.us

To: Administrative Reviewer

Date: January 27, 2006

From: Cartographer-Utilities & Districts Section

Subject: Overlap & Notice Check for Administrative Review No. **A-011-6**
South Central Water Company to amend sewer CCN (20964) in **Wilson** county.

- X 1. No new overlap of service areas exists.
2. An overlap
3. Dual certification
4. An overlap exists with the city limits of:
5. If this is a Sale, Transfer, or Merger, is additional area being requested?
6. Due to an inadequate map filed by the applicant, a determination cannot be made as to the actual location of requested service boundary.
7. Map submitted is digital request digital data.
8. Need a more detailed map, such as a subdivision plat or USGS topo map with the boundary clearly identified.
- X 9. Utility notice was sufficient.
10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:
- TWO MILES:
- X 11. Notice: approximately 18 miles Northeast of downtown Floresville
approximately 1500 acres
On the North by FM 2772
On the East by Roundabout Rd.
On the South by Oak Valley Dr.
On the West by FM 539
12. Other comments:



Kent Steelman



APPLICATION TO OBTAIN OR AMEND A WATER/SEWER
CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

*RN #

*CN # 20964

RECEIVED
\$100
JAN 24 2006
4-011-6
UTILITIES & DISTRICTS
SECTION

PURPOSE OF THIS APPLICATION

OBTAIN • New Water CCN • New Sewer CCN

AMEND • Water CCN # _____ • Sewer CCN # ☒ 20964

60 2602179
104220645

1. APPLICANT INFORMATION

Utility Name: South Central Water Company
Utility Address (city/state/zip) PO Box 570177
Houston, Texas 77257-0177
Utility Phone and Fax Number (713) 783-6611 Phone (713) 783-6321 Fax _____

Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title related to the applicant.

Name: Malcolm Bailey Title: President
Address: PO Box 570177 Telephone (713) 783-6611
City Houston St Texas Zip 77257 Fax (713) 783-6321
County(ies) in which service is proposed Harris

A. Provide the following information about the utility's certified operators

Name	Classes	License Number
Lee Conaster	B - W&S	449414184

- Attach additional sheet(s) if necessary -

B. Check the appropriate box and provide information regarding the legal status of the applicant

<input checked="" type="checkbox"/>	Investor owned utility
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Home or Property Owners Association
<input checked="" type="checkbox"/>	For-profit corporation
<input type="checkbox"/>	
<input type="checkbox"/>	Non-profit, member-owned, member-controlled cooperative corporation (Water Code Chapter 67, Water Supply or Sewer Service Corporation)
<input type="checkbox"/>	Municipality
<input type="checkbox"/>	District
<input type="checkbox"/>	Other Please explain:

--	--

- C. If the applicant is a For-Profit Corporation:
- Please provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. (See Note below). **See Attachment 'A'**
 - Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State. 01611296200.
- D. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation or other non-profit corporation:
- Please provide a copy of the Articles of Incorporation and By-Laws.
 - Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State

2. **LOCATION INFORMATION**

- A. Are there people already living in the proposed area?
YES ☒ NO ☐
If YES, are any currently receiving utility service? Water Utility Service
YES ☒ NO ☐, if YES, from Whom _____.
- B. Have you received any requests for service in the requested service area?
YES ☒ NO ☐
If yes, please indicate the number of verbal and number of written requests and provide a clear explanation of the need for service in the requested area.
WRITTEN 1 VERBAL _____
On a separate page, list the name, address, and phone number of persons requesting service. Include any letters of intent, service inquiries, and/or any other documentation demonstrating a need for service in the proposed area. Requests for service must be identified on the large scale map. See 2.E.i.a below.
If no, please justify the need for service in the proposed area. **See Attachment 'B'**
- C. Is any portion of the proposed service area inside an incorporated city?
YES ☐ NO ☒
If YES, within the city limits of: _____
Provide a copy of any franchise, permit, or consent granted by the city. If not available, please explain: _____

- D. Is any portion of the proposed service area inside another utility's CCN area?
YES ☐ NO ☒
If YES, has the current CCN holder agreed to decertify the proposed area.
YES _____ NO _____
If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest.
- E. Attach the following maps with each copy of the application: *(All maps should include applicant's name, address, telephone number, and date of drawing or revision All maps should be folded to 8½ x 11 inches).* **See Attachment 'C'**
- Subdivision plat or engineering plans or other large scale map showing the following:

- A. The exact proposed service area boundary showing locations of requests for service and locations of existing connections (if applicable).
- NOTE: Applicant may send their facility line map showing current connections (if available), OR estimate the number of connections along each side of the street on the large scale map.
- B. The existing service area (if applicable).
- C. Metes and bounds (if available).
- D. Proposed and existing service area boundaries should be plotted on the map in relation to verifiable natural and man-made landmarks such as roads, creeks, rivers, railroads, etc.
- E. *Service area boundaries should be shown with such exactness that they can be located on the ground.*
- NOTE: *Applicant may use a USGS 7.5"-minute series map if no other large scale map is available.*
- ii. Small scale location map delineating the proposed service area. The proposed service area boundary should be delineated on a copy of the TCEQ official CCN map. This map will assist TCEQ staff in locating the proposed service area in relation to neighboring utility service areas. *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: See Attachment 'D'*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 Water Supply Division
 Utilities & Districts Section
 MC-153
 P.O. Box 13087
 Austin, TX 78711-3087

- NOTE: If the proposed service areas shown on the large scale map and small scale map do not delineate the same area, the more detailed large scale map will be used to delineate the official CCN service area.

- iii. **Hard copy maps should include the following items:**
 - A. Map scale should be prominently displayed.
 - B. Color coding should be used to differentiate the applicants existing service areas from the proposed service area.
 - C. Attach a written description of the proposed service area.
 - D. Proposed service area should be the same on all maps.
 - E. Include map information in digital format (if available), *see Section 3, GIS Information.*

- iv. Each utility shall make available to the public at each of its business offices and designated sales offices within Texas the map of the proposed service area currently on file with the Commission. The applicant employees shall lend assistance to persons requesting to see a map of the proposed area upon request.

3. GIS INFORMATION

We are currently developing a state wide Geographic Information Systems (GIS) coverage of all CCN service areas. The mylar maps are being retired. In order to assist us in this move, we are requesting that a digital file of the proposed CCN service area boundary be submitted with the 3 hard copy maps. **This is not a requirement.** It is understood that not all utilities employ the services of an engineering company or

use mapping software to produce a map of the proposed CCN service area boundary. However, by submitting the information digitally, the evaluation of your CCN will be faster and more accurate. Also, by receiving the information in digital form it is easier for us to update and maintain the CCN GIS coverage.

A. **Digital Map Requirements** In order that your digital data can be properly used, the following information is necessary:

- i. Submit digital data of the proposed CCN service area on a 3.25" diskette or CD. Only one diskette or CD is necessary. Most files of CCNs (minus the base map) should be small enough to zip up and put on a diskette or CD.
- ii. The digital data should include all items represented in the hard copy maps (see Section 2, items E.i and E.ii).
- iii. Please identify data file format, projection information, map units and base map used.

Acceptable Data File Formats:

ArcView shape file (preferred)

1. AutoCAD dwg file
2. Arc/Info E00 file
3. DXF file
4. Microstation dgn files

• NOTE: If you use a format that is not listed, contact the Cartographer at the number listed below to see if we can use the data.

- a. **Projection, Datum, and Units Information** The data should be submitted in the Texas State Mapping System (TSMS) Projection. However, if it cannot be submitted in TSMS, list the Projection (e.g. State Plane Central Zone, NAD27) or coordinate system being used and Units (e.g. meters, feet, etc.)

- b. **Base Map Information**

List the base map used (e.g. TxDOT county digital road maps, USGS maps, etc.) Base map information should be included only if it has been produced in-house and is not easily available at most data repositories.

• NOTE: TCEQ uses TxDOT county (urban) digital road maps as the official CCN base map. Copies of these files can be obtained from Texas Natural Resources Information Systems (TNRIS) at (512) 463-8337 or downloaded from the TNRIS website at <http://www.tnris.state.tx.us/DigitalData/TxDOT/txdot.htm>.

- c. **Read-me text file**

Data file format, base map used, projection and units information, and other necessary information can be specified in a read-me text file.

B. **Important Information** For those applicants that submit digital data:

- i. Please make sure the proposed service area boundary shown on the hard copy map is identical to the digital data. If the proposed service area shown on the digital data does not delineate the same area shown on the hard copy map, the hard copy map will be used to delineate the official CCN service area.
- ii. Modifications may be made to submitted digital data in order to match the proposed service area boundary to features represented on the TxDOT base map, as opposed to the same features used in the applicants base map.
- iii. If an applicant proposes to amend a portion of their existing CCN service area, the existing service area shown on the digital data must match the official CCN service area that was previously certificated to the utility. If it does not, then only the proposed portion of the digital data will be used.

If you have any questions about sending the data or our GIS CCN coverage, please contact the Cartographer of the Utilities & Districts Section, Water Supply Division at (512) 239-4691.

4. **NEWSYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME**

- A. Please provide the following information: **See Attachment 'E'**
- A list of all public drinking water supply systems or sewer systems within a 2 mile radius of the proposed system.
 - Copies of written requests seeking to obtain service from each of the public drinking water supply systems or sewer systems listed in #4.a.i above or documentation that it is not economically feasible to obtain service from them.
 - Copies of written responses from each system or evidence that they did not reply.
- B. Were your requests for service denied?
- If yes, continue.
 - If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each system that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any: The wastewater system will be designed and sized to match the phases of development. Additional construction will coincide with the phasing of the proposed TPDES permit and as new phases of development are opened.
- D. Date of plat approval, if required: not known
Approved by: _____
- E. Date Plans & Specifications submitted for approval _____ Log No. _____
Attach copy of approval letter if available. Once TPDES permit is issued plans will be submitted
- F. Date construction is scheduled to commence After issuance of CCN, TPDES permit and plan approval
- G. Date service is scheduled to commence As soon as the TPDES and CCN permit is approved

5. **EXISTING SYSTEM INFORMATION**

- A. Please provide the following information for **each** water and/or sewer system:

- i. Water system's TCEQ Public Water System identification number:

2 4 7 0 0 2 0 ; [] [] [] [] [] [] ; [] [] [] [] [] []

[] [] [] [] [] [] ; [] [] [] [] [] [] ; [] [] [] [] [] []

- ii. Sewer system's TCEQ Discharge Permit number: (for each system)

W Q 1 4 6 7 2 - 0 0 1 ; W Q [] [] [] [] [] [] - [] [] [] []

Proposed TPDES -

- iii. Date of last inspection not constructed
- iv. Attach a copy of the most recent inspection report letter.
- v. For each system deficiency listed in the inspection report letter, attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

- B. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

Yes ☐ No ☒

Attach an explanation listing the actions to be taken to make system improvements including proposed completion dates (See 291.93(3)(A) of TCEQ Rules).

- C. List in the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan and reflect the number of service requests identified in Question 2.b above.

Water System			Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	na	na	Residential	10	620
1" meter or larger	na	na	Commercial	0	0
Non-Metered	na	na	Industrial	0	0
Other:	na	na	Other:	0	0
Total Water	na	na	Total Sewer	10	620

- D. If this application is for a water CCN only, please explain how sewer service is provided:
N/A

- E. If this application is for a sewer CCN only, please explain how water service is provided:
Water service is provided by Lake Valley Water Company PWSID # 2470020

- F. What is the effect of the granting or amending a certificate on a recipient of the certificate and on any retail public utility of the same kind already serving the proximate area: _____
No effect is anticipated

- G. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

- i. No ☒ (skip the rest of this question and go to #6)
ii. Water
Yes ☐
Purchased on a () regular - () seasonal - () emergency basis?

Source	% of total supply

- iii. Sewer treatment capacity
Yes _____
Purchased on a ()regular - ()seasonal - ()emergency basis

Source	% of total treatment

- iv. Provide a **certified** copy of the most current water or sewer treatment capacity purchase agreement or contract.

6. **FINANCIAL INFORMATION**

- A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:

- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates should correlate to the growth projections in #6.A above.
- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.

- B. For existing systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
- ii. Attach a proposed rate schedule or tariff.
 - NOTE: An existing system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application.

- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.

- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

7. **NOTICE REQUIREMENTS**

- A. All proposed notice forms must be completed and submitted with the application. However, do not mail or publish them until you receive written approval from the Commission to do so.
- B. The Commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of these notice requirements.

- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, and customers are included with this application to use in preparing your proposed notices. (These notice forms are also available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the Commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully and note any additional neighboring utilities which may be included in the acceptance letter.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper having general circulation in the county or counties where a certificate of convenience and necessity is being requested, once each week for two consecutive weeks beginning with the week after the notice is received from the Commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the Commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
- i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area; and
 - ii. any city whose extra-territorial jurisdiction (ETJ) overlaps the proposed service area.
 - iii. For applications for the issuance of a **NEW** certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area, and any city with an ETJ which overlaps the proposed service area.
 - iv. For applications for the **AMENDMENT** of certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area, and any city with an extra-territorial jurisdiction which overlaps the proposed service area.
- H. Notice to Customers
Investor Owned Utilities (IOUs) that are currently providing service without a certificate must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted, and any other information required in the application.
- I. The Commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the Commission. Wait until you receive written authorization to do so. This will occur after the Commission has reviewed the notices for completeness, and your application has been

State of Texas

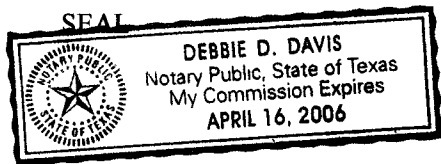
I, Malcolm Bailey
President (indicate re
title as officer of corporation, or other authorized rep
and authorized to file and verify such application, am I
have complied with all the requirements contained in
set forth therein are true and correct. I further state th
does not duplicate any filing presently before the Texa

I further represent that the application form has not been
only from the Commission.

**I further represent that the Applicant will provide
qualified applicants for service within its certifica**

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 of Texas, this 18th
_day of January 2006



Debbie D Davis
NOTARY PUBLIC

Notice for Publication

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

South Central Water Company has filed an application for a CCN / to
Name of Applicant
amend CCN No. 20964 / and to decertify a portion(s) of (Name of Decertificated Utility) with the
Texas Natural Resource Conservation Commission to provide sewer (specify 1) water or 2) sewer or
3) water & sewer) utility service in Wilson County(ies).

The proposed utility service area is located approximately 4.5 miles East [direction] of
downtown La Vernia, [City or Town] Texas, and is generally bounded on the north by
1.2 miles from the Wilson County line; on the east by Longhorn Rd
; on the south by Kothmann Rd; and on the west by FM 539.

The total area being requested includes approximately 1482⁺ acres and 10 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number)
5818 Beverly Hill, Suite 200, Houston, Texas 77057 - 713-783-6611

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.

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.

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

Dear Customer: _____ Date Notice Mailed _____, 20____

_____ 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

A copy of the proposed service area map is available at _____ (Utility Address and Phone Number) _____

The current utility rates which were first effective on _____, 20____ are:

- Monthly Flat Rate of \$_____ per connection
- OR-
- Monthly Base Rate including _____ gallons per connection for:
 - 5/8" meter \$_____
 - 1" meter \$_____
 - 1½" meter \$_____
 - 2" meter \$_____
 - Other _____ \$_____

Gallonge charge of \$_____ per 1,000 gallons
above minimum (same for all meter sizes)

Miscellaneous Fees	
-Regulatory Assessment	1%
-Tap Fee (Average Actual Cost)	\$_____
-Reconnection fee:	
-Non Payment (\$25.00 max)	\$_____
-Transfer	\$_____
-Customer's request	\$_____
-Late fee	\$5.00 or 10%
-Returned Check charge	\$_____
-Customer Deposit (\$50.00 max)	\$_____
-Meter test fee (Actual Cost not exceed \$25.00)	\$_____
-Other Fees	\$_____

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

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
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P. O. Box 13087
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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.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

Historical Profit & Loss Statement					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
Number of connections					
Income:					
Gross Revenue					
Fees					
Other					
Gross Income					
Expenses: General & Administrative:					
Salary Expense					
Office Expense					
Computer Expense					
Auto Expense					
Insurance Expense					
Telephone Expense					
Utilities Expense					
Property Tax Expense					
Professional Fees					
Other					
Total General & Administrative					
Expenses: Operational					
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
CURRENT ASSETS					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
TOTAL CURRENT ASSETS					
FIXED ASSETS					
Land					
Collection/Distribution System					
Buildings					
Equipment					
Other					
TOTAL FIXED ASSETS					
Less:					
Accum Depreciation/Reserve					
NET FIXED ASSETS					
TOTAL ASSETS					

Historical Balance Sheets - LIABILITIES					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
CURRENT LIABILITIES					
Accounts Payable					
Notes Payable, Due < 1 Year					
Accrued Expenses					
Customer Deposits					
Other					
TOTAL CURRENT LIABILITIES					
LONG TERM LIABILITIES					
Notes Payable, Due > 1 Year					
Other					
TOTAL LONG TERM LIABILITIES					
OWNER'S EQUITY					
Paid-in Capital					
Retained Equity					
Other					
Current Period Profit or Loss					
TOTAL OWNER'S EQUITY					
TOTAL LIABILITIES &					

Projected Profit & Loss Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Number of connections	112	224	336	448	620
Income:					
Gross Revenue	33,600	60,000	88,800	117,600	141,600
Fees	-	-	-	-	-
Other	-	-	-	-	-
Gross Income	33,600	60,000	88,800	117,600	141,600
Expenses: General & Administrative					
Salary Expense	4,200	7,500	111,000	14,700	17,700
Office Expense	6,000	6,000	6,000	6,000	6,000
Computer Expense	2,400	2,400	2,400	2,400	2,400
Auto Expense	2,400	2,400	2,400	2,400	2,400
Insurance Expense	3,600	3,600	3,600	3,600	3,600
Telephone Expense	1,500	1,500	1,500	1,500	1,500
Utilities Expense	-	-	-	-	-
Property Tax Expense	300	300	300	300	300
Professional Fees	5,000	1,200	1,200	5,000	1,200
Other	6,000	6,000	6,000	6,000	6,000
Total General & Administrative	31,400	30,900	34,500	41,900	41,100
Expenses: Operational					
Salary Expense	5,040	9,000	12,320	17,640	21,240
Auto Expense	-	-	-	-	-
Utilities Expense	3,250	5,625	8,325	11,025	13,275
Supply Expense	3,000	3,000	3,000	3,000	3,000
Maintenance & Repair Expense	6,000	6,000	6,000	6,000	6,000
Other Expense	5,040	9,000	13,320	17,640	21,240
Total Operational	22,330	33,625	45,965	58,305	70,755
Total Expenses	53,730	64,525	80,465	100,205	111,855
Net Income	<15,930>	<4,525>	8,335	17,395	29,745

Projected Balance Sheets - ASSETS					
	Year 1	Year 2	Year 3	Year 4	Year 5
CURRENT ASSETS					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
TOTAL CURRENT ASSETS					
FIXED ASSETS					
Land	10,000	10,000	10,000	10,000	10,000
Collection/Distribution System	900,000	900,000	900,000	1,750,000	1,750,000
Buildings	-	-	-	-	-
Equipment	150,000	150,000	300,000	300,000	300,000
Other					
TOTAL FIXED ASSETS	1,060,000	1,060,000	1,210,000	2,060,000	2,060,000
Less:					
Accum Depreciation/Reserve					
NET FIXED ASSETS					
TOTAL ASSETS					

Projected Balance Sheets - LIABILITIES						
	Year 1	Year 2	Year 3	Year 4	Year 5	
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Due < 1 Year						
Accrued Expenses						
Customer Deposits						
Other						
TOTAL CURRENT LIABILITIES						
LONG TERM LIABILITIES						
Notes Payable, Due > 1 Year						
Other						
TOTAL LONG TERM LIABILITIES						
OWNER'S EQUITY						
Paid-in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES &						

**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

CAROLE KEETON STRAYHORN • COMPTROLLER • AUSTIN, TEXAS 78774

January 17, 2006

CERTIFICATE OF ACCOUNT STATUSTHE STATE OF TEXAS
COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

SOUTH CENTRAL WATER COMPANY

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 15, 2006.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

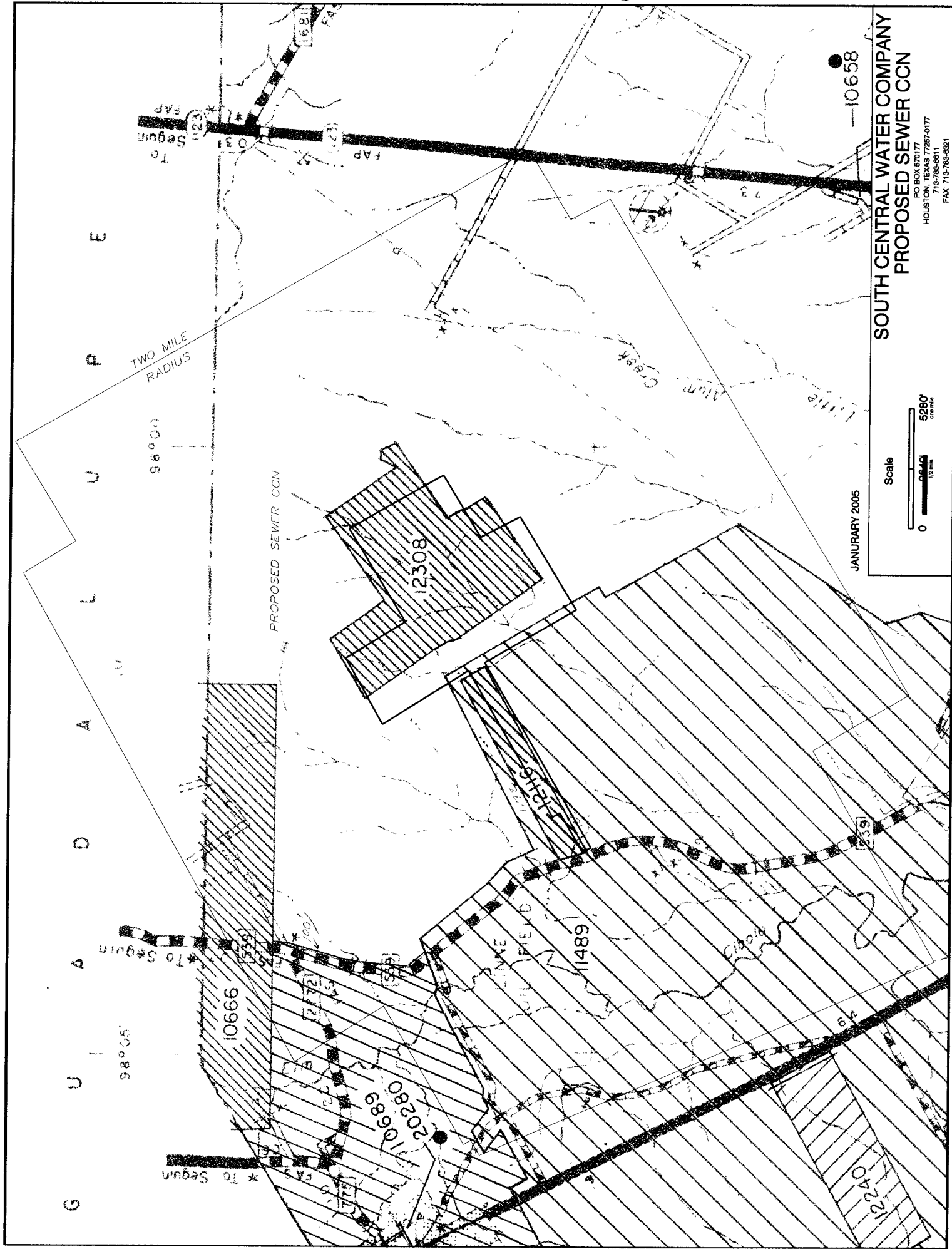
This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 17th day of
January 2006 A.D.

A handwritten signature in cursive script that reads "Carole Keeton Strayhorn".

Carole Keeton Strayhorn
Texas ComptrollerTaxpayer number: 17606670101
File number: 0161296200

Form 05-304 (Rev. 02-03/14)



SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCN

PO BOX 570177
HOUSTON, TEXAS 77257-0177
713/783-0611
FAX 713/783-0321

THE MEADOWS AT C
2400 LOUISIANA
AFC 3, SUITE
ALBUQUERQUE, NEW
(505) 998-

June 6, 2006

South Central Water Company
PO Box 570177
Houston, Texas 77257-0177

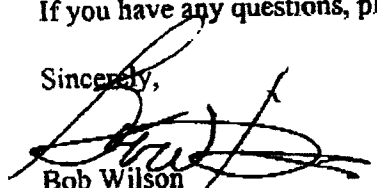
Re: Request for Wastewater Service at Qu

Dear South Central Water Company

We are developing a new subdivision called T
County, Texas. We request sanitary sewer ser
for this new subdivision as soon as possible.

If you have any questions, please don't hesitate

Sincerely,



Bob Wilson
Managing Partner

cc: file

** Transmit Conf. Report **

Feb 8 2006 9:12

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
9-/12812596917	NORMAL	8, 9:12	0'24"	2	# O K	



FAX TRANSMITTAL

DATE: 2/8/06

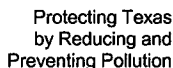
NUMBER OF PAGES (including this cover sheet):	2
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TO:	Name	Mr. Jeff Goebel	
	Organization		
	FAX Number	281/259-6917	

FROM: TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Name	Ms. Karen Blaschke
Division/Region	Water Supply
Telephone Number	512/239-6932
FAX Number	512/239-0030

NOTES:



DATE: 2/8/06

NUMBER OF PAGES (including this cover sheet): 2

TO: Name **Mr. Jeff Goebel**

Organization

FAX Number **281/259-6917**

FROM: TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Name **Ms. Karen Blaschke**

Division/Region **Water Supply**

Telephone Number **512/239-6932**

FAX Number **512/239-0030**

NOTES:

February 7, 2006

CERTIFIED MAIL

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 CCN application for South Central Water Company (Quail Run), received on January 24, 2006, has been assigned Application No. 35254-C, but has not been accepted for filing. Please refer to this number in future correspondence.

The next step towards having your application accepted is to provide the following information:

1. Provide copies of any letters of intent from developers, landowner requests, applications for service or a combination of the above to justify the need for sewer service in the requested area
2. Provide a copy of the most recent inspection report for South Central Water Company's sewer systems. For each system deficiency listed in the inspection report letters, attach a brief explanation listing the actions taken or being taken to correct the listed deficiencies, including the proposed completion dates.
3. Submit a copy of the proposed sewer tariff for South Central Water Company.

*del 2/7/06 by
no sewer w/
supplemental
inspection reports*
only adding WD # 14672-001, Quail Run Subdivision
These items must be completed and returned by **March 27, 2006**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

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

Sincerely,

Karen Blaschke
Utilities & Districts Section
Water Supply Division

DH/KLB/ac

cc: Ms. Debbie Reyes, TCEQ
TCEQ, Region 13 Office

PROPOSED SEWER CCM

TWO MILE RADIUS

Scale

0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5 5.0 5.5 6.0 6.5 7.0 7.5 8.0 8.5 9.0 9.5 10.0

5280'

0.5 mile

1.0 mile

JANUARY 2005

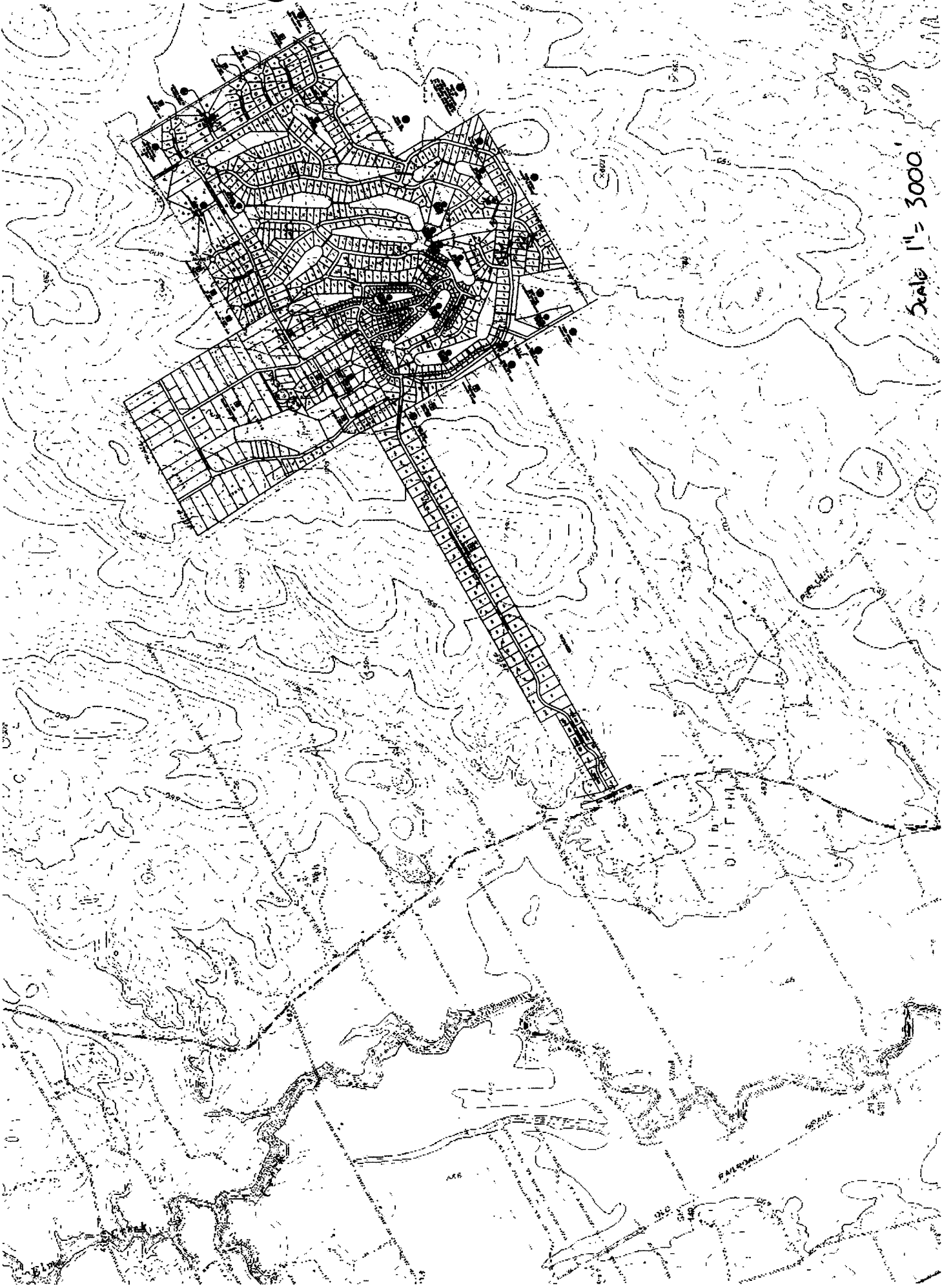
SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCM

PO BOX 570177
HOUSTON, TEXAS 77257-0177
713 783-6611
FAX 713 783-6621

**SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCN**
PO BOX 570177

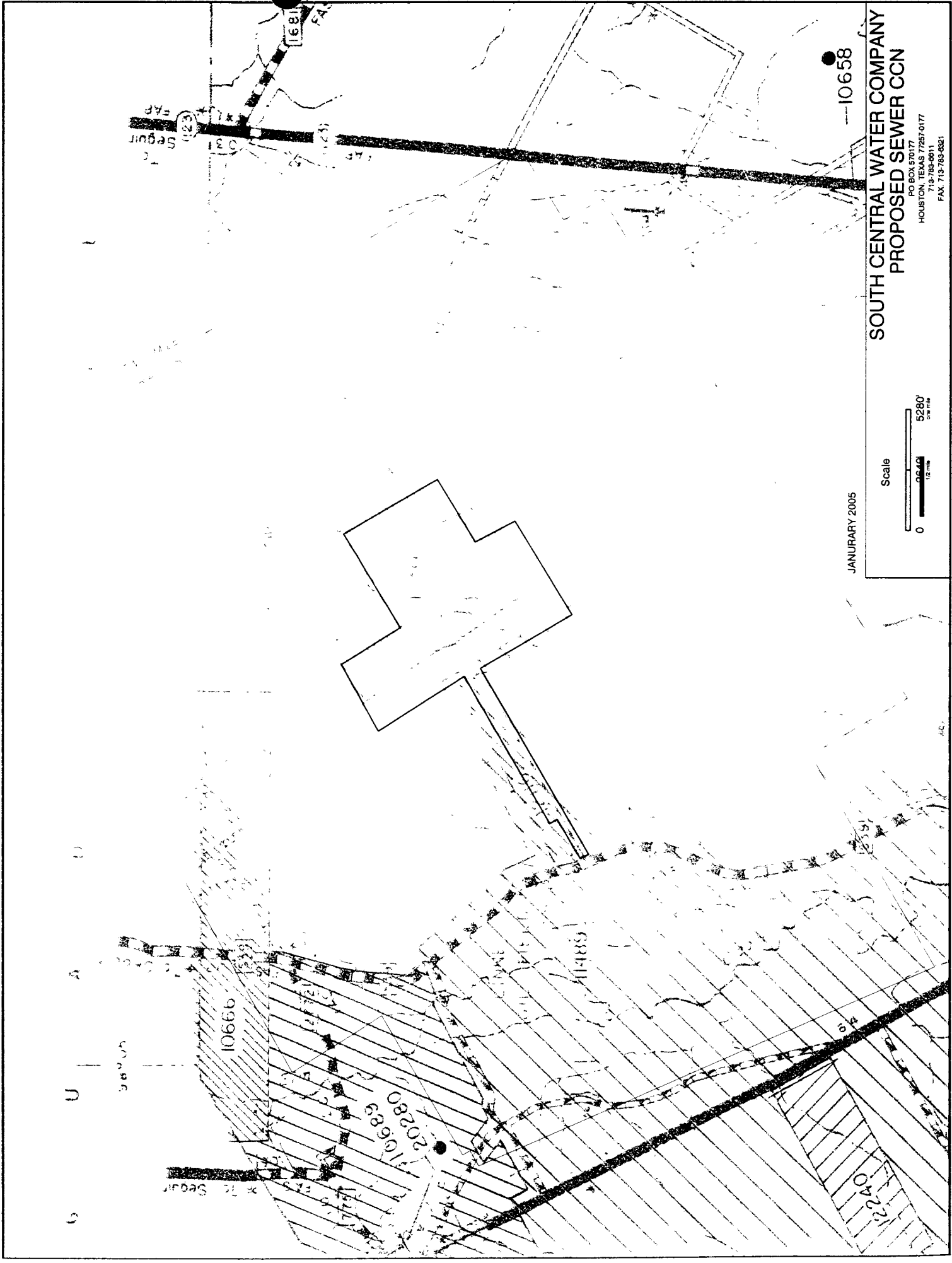
PO BOX 570177
HOUSTON, TEXAS 77257-0177
713 783-6611
FAX 713 783-6321

Attachment C



Scale 1" = 3000'

Attachment 'C'



JANUARY 2005

Scale



SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCN

PO BOX 570177
HOUSTON, TEXAS 77257-0177
713-783-0011
FAX 713-783-8321

Attachment C

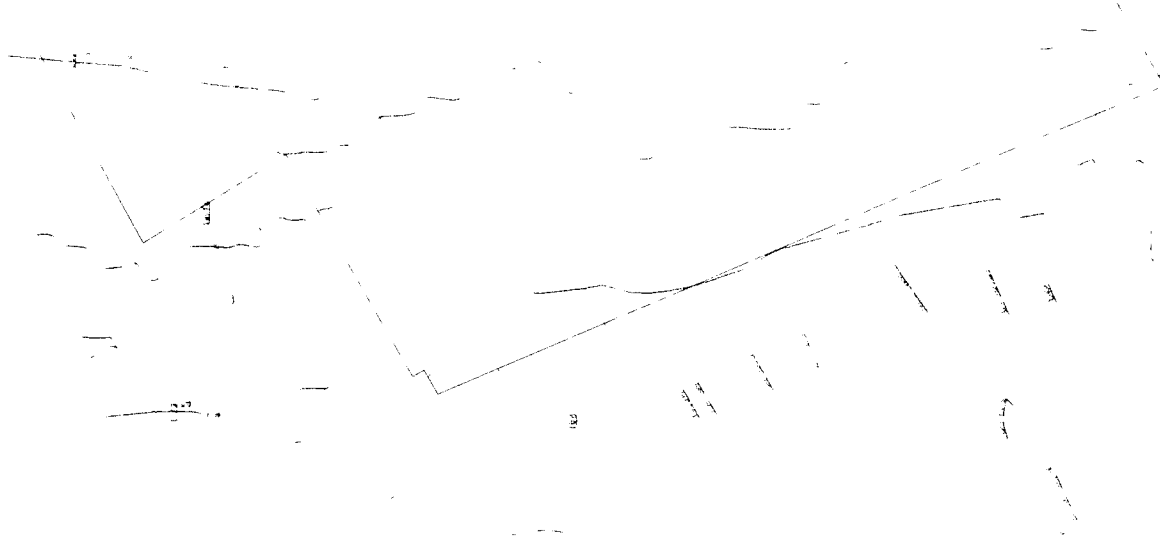
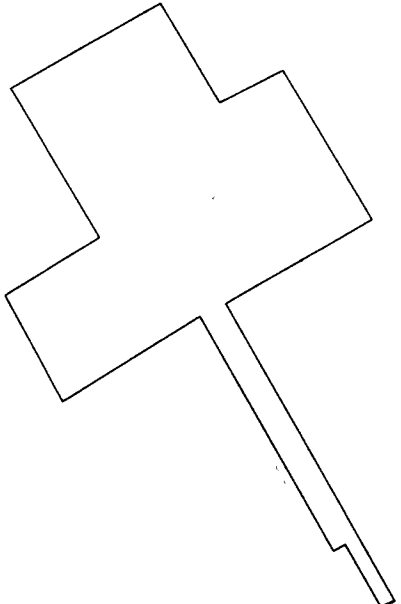
JANUARY 2005

Scale



SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCN

PO BOX 570177
HOUSTON, TEXAS 77257-0177
TEL 713 785-8111
FAX 713 785-8321



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 23, 2006

RECEIVED
JUN 20 2006
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

Mr. Jeff Goebel
South Central Water Company
P.O. Box 570177
Houston, Texas 77257-0177

Re: South Central Water Company - Proposed TPDES Permit No. WQ0014672001, (TX0128449)
(CN602602179; RN104853437)

Dear Mr. Goebel:

Enclosed for your review and comment is a copy of a draft proposed permit and statement of basis/technical summary for the above-referenced operation. This draft permit is subject to further staff review and modification; however, we believe it generally includes the terms and conditions that are appropriate to your discharge. **Please read the entire draft carefully and note the following:**

1. The draft permit will be issued to expire March 1, 2010, in accordance with 30 TAC Section 305.71, Basin Permitting.
2. The applicant requested effluent limitations, based on a 30-day average, of 10 mg/l BOD₅ and 15 mg/l TSS. However, effluent limitations in the draft permit, based on a 30-day average, are 10 mg/l CBOD₅, 15 mg/l TSS, 3 mg/l NH₃-N, and 4.0 mg/l minimum dissolved oxygen (DO).

Also enclosed for your review and comment is a copy of the draft second notice, the Notice of Application and Preliminary Decision (NAPD), that was prepared for your application. Please review this notice and provide comments if there are any inaccuracies or any information that is not consistent with your application. Please do not publish the notice at this time; after the draft permit is filed with the Office of the Chief Clerk, you will receive instructions for publishing this notice in a newspaper from the Office of the Chief Clerk. Please note that these instructions will not be mailed if the Office of the Chief Clerk has not received the requested proof that the first notice (Notice of Receipt and Intent to Obtain a Permit) has been published. This could cause delays in the processing of your application and the final issuance of the proposed draft permit. When the NAPD notice is received, please publish promptly and submit proof of publication (affidavit and tearsheet) to the Office of the Chief Clerk. Failure to publish notice and submit proof of publication in a timely manner may result in returning of the application and loss of authorization to operate.

Mr. Jeff Goebel

Page 2

February 23, 2006

Please read the enclosed "Draft Permit Form" and submit your comments prior to the deadline that is indicated on the form. If your comments are not received by the deadline, the draft permit will be transferred to the Office of the Chief Clerk and comments received after this date will not be considered. Please see the enclosed form for further details.

If you have any comments or questions, please contact me at (512) 239-3235 or if by correspondence, include MC 148 in the letterhead address following my name.

Sincerely,



June Ella Martinez, Permit Coordinator
Municipal Permits Team
Wastewater Permitting Section (MC 148)
Water Quality Division
Texas Commission on Environmental Quality

Enclosures

cc: TCEQ Region 13

WASTEWATER PERMITTING SECTION

DRAFT PERMIT COMMENTS FORM

Comments to the draft permit must be received from the applicant no later than:

March 9, 2006

To help expedite the permit processing, please fax your comments to the attention of the
permit coordinator

at (512) 239-4430.

Please note the draft permit will be filed with the Office of the Chief Clerk for issuance of
the public notice no later than one (1) week from the deadline indicated above.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF APPLICATION AND PRELIMINARY DECISION FOR TPDES PERMIT FOR MUNICIPAL WASTEWATER NEW

PROPOSED PERMIT NO. WQ0014672001

DRAFT
RECEIVED
JUN 20 2006
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

APPLICATION AND PRELIMINARY DECISION. South Central Water Company, P.O. Box 570177, Houston, Texas 77257-0177, has applied to the Texas Commission on Environmental Quality (TCEQ) for a new permit, proposed Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0014672001, to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 250,000 gallons per day. TCEQ received this application on December 13, 2005.

The facility is located approximately 500 feet south-southeast of the intersection of Pine Valley Drive and Champions Boulevard in the Quail Run Subdivision in Wilson County, Texas. The treated effluent is discharged to an unnamed tributary; thence to Lower Cibolo Creek in Segment No. 1902 of the San Antonio River Basin. The unclassified receiving water uses are limited aquatic life use for the unnamed tributary. The designated uses for Segment No. 1902 are high aquatic life use and contact recreation. In accordance with §307.5 and the TCEQ implementation procedures (January 2003) for the Texas Surface Water Quality Standards, an antidegradation review of the receiving waters was performed. A Tier 1 antidegradation review has preliminarily determined that existing water quality uses will not be impaired by this permit action. Numerical and narrative criteria to protect existing uses will be maintained. This review has preliminarily determined that no water bodies with exceptional, high, or intermediate aquatic life uses are present within the stream reach assessed; therefore, no Tier 2 degradation determination is required. No significant degradation of water quality is expected in water bodies with exceptional, high, or intermediate aquatic life uses downstream, and existing uses will be maintained and protected. The preliminary determination can be reexamined and may be modified if new information is received.

The TCEQ Executive Director has completed the technical review of the application and prepared a draft permit. The draft permit, if approved, would establish the conditions under which the facility must operate. The Executive Director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements. The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at the Wilson County Public Library, 1 Library Lane, Floresville, Texas.

PUBLIC COMMENT / PUBLIC MEETING. You may submit public comments or request a public meeting about this application. The purpose of a public meeting is to provide the opportunity to submit comments or to ask questions about the application. TCEQ holds a public meeting if the Executive Director determines that there is a significant degree of public interest in the application or if requested by a local legislator. A public meeting is not a contested case hearing.

OPPORTUNITY FOR A CONTESTED CASE HEARING. After the deadline for submitting public comments, the Executive Director will consider all timely comments and prepare a response to all relevant and material, or significant public comments. Unless the application is directly referred for a contested case hearing, the response to comments will be mailed to everyone who submitted public comments and to those persons who are on the mailing list for this application. If comments are received, the mailing will also provide instructions for requesting a contested case hearing or reconsideration of the Executive Director's decision. A contested case hearing is a legal proceeding similar to a civil trial in a state district court.

TO REQUEST A CONTESTED CASE HEARING, YOU MUST INCLUDE THE FOLLOWING ITEMS IN YOUR REQUEST: your name; address, phone; applicant's name and permit number; the location and distance of your property/activities relative to the facility; a specific description of how you would be adversely affected by the facility in a way not common to the general public; and the statement "[I/we] request a contested case hearing." If the request for contested case hearing is filed on behalf of a group or association, the request must designate the group's representative for receiving future correspondence; identify an individual member of the group who would be adversely affected by the proposed facility or activity; provide the information discussed above regarding the affected member's location and distance from the facility or activity; explain how and why the member would be affected; and explain how the interests the group seeks to protect are germane to the group's purpose.

Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

The Commission will only grant a contested case hearing on disputed issues of fact that are relevant and material to the Commission's decision on the application. Further, the Commission will only grant a hearing on issues that were raised in timely filed comments that were not subsequently withdrawn.

EXECUTIVE DIRECTOR ACTION. The Executive Director may issue final approval of the application unless a timely contested case hearing request or request for reconsideration is filed. If a timely hearing request or request for reconsideration is filed, the Executive Director will not issue final approval of the permit and will forward the application and request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

MAILING LIST. If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition, you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number; and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list, clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

All written public comments and public meeting requests must be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, TX 78711-3087 within 30 days from the date of newspaper publication of this notice.

AGENCY CONTACTS AND INFORMATION. If you need more information about this permit application or the permitting process, please call the TCEQ Office of Public Assistance, Toll Free, at 1-800-687-4040. Si desea información en Español, puede llamar al 1-800-687-4040. General information about the TCEQ can be found at our web site at www.TCEQ.state.tx.us.

Further information may also be obtained from South Central Water Company at the address stated above or by calling Mr. Jeff Goebel at (713) 724-9321.

Issuance Date _____

**STATEMENT OF BASIS/TECHNICAL SUMMARY
AND EXECUTIVE DIRECTOR'S PRELIMINARY DECISION**

DESCRIPTION OF APPLICATION

Applicant: South Central Water Company;
Texas Pollutant Discharge Elimination System (TPDES) Permit No.
WQ0014672001, (TX0128449)

Regulated Activity: Domestic Wastewater Permit

Type of Application: New Permit

Request: New Permit

Authority: Federal Clean Water Act, Section 402; Texas Water Code Section 26.027; 30
TAC Chapters 305, 307, 309, 312, 319, 30; Commission policies; and EPA
guidelines.

EXECUTIVE DIRECTOR RECOMMENDATION

The executive director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements. The proposed permit includes an expiration date of March 1, 2010 according to 30 TAC Section 305.71, Basin Permitting.

REASON FOR PROJECT PROPOSED

The applicant has applied to the Texas Commission on Environmental Quality (TCEQ) for a new permit to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 0.075 million gallons per day (MGD) in the interim I phase, a daily average flow not to exceed 0.122 MGD in the interim II phase and a daily average flow not to exceed 0.25 MGD in the final phase. The proposed wastewater treatment facility will serve the Quail Run Subdivision.

PROJECT DESCRIPTION AND LOCATION

The Quail Run Wastewater Treatment Facility will be an activated sludge process plant operated in the complete mix mode. Treatment units in the interim I phase will include a bar screen, complex mix basin, a clarifier, a sludge digester and a chlorine contact chamber. An additional complex mix basin will be constructed in the interim II phase. The final phase will include a bar screen, two complete mix basins, two clarifiers, two sludge digesters and one chlorine contact chamber. The facility has not been constructed.

Sludge generated from the treatment facility is hauled by a registered transporter to San Antonio Water System (Dos Rios) Wastewater Treatment Facility, Permit No. WQ0010137033 to be dewatered and then disposed of with the bulk of the sludge from the plant accepting the sludge. The draft permit also authorizes the disposal of sludge at a TCEQ registered or permitted land application site, commercial land application site or co-disposal landfill.

The plant site will be located approximately 500 feet south-southeast of the intersection of Pine Valley Drive and Champions Boulevard in the Quail Run Subdivision in Wilson County, Texas.

The treated effluent will be discharged to an unnamed tributary; thence to Lower Cibolo Creek in Segment No. 1902 of the San Antonio River Basin. The unclassified receiving water uses are limited aquatic life use for the unnamed tributary. The designated uses for Segment No. 1902 are high aquatic life use and contact recreation. The effluent limitations in the draft permit will maintain and protect the existing instream uses. In accordance with §307.5 and the TCEQ implementation procedures (January 2003) for the Texas Surface Water Quality Standards, an antidegradation review of the receiving waters was performed. A Tier 1 antidegradation review has preliminarily determined that existing water quality uses will not be impaired by this permit action. Numerical and narrative criteria to protect existing uses will be maintained. This review has preliminarily determined that no water bodies with exceptional, high, or intermediate aquatic life uses are present within the stream reach assessed; therefore, no Tier 2 degradation determination is required. No significant degradation of water quality is expected in water bodies with exceptional, high, or intermediate aquatic life uses downstream, and existing uses will be maintained and protected. The preliminary determination can be reexamined and may be modified if new information is received. All determinations are preliminary and subject to additional review and/or revisions.

Effluent limitations for the conventional effluent parameters (i.e., Biochemical Oxygen Demand or Carbonaceous Biochemical Oxygen Demand, Ammonia Nitrogen, etc.) are based on stream standards and waste load allocations for water quality limited streams as established in the Texas Water Quality Standards and the water quality management plan.

The effluent limitations in the draft permit have been reviewed for consistency with the State of Texas Water Quality Management Plan (WQMP). The proposed effluent limitations are not contained in the approved WQMP. However, these limits will be included in the next WQMP update. A Waste Load Evaluation has been completed for the segment.

The discharge from this permit action is not expected to have an affect on any federal endangered or threatened aquatic or aquatic dependent species or proposed species or their critical habitat. This determination is based on the United States Fish and Wildlife Service's (USFWS) biological opinion on the State of Texas authorization of the Texas Pollutant Discharge Elimination System (TPDES, September 14, 1998; October 21, 1998 update). To make this determination for TPDES permits, TCEQ and EPA only considered aquatic or aquatic dependent species occurring in watersheds of critical concern or high priority as listed in Appendix A of the USFWS biological opinion. The determination is subject to reevaluation due to subsequent updates or amendments to the biological opinion. The permit does not require EPA review with respect to the presence of endangered or threatened species.

Segment No. 1902 is not currently listed on the State's inventory of impaired and threatened waters (the Clean Water Act Section 303(d) list).

SUMMARY OF EFFLUENT DATA

N/A - New permit.

PROPOSED PERMIT CONDITIONS

The draft permit authorizes a discharge of treated domestic wastewater at an interim I volume not to exceed a daily average flow of 0.075 million gallons per day (MGD), an interim II volume not to exceed a daily average flow of 0.122 MGD and a final volume not to exceed a daily average flow of 0.25 million gallons per day.

The effluent limitations in the interim I, interim II and final phase of the draft permit, based on a 30-day average, are 10 mg/l CBOD₅, 15 mg/l TSS, 3 mg/l NH₃-N, and 4.0 mg/l minimum dissolved oxygen (DO). The effluent shall contain a chlorine residual of at least 1.0 mg/l and shall not exceed a chlorine residual of 4.0 mg/l after a detention time of at least 20 minutes based on peak flow.