











**Karen Blaschke - RE: Lake Rockwall Estates v. Aqua Texas, Inc. application No. 37111-C**

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**From:** "david@gdavidsmith.com" <david@gdavidsmith.com>  
**To:** Brian Dickey <Brian.Dickey@tceq.texas.gov>  
**Date:** 10/20/2011 5:54 PM  
**Subject:** RE: Lake Rockwall Estates v. Aqua Texas, Inc. application No. 37111-C  
**CC:** Lisa Fuentes <Lisa.Fuentes@tceq.texas.gov>

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Per Ms. Fuentes' request, the petition filed regarding both applications is on behalf of all residents in the affected area.

**From:** Brian Dickey [mailto:Brian.Dickey@tceq.texas.gov]  
**Sent:** Monday, September 19, 2011 10:32 AM  
**To:** david@gdavidsmith.com  
**Cc:** Lisa Fuentes  
**Subject:** RE: Lake Rockwall Estates v. Aqua Texas, Inc. application No. 37111-C

Mr. Smith:

Thank you for the information submitted. When you get the Notice of Deficiency letter please make sure the maps you submit meet the mapping requirements contained in the CCN application which are:

Attach the following hard copy maps with each copy of the application (original plus three copies required):

- a. A general location map delineating the proposed service area with enough detail to locate the proposed area within the county (ies).
- b. A map showing only the proposed area by:
  - (1) Metes and bounds survey certified by a licensed state or register professional land surveyor; or
  - (2) Projectable digital data with metadata (proposed areas should be in a single record and clearly labeled); or
  - (3) Following verifiable natural and man-made landmarks; or
  - (4) A copy of a recorded plat map with metes and bounds
- c. A written description of the proposed service area.

If you have any additional questions you can call me at 512-239-0963.

Thank you

Brian Dickey  
Utilities Technical Review Team  
Plan and Groundwater Review Section  
Water Supply Division  
Texas Commission on Environmental Quality

>>> "david@gdavidsmith.com" <david@gdavidsmith.com> 9/16/2011 3:05 PM >>>  
Here are two maps I have of the affected area. The star by the outlined area indicates where we are talking about.

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**From:** Brian Dickey [mailto:Brian.Dickey@tceq.texas.gov]  
**Sent:** Wednesday, September 14, 2011 4:23 PM  
**To:** david@gdavidsmith.com  
**Subject:** Re: Lake Rockwall Estates v. Aqua Texas, Inc.

Mr. Smith:

If you type the TCEQ docket number in the search by specific Docket Number blank and click search you will be able to download all the filings in the City of Tyler's petition to decertify Tall Timbers Utility Company.

<http://agmt.tceq.texas.gov/epic/efilings/index.cfm?fuseaction=search.home>

TCEQ Docket Number: 2009-2054-UCR

Brian Dickey  
Utilities Technical Review Team  
Plan and Groundwater Review Section  
Water Supply Division  
Texas Commission on Environmental Quality

>>> "david@gdavidsmith.com" <david@gdavidsmith.com> 9/14/2011 4:14 PM >>>  
Mr. Dickey:

Here is all my contact information. I will be following up shortly with the mapping information you requested.

Yours truly,

G. David Smith

Law Office of G. David Smith P.C.  
702 N. Goliad  
Rockwall, Texas 75087  
(972) 771-2579  
(972) 771-0513 facsimile

Board Certified in Personal Injury Trial Law

## \*\* Transmit Conf. Report \*\*

P.1

Sep 27 2011

8:57

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
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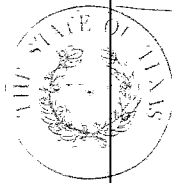
How is our customer service? www.tceq.state.tx.us/goto/customer survey

## Notes:

Division  
(or Region): Water Supply Division  
Texas Commission on Environmental Quality  
Phone: 512-239-6932  
Fax: 512-239-6972



Bryan W. Shaw, Ph.D., *Chairman*  
Buddy Garcia, *Commissioner*  
Carlos Rubinstein, *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



91 7108 2133 3935 2010 0378 KB

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

September 23, 2011

**BY FAX TO 972/771-0513 AND**  
**BY CERTIFIED MAIL**

Mr. G. David Smith  
Law Office of G. David Smith, P.C.  
702 N. Goliad  
Rockwall, Texas 75087

### **NOTICE OF DEFICIENCY**

Re: Petition Under Texas Water Code Section 13.254(a) from Residents of Lake Rockwall Estates, to Revoke a Portion of Certificate of Convenience and Necessity (CCN) No. 11157 from Aqua Utilities, Inc. dba Aqua Texas, Inc., in Rockwall County, Application No. 37110-C

Petition Under Texas Water Code Section 13.254(a) from Residents of Lake Rockwall Estates, to Revoke a Portion of CCN No. 20453 from Aqua Utilities, Inc. dba Aqua Texas, Inc., in Rockwall County, Application No. 37111-C

CN: 602787509; RN: 102674215 (water) and 102674504 (sewer)

Dear Mr. Smith:

Your petitions for the residents of Lake Rockwall Estates, received on July 25, 2011, have been assigned Application Nos. 37110-C and 37111-C, respectively, but have not been accepted for filing. Please refer to these application numbers in future correspondence.

Processing for the above-referenced applications cannot proceed until we receive maps meeting the mapping requirements outlined in 30 TAC, Chapter 291.105. Please submit four (4) copies of the following map information:

1. General location maps delineating the proposed service area(s) to be revoked from Aqua Utilities, Inc. dba Aqua Texas, Inc. with enough detail to locate in the county.
2. Maps showing **only** the proposed service area(s) by:
  - a. metes and bounds survey certified by a licensed state land surveyor or a registered professional land surveyor; or
  - b. projectable digital data with metadata (service area(s) should be in a single record and clearly labeled for each utility), also a data disk labeled with the applicant's name must be provided; or
  - c. following verifiable natural and man-made landmarks; or
  - d. copies of recorded plat map with metes and bounds.

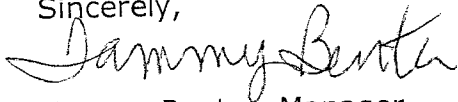


Mr. G. David Smith  
Page 2  
September 23, 2011

These items must be completed and returned to our office by **October 28, 2011**.  
If we do not receive the requested information by this date, your applications will be returned for failure to prosecute.

If you have any further questions, please contact Ms. Karen Blaschke at (512) 239-6932 or if by correspondence, include MC 153 in the letterhead address.

Sincerely,



Tammy Benter, Manager  
Utilities & Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality

TB/KLB/mmg

cc: Mr. Glen E. Lewis, Attorney, Aqua Utilities, Inc. dba Aqua Texas, Inc.

**Karen Blaschke - RE: Lake Rockwall Estates v. Aqua Texas, Inc. application No. 37111-C**

---

**From:** Brian Dickey  
**To:** david@gdavidsmith.com  
**Date:** 9/19/2011 10:31 AM  
**Subject:** RE: Lake Rockwall Estates v. Aqua Texas, Inc. application No. 37111-C  
**CC:** Fuentes, Lisa  
**Attachments:** 8X11 MAP LRE.pdf; 11X17 MAP LRE.pdf

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Mr. Smith:

Thank you for the information submitted. When you get the Notice of Deficiency letter please make sure the maps you submit meet the mapping requirements contained in the CCN application which are:

Attach the following hard copy maps with each copy of the application (original plus three copies required):

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Thank you

Brian Dickey  
Utilities Technical Review Team  
Plan and Groundwater Review Section  
Water Supply Division  
Texas Commission on Environmental Quality

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TCEQ Docket Number: 2009-2054-UCR

Brian Dickey  
Utilities Technical Review Team  
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702 N. Goliad  
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Protecting Texas by  
Reducing and  
Preventing Pollution

Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087  
For more information  
concerning this map, please contact the  
Water Supply Division at (512) 239-4691  
09/15/2011

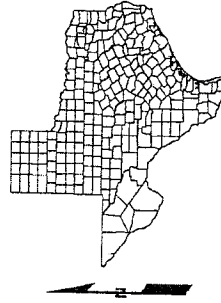
### The Selected Area of Interest

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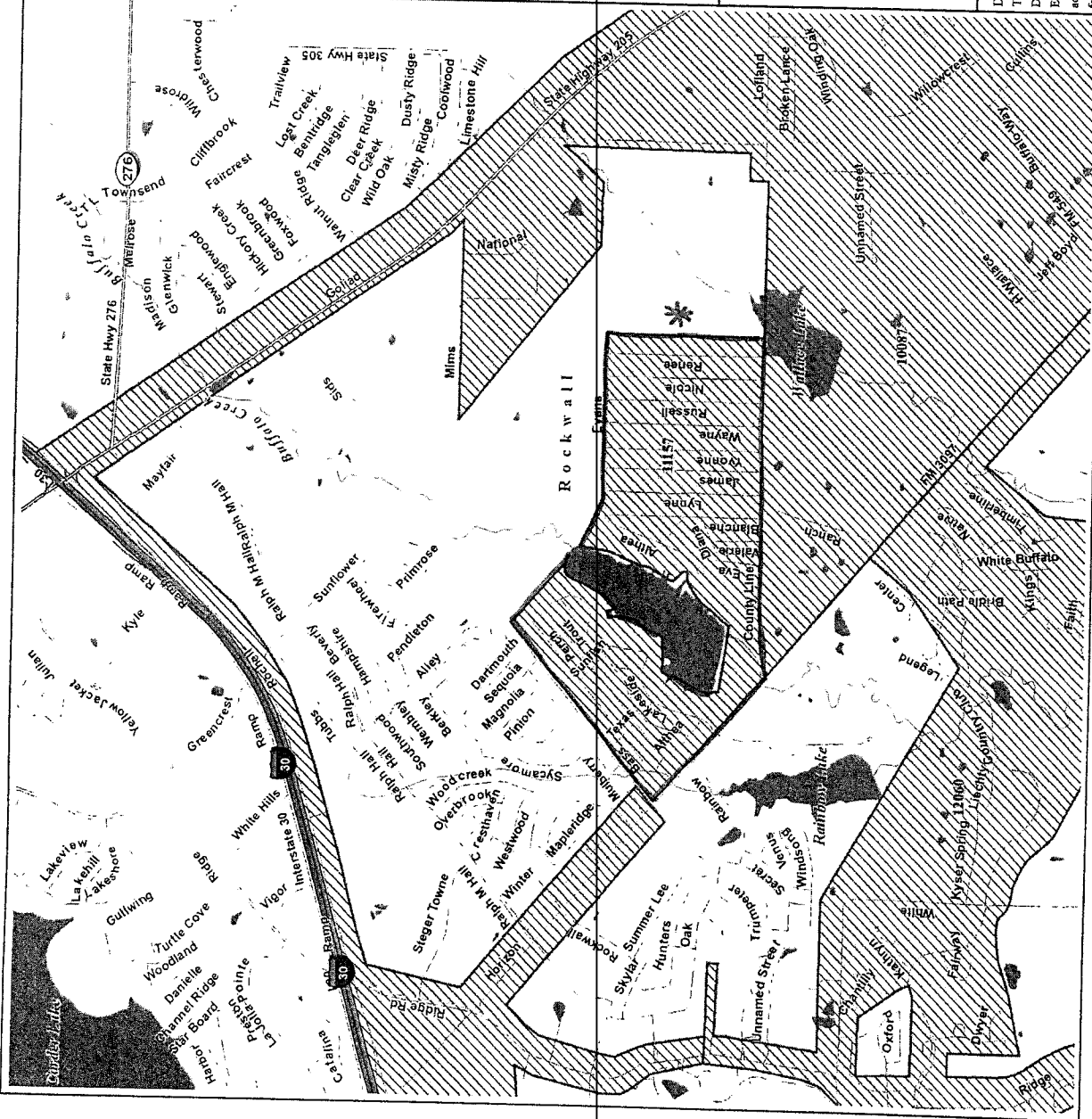
### Legend

- Water CCN Facility Line
- Sewer CCN Facility Line
- Senate - Districts
- House - Districts
- TCEQ Service Region Boundary
- County Boundary
- Sewer CCN Service Area
- Water CCN Service Area
- City Boundary
- CCN Overlap Key
- Sewer-Water CCN Service Area



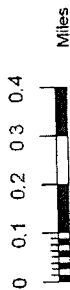
### Disclaimer

This map was generated by the Integrated Water Utilities  
Database (IWUD) from the Texas Commission on  
Environmental Quality. No claims are made to the  
accuracy or completeness of the data or to its suitability  
for a particular use.



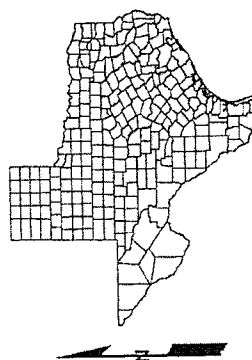
09/15/2011

### The Selected Area of Interest



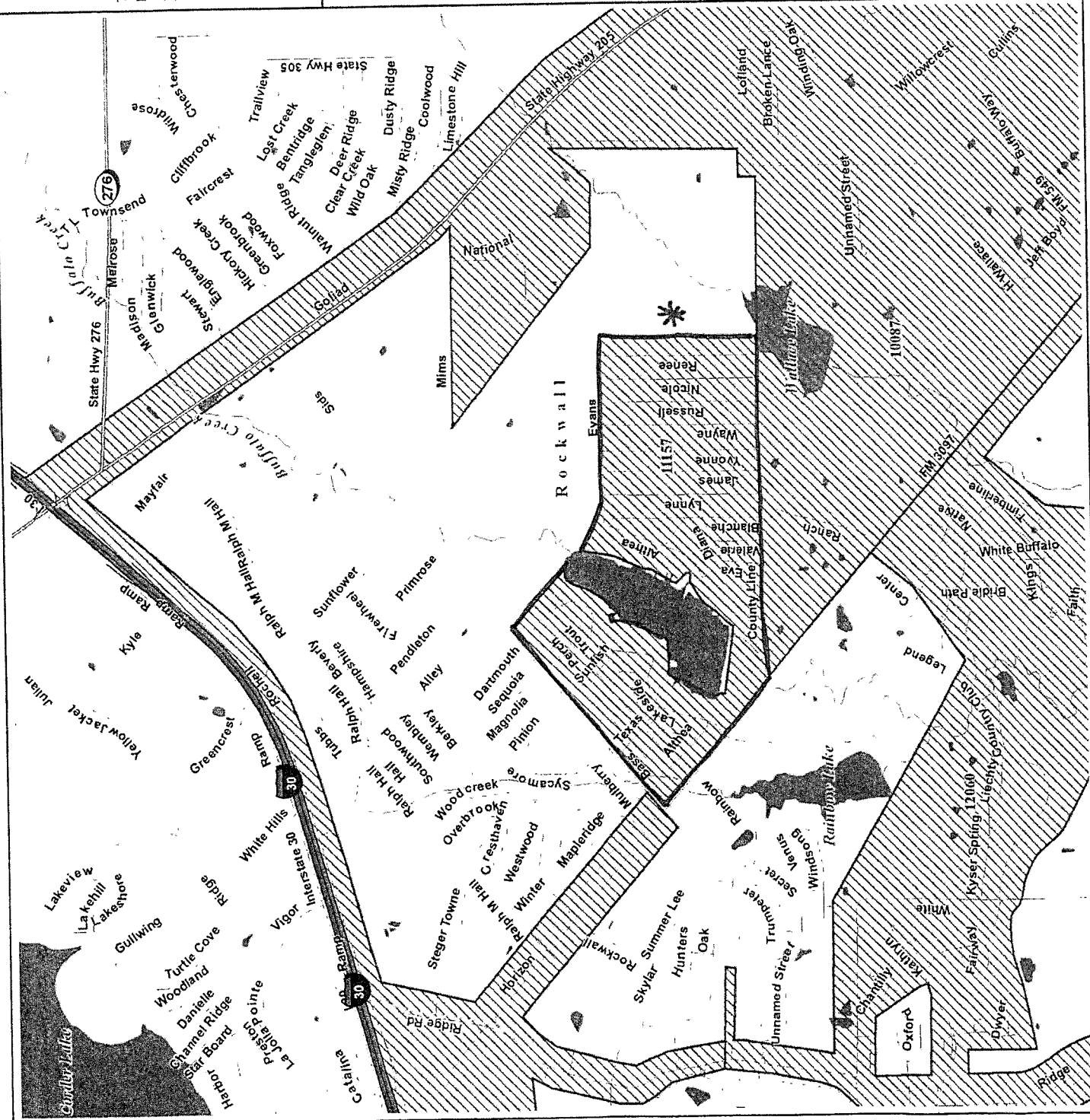
### Legend

- Water CCN Facility Line**  
**Sewer CCN Facility Line**  
**Senate - Districts**  
**House - Districts**  
**TCEQ Service Region Boundary**  
**County Boundary**  
**Sewer CCN Service Area**  
**Water CCN Service Area**  
**City Boundary**  
**CCN Overlap Key**  
**Sewer-Water CCN Service Area**



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**CITY OF ROCKWALL**

**ORDINANCE NO. 11-17**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS SETTING REQUIREMENTS TO BE SATISFIED BY UTILITIES PROVIDING WATER AND/OR SEWER UTILITY SERVICE WITHIN ITS CORPORATE LIMITS WHEN A CHANGE IN RATES IS PROPOSED; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council, as the governing body of the City of Rockwall, has exclusive original jurisdiction over all water and sewer utility rates, operations, and services provided by a water and sewer utility within the corporate limits of the City of Rockwall;

**WHEREAS**, Section 10.06 of the Home Rule Charter of the City of Rockwall provides that a proposed rate change is must be demonstrated as being necessary and that the City Council may specify the evidence that must be produced for consideration of the request, including, but not limited to (a) the cost of the utility's investment for service within the City and (b) the amount and character of expenses and revenues connecting with rendering service within the City; and

**WHEREAS**, the City Council finds necessary the adoption of general rules and requirements regarding the information to be included in any rate change request presented by a water or sewer utility operating within the City of Rockwall;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS:**

**Section 1. Definitions.** The following words and terms, when used in this ordinance, have the following meanings, unless the context clearly indicates otherwise.

(a) *Applicant* means the retail public utility providing retail water and/or sewer service within the City requesting a change in rates.

(b) *Application* means a request to change rates for the provision of retail water and/or sewer service within the City.

(c) *Area Served* means that area within the corporate limits of the City of Rockwall served by Applicant.

(d) *System* means a water and/or sewer distribution system and its associated facilities.

**Section 2. Rate Change Requests.**

(a) An Applicant must provide information required by this Ordinance and by other law. The Application must include the information contained on Attachment A, which is expressly incorporated herein as if set forth in full. An Applicant may submit such additional information as it considers relevant and appropriate.



(b) An Application shall be submitted by an Applicant in duplicate originals, with one counterpart to be filed with the City Manager and the other counterpart to be filed with the City Secretary. If both counterparts are not filed on the same date, then the later of the submittal dates shall constitute the date of initial filing for all purposes.

(c) Each Application and any supplement or addendum thereto shall be submitted in the form of an affidavit or have an affidavit attached thereto attested by a duly appointed agent or officer of the Applicant setting forth that all information contained therein is true and correct.

(d) No Application shall be deemed filed with the city unless and until it contains substantially all the information called for in this Ordinance. An Application shall be deemed to be sufficiently complete if the City Manager does not send the Applicant a notice of insufficiency of the Application on or before the thirtieth (30<sup>th</sup>) day following completion of the initial filing are required under section 2(a) of this Ordinance. Each such notice shall be in writing and shall specify the insufficiency with particularity. In the event such notice is given, the Applicant shall have ten (10) business days within which to supplement its Application to address the notice of insufficiency.

### **Section 3. Forms and Interpretation.**

(a) For the convenience of an Applicant in assembling the information required, and for the sake of the convenience of the City in interpreting the information, the City Manager or his/her designee may prescribe forms and formats for the submission of the information required under this Ordinance. Each Applicant shall comply with all applicable forms and formats which have been so prescribed. The City Manager, or any person designated by him/her, is authorized to prepare and publish guidance to aid Applicants in the preparation of an Application.

(b) The provisions of this Ordinance shall not be construed to relieve any utility of its obligation to file with and make available to the City, or to any authorized City officer or agency, any information not specified that is required to be furnished or made available by any ordinance or other law. Furthermore, each utility shall file, furnish and make available to the City, within such time limits as may be reasonably prescribed by the City Manager, all information that the City Manager may from time to time lawfully request.

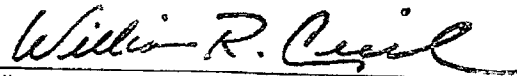
**Section 4. Severability.** If any provision, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional, void or invalid, or for any reasons unenforceable, the validity of the remaining portions of this Ordinance shall not be affected thereby; it being the intent of the City in adopting this Ordinance that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any other portion, provision, and to this end, all provisions of this Ordinance are declared to be severable.

**Section 5. Effective Date.** The text of this Ordinance shall, after final passage by the City Council, be published once each week for two consecutive weeks in a newspaper of general circulation published in the City of Rockwall. Upon said publication being completed, this Ordinance shall take effect thirty (30) days after its last

publication.

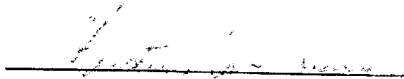
**Section 6.** Notice. It is hereby officially found that the meeting at which this Ordinance is passed is open to the public and that due notice of this meeting was posted, all as required by law.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ROCKWALL, TEXAS, this 16<sup>th</sup> day of May, 2011.**



William R. Cecil, Mayor

ATTEST:



Kristy Ashberry, City Secretary



**Approved as to form:**



Pete Eckert, City Attorney

1<sup>st</sup> Reading: May-2-11

2<sup>nd</sup> Reading: May-16-11

## ORDINANCE # 11-17

### City of Rockwall, Texas

#### Attachment A

#### Information/Documents Required

Except as expressly limited, include information required below for each type of service made subject of the Application, for each System (or portion thereof) that connects to customers within the Area Served, and for the four-year period leading up to the date of submission of a completed Application. If the water or sewer System serving within the City also serves areas outside the City, the requested information shall include be for the entire water or sewer system in question, providing information on a system basis and for the portion that is within the City.

**(1) SUMMARY INFORMATION:**

- a. A complete set of proposed tariff revisions;
- b. A statement specifying in detail each proposed tariff revision, the classes and numbers of utility customers affected, and the change in gross revenues (in absolute dollar amounts and in percentage terms—each by customer class and by total) that the utility expects the revised tariffs to furnish as opposed to those furnished by existing tariffs;
- c. A schedule comparing under current tariffs the income statements of the system or division for the test year and the twelve-month period immediately previous to the test year, together with a description of all substantial changes reasonably anticipated by the utility to occur during the projected fiscal year;
- d. A schedule comparing the capital structure of the utility for the test year and the twelve-month period immediately previous to the test year, with a description of all substantial changes reasonably anticipated by the utility to occur during the projected fiscal year. [Note: If any component of the capital of the utility is not obtained primarily through its own financing, but rather is obtained primarily from a company which controls the utility ("controlling company"), then the capital structure information shall be both for the controlling company on a consolidated basis and for the utility. If the utility controls any other companies, then the capital structure information shall be both for the utility on a consolidated basis and for the utility on an unconsolidated basis];
- e. A schedule showing gross plant in service of the system or division and a breakdown by functional classification of construction work in progress for the test year;
- f. A schedule showing forecasted construction expenditures of the system or division for the five (5) years following the test year. [Note: Such schedule shall, show expenditures by year and project];
- g. A schedule showing the rates of return (on an actual and adjusted basis) for the test year on the original cost rate base of the system or division (thirteen-month average) and the book common equity of the utility (thirteen-month average), together with an explanation of the basis on which those rates of return were calculated; and



h. A schedule in the same format as reported to stockholders, setting forth the balance sheets of the utility and the system or division at the end of the test year and at the end of the twelve-month period immediately previous to the test year.

(2) **RATE BASE INFORMATION:**

a. A schedule showing for the test year the components of the system's or division's original cost rate base, current cost rate base, and adjusted value rate base calculated in accordance with those weighing factors set forth in subparagraph (2)b. below;

b. A schedule showing the weighing factors which the utility suggests should be used in determining the adjusted value rate base and setting forth the rationale for the use of such weighing factors;

c. A schedule setting forth the following elements of the system's or division's plant in service accounts:

1. The book dollar amount of plant in service classified by major accounts of the applicable uniform system of accounts, as of the beginning of the test year;
2. The book additions and reductions during the test year to such major accounts; and
3. The balances of such accounts at end of the test year;

d. A schedule showing for each of the twelve (12) months in the test year the monthly book balance of all of the system's or division's plant in service, classified by production, transmission, distribution, and general in the case of water utilities, and classified by transmission, distribution and general in the case of sewer utilities;

e. A schedule showing, for the system or division, gross plant in service and a breakdown by functional classification of construction work in progress for the test year, together with a description of all administrative and general expenses related to construction (including the methods and procedures followed in capitalizing interest during construction);

f. A schedule showing for the system or division:

1. The accumulated provisions, as of the beginning of the test year, for depreciation and amortization of plant in service classified to the extent available by production, transmission, distribution, and general in the case of water utilities, and classified by transmission, distribution and general in the case of sewer utilities;
2. The book additions and reductions to such provisions during the test year; and
3. The balance of such provisions at the end of the test year;

g. A schedule showing for each of the twelve (12) months in the test year the system's or division's monthly book balances of the accumulated provisions for depreciation and amortization of plant in service;

h. A schedule showing the determination of original and current cost of the system's or division's plant in service, (Service Life (years; Years, Months and Days in Service) including an explanation of the methods and calculations used in arriving at such costs;

i. A schedule showing the determination of the adjustment for both age and condition of the system's or division's plant in service, including an explanation of the methods and calculations used;

j. A schedule showing facilities under construction or included in the construction budget itemized by:

1. Date in service or estimated date in service;
2. Estimated total cost;
3. Cost at the beginning and end of test year;
4. Estimated annual cost from test year end until placement in service;
5. Purpose of construction (replacement or growth);

k. A schedule of planned retirements by major transmission or distribution unit over the five-year period after the test year end,

l. A schedule showing the computation of the utility's allowance for funds used during construction rate; also an explanation of the utility's policy regarding the capitalization of allowance for funds used during construction which includes limits on projects, amounts, and timing;

m. A schedule showing the utility's plant held for future use including the reason that the plant or property is being held for future use and the anticipated date such plant or property will be placed into service;

n. A schedule showing the amount of construction work in progress requested by the utility at the end of the test year; such schedule shall be itemized by major project and shall show the estimated date of placement in service, location and the estimated cost of each project at the time of placement in service;

o. A schedule showing the monthly balance of construction work in progress during the test year, the monthly balance used to calculate the charge to the allowance for funds used during construction during the test year, and the monthly charge to the allowance for funds used during construction during the test year;

p. A schedule showing the amount of construction work in progress requested by the utility that will not increase the capacity of the applicable system or division;

q. A schedule showing the computation of the working capital allowance requested by the system or division; this schedule shall include for each of the twelve (12) months in the test year the monthly book balances during the test year for materials and supplies (excluding appliances), and prepayments;

r. A schedule listing the banking and depository institutions from which records can be supplied to compute the total daily bank balances by day for the test year, including cash, special deposits, working funds, and temporary cash investments;

s. A copy of a lead-lag study and supporting workpapers which may have been performed and used by the utility in requesting its proposed working capital allowance;

- t. A schedule showing the balance of the unamortized investment tax credit, showing remaining balances generated before 1971 and since 1971;
- u. A schedule showing the vintage years and balance by vintage year that are included in the utility's unamortized investment tax credits;
- v. A schedule showing the monthly balance of customer deposits and the associated interest for each month during the test year;
- w. A schedule showing the monthly balance of contributions in aid of construction and customer advances during the test year and an explanation regarding the treatment of these items in the utility's rate application;
- x. If applicable, a schedule showing the utility's annual accruals and charges against the insurance reserves for the past five (5) years, including an explanation of when and how the insurance reserves were established and how the annual accrual amount was established;
- y. An explanation of the purpose of receivables from associated companies and payables to associated companies, where applicable;
- z. A schedule showing the amount and details of any transactions related to property, plant and equipment between the utility and any subsidiary or any other utility; and
- aa. A schedule showing the percentage overall rate of return requested by the utility on the original cost rate base, current cost rate base, and adjusted value rate base and the general reasons and justifications for the requested rate of return in narrative form.

**(3) COST OF CAPITAL INFORMATION:**

[Note: If any component of the capital of the utility is not obtained primarily through its own financing, but rather is obtained primarily from a company which controls the utility ("controlling company"), then the cost of capital information submitted hereunder shall be both for the controlling company on a consolidated basis and for the utility. If the utility controls any other companies, then the cost of capital information submitted hereunder shall be both for the utility on a consolidated basis and for the utility on an unconsolidated basis. ]

- a. A schedule showing the capitalization of the utility (and controlling company, if any) at the end of the test year and the latest date available (broken down by the following components: Short-term debt, long-term debt, preferred equity, and common equity), all pro forma adjustments to the capitalization (with supporting details), the cost of each component of capitalization, and the weighted overall cost of capital;
- b. A schedule showing, for each series of the utility's (and the controlling company's, if any) long-term debt outstanding at the end of the test year and the latest date available, the following information:
  - 1. Title of the debt issue;
  - 2. Date of issuance and date of maturity;
  - 3. Interest rate;
  - 4. Principal amount of issue and gross proceeds;
  - 5. Underwriter's discount or commission and amount;

6. Issuance expense including amount, percent gross proceeds, net proceeds and net proceeds per unit;
7. Cost of money: yield to maturity based on the interest rate and net proceeds per unit outstanding determined by reference to any generally accepted table of bond yields;
8. A description of the projects and their locations funded with the debt.
9. Current amortization schedules for all capital outlays and debt issuances.
10. If the issue is owned by an affiliate of the utility (or the controlling company, if any), state the name of the affiliate and its relationship to the utility (and the controlling company, if any); and
11. If the utility (or the controlling company, if any) has acquired at a discount or premium some part of the outstanding debt which could be used in meeting sinking fund requirements or for other reasons, it shall show the annual amortization of the discount or premium for each series of debt from the date of acquisition over the remaining life of the debt being retired and shall separately show the total remaining or unamortized discount and premium, as a result of such amortization, applicable to the test year;

c. A schedule showing the monthly balances of short-term debt, excluding the current portion of long-term debt, for the utility (or controlling company, if any), during the test year and the latest date available, including the following information:

1. Title of the issue and lender name (bank loan, commercial paper, etc.);
2. Date of issuance and maturity;
3. Interest rate;
4. Principal amount of issue;
5. Compensating balance, if any, including the supporting compensating balance agreement; and
6. Interest expense including the cost of money computed as the interest rate divided by net proceeds per unit outstanding; if the issue is owned by an affiliate of the utility (or the controlling company, if any), then the name of the affiliate, its relationship to the utility (and the controlling company, if any) and an explanation of the method of determining the interest rate shall be stated;
7. A description of the projects and their locations funded with the debt.
8. Current amortization schedules capital outlays and debt issuances.

d. A schedule showing for each class and series of preferred and preference stock of the utility (and the controlling company, if any) outstanding at the end of the test year and the latest date available, the following information:

1. Title of the stock issue;
2. Date of issuance;

3. If callable, the call price;
4. If convertible, the terms of conversion;
5. Par or stated amount of issue and gross proceeds;
6. Underwriter's discount or commission and amount;
7. Issuance expenses including amount, percent gross proceeds, net proceeds and net proceeds per unit;
8. Cost of money: dividend rate divided by net proceeds per unit;
9. Whether the issue was offered to stockholders through subscription right or to the public; and
10. If the issue is owned by the affiliate to the utility (or the controlling company, if any), state the name of the affiliate and its relationship to the utility (and the controlling company, if any);

e. A schedule showing the details of any anticipated financing of the utility (and controlling company, if any) over the twelve-month period immediately succeeding the test year, including:

1. Title of the issue;
2. Date of issuance and maturity, if applicable;
3. Interest or dividend rate, if applicable;
4. Principal amount of issue;
5. Discount, premium, and debt expense, if applicable; and
6. Cost of money, where applicable;

f. A schedule showing the utility's (or controlling company's, if any) yearly high and low common stock prices for the ten (10) years preceding the test year, where applicable;

g. A schedule showing the utility's (or controlling company's, if any) monthly high and low common stock prices during the test year, where applicable;

h. A schedule showing the computation of the utility's (and the controlling company's, if any) times interest earned ratio and fixed charge coverage ratio (by Securities and Exchange Commission method) before and after taxes for the actual test year and for the test year adjusted to take into account all pro forma adjustments and the requested revenue increase; and

i. A schedule providing a summary of the utility's (and the controlling company's, if any) debt instrument fixed charge requirements plus any other pertinent information (such as restrictions) pertaining to the issuance of the debt.

**(4) INCOME INFORMATION:**

a. A schedule setting forth for the utility and the relevant system or division, the test year income statement, all pro forma adjustments to the test year income statement, and an adjusted test year income statement taking into account such pro forma adjustments;

b. A schedule showing the details of all pro forma adjustments to the test year income statements referred to in (4)a above, with a full explanation of the methods and calculations on which said pro forma adjustments are based;

c. A schedule setting forth monthly detailed net income statements of the utility, and the relevant system or division, for the test year, showing revenues by customer class and showing detailed operating expenses;

d. An annual schedule of detailed operating expenses, by line item, for the system, for the test year.

e. A schedule showing actual sales by month (1,000/gal and revenue) of the utility by customer classification for the twelve (12) months during the test year and projected annual sales (units and dollars) for the next three (3) years subsequent to the test year end;

f. A schedule showing the number of active customer accounts by customer classification of the utility by month during the test year and the projected annual number of customers by customer classification for the period subsequent to the test year end during which the requested rates are to be in effect;

g. A schedule showing utility personnel, by department for the utility for the three (3) years prior to the test year end, during the test year, and budgeted for the period subsequent to the test year end during which the requested rates are to be in effect; total compensation levels for all employees who operate or administer the System and an estimate of the amount of each employee's professional time that is devoted to servicing the System.

h. The utility's current and proposed wage contracts, where applicable;

i. A schedule showing rate case expenses incurred at the time of the filing and estimated rate case expenses for the utility and outside expert witnesses; the schedule should itemize:

1. The salary, expenses and allocations thereof to the filing for each expert retained (other than a regular salaried employee of the utility), whether such person is expected to testify upon the hearing of the rate case or not;
2. All materials and supplies cost;
3. Any other costs associated with the filing preparation and hearings;

j. A schedule reconciling book net income of the utility with taxable net income as reported to the Internal Revenue Service for the most recent year for which a tax return was filed and the previous three (3) years;

k. A schedule showing the tax computation for the relevant system or division of the utility during the test year and all supporting workpapers;

l. A schedule showing the computation of consolidated income taxes for the utility and for the controlling company, if any, during test year operations;

m. A schedule showing a reconciliation of the treatment of allowance for funds used during construction (AFUDC) for both book and tax purposes for the utility during the test year; this schedule shall be accompanied by a narrative explanation;

n. A schedule showing the depreciation rates used by the utility in its filing classified by major plant accounts;

o. A schedule indicating for the utility the date of the most recent change in depreciation lives and studies supporting such a change in depreciable asset lives and corresponding depreciation rates;



p. A schedule showing the computation of the incremental gross revenue conversion factor for the relevant system or division,

q. A schedule showing the amounts expended by or allocated to the utility and the relevant system or division during the test year, with the corresponding amount for: business gifts, entertainment, charitable or civic contributions, membership in social, recreational, fraternal or religious clubs or organizations, institutional advertising, conversational advertising, consumption-inducing advertising, and other advertising;

r. A schedule showing the amounts expended by or allocated to the utility and the relevant system or division (other than salary or wages subject to withholding of federal income tax) for:

1. Legal representation in Texas;
2. Representation before the Texas Legislature;
3. Representation before any other governmental agency or body in Texas;
4. Representation before any federal governmental agency or body;

[Note: This statement shall include the actual expense for the test year, with any adjustments for known changes, and the actual expenses for the last odd-numbered calendar year]; and

s. A schedule showing the net income or loss resulting from the sale or lease by the utility, and the relevant system or division, of appliances, fixtures, equipment, or other merchandise.

(5) **RATE DESIGN INFORMATION:**

a. A schedule showing for the utility, and the relevant system or division, the following test year information for each customer class:

1. The designation of the class;
2. The total number of customers of the class by month;
3. The total consumption in 1,000 gal of the customer class by month; and
4. The total revenues derived from customers of the class by month;

b. A schedule showing for the relevant system or division and for the test year a bill frequency or other analysis showing consumption and number of bills at each rate and for each customer class for which the utility maintains such records in the normal course of business;

c. A schedule showing the utility's current and proposed rates of return by customer class under the allocation methods proposed by the company; provided, however, if the utility has a cost of service study on file with the City, then this schedule may be omitted; [Note: the utility shall make available to the City Manager all relevant workpapers used to derive such rates];

d. A schedule showing all regional pass-thru mandatory costs incurred by the utility specific to the System, including but not limited to purchase water charges, pumping fees or groundwater assessment fees that are assessed by governmental authorities or other third-parties.

e. A schedule showing the following utility statistics for the past five (5) years from the test year end and subsequent period during which the requested rates are to be in effect:

1. Consumptions (1,000 gal) by class by month;

2. Number of customers by month by class;
3. Number of customers by class by meter size;
3. System demand by month;
4. Water pumped by month for any and all wells serving the system.
5. Water purchased to serve the system including monthly volumes, monthly total cost and cost/1,000 gal for each identified seller.
6. Water losses with break outs of percentages flushed, leaked, stolen or any other source of water loss by month.
7. Where applicable, cooling and heating degree days by month, both normal and actual;
8. Actual peak per year by class;

**(6) EXPERT TESTIMONY:**

The utility shall submit two (2) copies of the testimony and reports, if any, of company representatives and outside expert witnesses used to support such filing.

**(7) ADDITIONAL INFORMATION UPON REQUEST:**

An Applicant shall make available any or all of the following information to the City Manager or his/her designee for inspection or copying upon written request therefor:

- (1) Current and detailed system maps of facilities that, in whole or in part, serve the Area Served.
- (2) Annual inspection reports filed by Applicant to the TCEQ (or other regulatory body) addressing the Area Served.
- (3) Any deficiencies reports produced for the Area Served and Applicant's responses to same.
- (4) Customer complaints about any aspect of Applicant's service within the Area Served.
- (5) Total actual dollars of un-collectable accounts for customers within the Area Served, by customer class.
- (6) Documents detailing the acquisition/price paid by Applicant (or any of predecessor) for the System(s) within the Area Served, the associated number of accounts acquired, the date(s) of closing and the seller(s) of the System(s).
- (7) Supporting studies, workpapers, or documentation relied upon by each representative or witness in the presentation of his testimony;
- (8) The utility's books of original entry including the general ledger, subledgers, journals, balance sheets, operating income statements, and monthly trial balances by primary account number, for each month during the test year;
- (9) All workpapers used to derive the utility's adjusted value of invested capital which were not included in the filing package; and

- (10) All workpapers used to derive the utility's test year adjusted operating income which were not included in the filing package.

Applicant shall also make its plants, equipment and other properties or any portion thereof available for inspection by the City Manager or his/her representative.

To: Administrative Reviewer

Date Complete: August 16, 2011

From: Cartographer-Utilities & Districts Section


Subject: Overlap & Notice Check for Administrative Review No. A-081-11/37110&11-C  
Petition by Residents of Rockwall Estates to revoke a portion of Aqua Development (11157 & 20453) in Rockwall county.

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?
7. Map submitted is digital request digital data.
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: **DO NOT NOTICE**

X 12. Other comments: **Maps do not meet requirements. Please submit original and copies of the following. ( no maps )**

- A. A general location map delineating the proposed area with enough detail to locate in the county
- B. A map showing only the proposed area by:
  - (1) Metes and bounds survey certified by a licensed state or register professional land surveyor ; or
  - (2) Projectable digital data with metadata (proposed areas should be in a single record and clearly labeled for each utility) ; or
  - (3) Following verifiable natural and man-made landmarks; or
  - (4) Copy of recorded plat map with metes and bounds

  
Kent Steelman

# Law Office of G. David Smith, P.C.

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Email: ryan@gdavidsmith.com

July 22, 2011

Diane L. Martin  
Legal Assistant  
Email: diane@gdavidsmith.com

***Via Certified Mail / RRR: 7011-0470-0002-1544-6013***

Ms. Tammy Benter  
Texas Commission on Environmental Quality  
Utilities and Districts Section  
MC 153  
P.O. Box 13087  
Austin, Texas 78711

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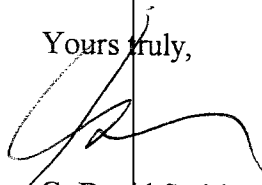
Re: Petition to Revoke and/or Refuse Continuation of Certificate of Convenience and Necessity

Dear Ms. Benter:

Enclosed please find a Petition to Revoke and/or Refuse Continuation of Certificate of Convenience and Necessity for filing with the TCEQ. I have enclosed a copy of the petition along with a self-addressed, stamped envelope for the return of a file-stamped copy to my office.

Please contact me if you have any questions or need additional information.

Yours truly,



G. David Smith

GDS/dlm  
enc.  
cc: Clients

No. \_\_\_\_\_

RESIDENTS OF LAKE ROCKWALL ESTATES	§	BEFORE THE TEXAS
	§	
V.	§	COMMISSION ON
	§	
AQUA UTILITIES, INC./AQUA	§	ENVIRONMENTAL
DEVELOPMENT, INC. D/B/A	§	
AQUA TEXAS, INC.	§	QUALITY

**PETITION TO REVOKE AND/OR REFUSE CONTINUATION OF THE CERTIFICATE  
OF CONVENIENCE AND NECESSITY HELD BY AQUA UTILITIES, INC./AQUA  
DEVELOPMENT, INC. D/B/A AQUA TEXAS, INC.<sup>1</sup>**

TO THE HONORABLE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

This Petition is brought by Residents of Lake Rockwall Estates<sup>2</sup> who are customers and users of the water and sewer services provided to them by Aqua Utilities, Inc./Aqua Development, Inc. d/b/a Aqua Texas, Inc. ("Aqua") pursuant to a Certificate of Convenience and Necessity ("CCN") previously granted to Aqua by this Commission. In support thereof, Petitioners respectfully show as follows:

**I.**

**BASIS OF PETITION**

This Petition is brought pursuant to *Tex. Water Code* § 13.254 and 13.246 as well as *Tex. Admin. Code* §291.113.

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<sup>1</sup> An application is pending to transfer the facilities in question in this petition to Aqua Texas, Inc. in Application Nos. 36875-S and 36876-S.

<sup>2</sup> The Petitioners are identified by name and address on Exhibit A.



## II.

### **FACTUAL BACKGROUND**

Lake Rockwall Estates ("LRE") is a subdivision that was constructed in the 1960's in Rockwall County, Texas. At that time, it was outside the city limits of the City of Rockwall and had no utility service. The developer of the subdivision provided water and sewer services. The utility system was sold and eventually acquired by Aqua, an Investor Owned Utility (IOU). Aqua exists as a profit centered business.

In 2009, the City of Rockwall annexed LRE. LRE is currently home to approximately 2,800 residents. Their income is low and their ability to pay for utility services is compromised.

Currently, water service is provided through one 4" meter for all residents. The Aqua facility has no pumping capacity and no water pumps. There is no ground storage facility or elevated storage. There is no fire flow for the subdivision. Sewer service in the subdivision is not available to all residents. Where sewer service is available, the system has deteriorated to such a condition that lines are not providing adequate service and backups into residences have occurred.

LRE residents pay nearly five times what sewer, water and trash services costs for other residents of the City of Rockwall. Residents have met arbitrary collection efforts, such as being required to pay delinquent bills of former tenants of residences before getting service provided. Hispanic residents have met discriminatory tactics in being assessed deposits. An application by Aqua is imminent, as it attempted to seek an increase earlier this year, but was thwarted by the 12 month rule which prohibited it from seeking subsequent increases within a 12 month period.

The City of Rockwall is ready, willing and able to provide water and sewer services to LRE, but is not able to do so because of the existing CCN held by Aqua. Attempts have been made to

purchase the system, but Aqua has been unwilling to sell its facilities. The facilities provide gross income of approximately \$70,000.00 per month to Aqua. Aqua has failed and refused to provide upgrades or improvements to the facilities, even though the need for repairs and upgrades is urgent and necessary. Much of the equipment in place was installed when the subdivision was created. Thus, the income received is largely net profit to the corporation which fulfills the stated purpose of Aqua's existence, to make a good return on its investors' money.

### III.

#### **GROUND FOR REVOCATION AND REUSAL OF CONTINUATION OF THE AQUA**

##### **CCN**

There simply is no "convenience" or "necessity" that justifies continuing the monopoly enjoyed by Aqua at the expense of the Petitioners. *Tex. Water Code § 13.254(a) and TAC §291.113(a) (1)* provide that this Commission may, after notice and hearing, revoke the CCN held by Aqua if it finds that Aqua has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in the area, or part of the area, covered by the certificate. The Petitioners would show that more than ample evidence exists to support such a finding. Specifically, the Petitioners show as follows:

1. Continuous service is not being provided to LRE due to the numerous breakdowns and inadequacy of the system;
2. There is no service available to provide water flow for fire protection;
3. The sewer service is not provided to parts of LRE;
4. Sewer service is not continuous in that the system fails, causing backups into residences and raw sewage to flow into the residences;

5. The sewer treatment facility is not maintained in accordance with TCEQ guidelines and requirements;
6. The minimum system requirements of the TCEQ are not being met by the facilities at LRE; and
7. The service is not adequate in that it is provided at a cost so prohibitive that it constitutes a denial of service to the LRE residents who do not have the ability to pay the fees assessed by Aqua.

Additionally, the very purpose for the existence of the Aqua CCN no longer exists. Continuation of the grant of the CCN should not be allowed. IOU's are allowed a monopoly on utility service within an area when no feasible alternative exists to provision of necessary services. CCN applications are granted when such action is necessary for services, convenience, accommodation, and safety of the public. *See Tex. Water Code § 13.246(b)*. The reasons for issuance, refusal or amendment to the CCN are set forth in *Tex. Water Code § 13.246(c) 1-9*. Those reasons no longer exist within LRE because the City of Rockwall is ready, willing and able to supply not only the services provided by Aqua, but better and more affordable services. Most notably, the statutory factors weighing against continuation of the Aqua monopoly as applied to the justification for its existence are as follows:

1. Aqua's services are inadequate to meet the needs of LRE residents;
2. Additional services not provided by Aqua can be provided by the City in a much more cost effective manner;
3. The effect of revoking the Aqua CCN on the landowners in the area would be positive in light of the annexation that has occurred and the willingness of the City

to provide better and more cost effective service;

4. The needs of LRE have exceeded the capacity of existing Aqua facilities;
5. It is entirely feasible for LRE to obtain service from the City when it was not when the CCN was granted;
6. While Aqua apparently is financially capable of providing adequate facilities to service LRE, it has not invested in existing facilities to provide adequate services for the current and future needs of LRE residents and businesses;
7. The waste treatment facility used by Aqua in LRE is environmentally undesirable and could now be eliminated;
8. There is no probability at this time that costs of services will ever be lowered with Aqua; in fact, a rate increase request is before the Commission at this time. The City of Rockwall is willing to provide services at a much lower rate and in a much more cost effective manner;
9. The impact on the land in LRE would be of a beneficial nature if the CCN is revoked and the City provides services.

Given that Aqua is not providing adequate and continuous service to LRE and that the very reason for the existence the Aqua CCN no longer exists in light of the annexation of LRE by the City of Rockwall, this petition should be granted and the CCN issued to Aqua for LRE should be revoked.

#### **IV.**

#### **SUMMARY**

The Aqua CCN for Lake Rockwall Estates is an antiquated grant of monopoly that has no justification for continuation. The services provided by Aqua are inadequate and present a real safety

concern for the residents of LRE. A far superior alternative exists that would result in better service and lower costs to the residents. The true goal of safe and adequate utility services will be best met by the granting of this Petition and the end of the Aqua monopoly in LRE.

Petitioners request that after notice and hearing, this Commission grant their petition and revoke the Certificate of Convenience and Necessity held by Aqua Texas for Lake Rockwall Estates or refuse to continue the grant of the CCN.

Respectfully submitted,

LAW OFFICES OF G. DAVID SMITH P.C.  
Attorneys for Petitioners

By: 

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Texas Bar #18596300  
Ryan K. Lee  
Texas Bar #24070129  
702 N. Goliad  
Rockwall, Texas 75087  
(972) 771-2579  
(972) 771-0513 (Fax)

# **EXHIBIT A**



LAKE ROCKWALL ESTATES RESIDENT LIST

ACOSTA, JUVENTINO  
251 Bass Road  
Rockwall, Texas 75032-6107

ACOSTA, LAURA  
451 Bass Road  
Rockwall, Texas 75032-6338

ACOSTA, PENTRENILO  
227 Trout Street  
Rockwall, Texas 75032-6326

ADAY, ELIZABETH  
500 Trout Street  
Rockwall, Texas 75032-6331

ALMARAZ, MARIA  
505 Bass Road  
Rockwall, Texas 75032-6300

ALVIZO, LORENA  
388 Bass Road  
Rockwall, Texas 75032

AVILES, FRANCISCO  
304 Chris Drive  
Rockwall, Texas 75032-6372

AYALA, ARLAE  
535 Blanche Drive  
Rockwall, Texas 75032

BAMFO, GEORGE A.  
173 Trout Street  
Rockwall, Texas 75032-6191

BARRIOS, JUAN GERMAN  
185 Blanche Drive  
Rockwall, Texas 75032-6363

BETHAL, SELENA A.  
759A Eva  
Rockwall, Texas 75032

CALLES, JULIO  
356 Perch Road  
Rockwall, Texas 75032-6166

CARMONA, EVELIA  
249 Lynne Drive  
Rockwall, Texas 75032-6145

CARMONA, JOSE R.  
397 Chris Road  
Rockwall, Texas 75032

CARMONA, MARIA  
201 Yvonne Drive  
Rockwall, Texas 75032-5684

CARMONA, MARTIN  
235 Lynn Drive  
Rockwall, Texas 75032

CARMONA, ROBERTO C.  
532 Blanche Drive  
Rockwall, Texas 75032-6370

CARRILLO, GERADO  
397 Perch Road  
Rockwall, Texas 75032-6322

CARRILLO, MARGORITA  
254 Lynne Drive  
Rockwall, Texas 75032

CARRILLO, MIGUEL  
291 Bass Road  
Rockwall, Texas 75032

CASAS, PABLO H.  
163 Trout Street  
Rockwall, Texas 75032-6191

CASTELL, LETICIA  
115 Eva Place  
Rockwall, Texas 75032

CERVANTES, EISA  
251 Wayne  
Rockwall, Texas 75032

CHANTACA, MAURICIO  
261 Tubbs Road  
Rockwall, Texas 75032-6195

CHAVEZ, LAURENCE A.  
510 Blanche Road  
Rockwall, Texas 75032

CORODANO, MARIA  
513 Chris Drive  
Rockwall, Texas 75032-6383

CORTEZ, MANUEL  
328 Bass Road  
Rockwall, Texas 75032

CRUZ, MARIA L.  
212 Lynne Drive  
Rockwall, Texas 75032

CRUZ, MARIO  
461 Yvonne Drive  
Rockwall Texas 75032

DELGADO, JUAN E.  
541 Evans Road  
Rockwall, Texas 75032-6127

DIAZ, JUAN U.  
147 Chris Drive  
Rockwall, Texas 75032-6373

DOMINGUEZ, GUADALUPE H.  
419 Tubbs Road  
Rockwall, Texas 75032-6334

ESCOBAR, AURELIO  
274 Eva A  
Rockwall, Texas 75032

ESPARZA, MARCO  
275 Wayne Drive  
Rockwall, Texas 75032

ESQUIVEL, DOLOROS  
402 Russell Drive  
Rockwall, Texas 75032

ESTRADA, GERARDO  
495 Trout Street (1195 Trout Street)?  
Rockwall, Texas 75032

FLORES, MARIA L.  
503 Lynne Drive  
Rockwall, Texas 75032

FORTUNA, FRANCISCO  
354 Yvonne Drive  
Rockwall, Texas 75032-5685

FULLINGTON, SHARON  
247 Blanche Drive  
Rockwall, Texas 75032

GALLEGOS, JOSE GUADALUPE  
296 Russell  
Rockwall, Texas 75032

GALLEGOS, OCTAVIO  
225 Lynne Drive  
Rockwall, Texas 75032-6145

GAMEZ, FRANCISCO  
163 Perch Road  
Rockwall, Texas 75032-6162

GARCIA, JOSE  
213 Chris Drive  
Rockwall, Texas 75032

GONZALEZ, BENJAMIN  
589 Lakeside Drive  
Rockwall, Texas 75032

GUTIERREZ, FLORINA  
594 Eva Place  
Rockwall, Texas 75032-6118

GUTTIERREZ, JAVIER  
379 Bass Road  
Rockwall, Texas 75032-6108

HAYES, MARILYN K.  
303 Tubbs Road  
Rockwall, Texas 75032

HAYES, JOSEPH S.  
303 Tubbs Road  
Rockwall, Texas 75032

HERNANDEZ, CARMELITA  
500 Yvonne Drive  
Rockwall, Texas 75032

HERNANDEZ, JOSE  
251 Lynne  
Rockwall, Texas 75032

HERNANDEZ, ROSA V.  
484 Perch Road  
Rockwall, Texas 75032-6323

HERREROS, BERTOLDO  
180 Evans Road  
Rockwall, Texas 75032

HERREROS, JOSE  
342 Wayne Drive  
Rockwall, Texas 75032-5675

JACKSON, LARI  
281 Blanche  
Rockwall, Texas 75032

JENKINS, FELICIA  
430 Trout Street  
Rockwall, Texas 75032-6191

LOMAS ANDREA  
534 Trout  
Rockwall, Texas 75032

LOPEZ, JOSE  
208 Texas Avenue  
Rockwall, Texas 75032-6348

LOPEZ, RAMON VAZQUEZ  
156 Blanche Drive  
Rockwall, Texas 75032

LOREDO, SUSANA  
166 Chris Drive  
Rockwall, Texas 75032-6372

LOZANO, IGNACIO  
601 Bass Road  
Rockwall, Texas 75032-6310

MALDONADO, CARLOS  
370 Bass  
Rockwall, Texas 75032

MARQUEZ, JORGE L.  
159 Valerie Place  
Rockwall, Texas 75032

MARQUEZ, JUAN  
201 Bass  
Rockwall, Texas 75032

MARTINEZ, PEDRO  
478 Perch Road  
Rockwall, Texas 75032-6323

MARTINEZ, JOSE  
285 Tubbs Road  
Rockwall, Texas 75032



MAZARIEGOS, ESTELA  
224 Yvonne  
Rockwall, Texas 75032

MAZARIEGOS, ROMULO  
224 Yvonne  
Rockwall, Texas 75032

MEDRANO, JOSE  
505 Eva Place  
Rockwall, Texas 75032-6111

MENDEZ, GLORIA  
402 Trout Road  
Rockwall, Texas 75032-6329

MOLINA, MARLIN  
340 Yvonne Drive  
Rockwall, Texas 75032

MONGELLI, ROBERT  
194 Diana Drive  
Rockwall, Texas 75032

MORENO, FRANCISCO  
571 Bass Road  
Rockwall, Texas 75032

MORENO, IGNACIO  
241 Trout  
Rockwall, Texas 75032

NEVAREZ, LUIS E.  
476 Perch Road  
Rockwall, Texas 75032-6321

NEVAREZ, GODOFREDO  
589 Trout Street  
Rockwall, Texas 75032-6332

NINO, JOSE (JESUS) M.  
480 Perch Road  
Rockwall, Texas 75032-6323

ODOM, DEBORA  
141 Yvonne Drive  
Rockwall, Texas 75032

OGAN, LOCKLIN  
526 Bass Road  
Rockwall, Texas 75032

ORTEGA, NORAELIA  
202 Valeria Place  
Rockwall, Texas 75032-6198

ORTEGA, RUBEN  
187 Eva Place, Lot 807  
Rockwall, Texas 75032-6111

ORTIZ, RIGOBERTO  
474 Wayne Drive  
Rockwall, Texas 75032-5677

PENA, MARISELA  
510 Bass Road  
Rockwall, Texas 75032

PERALES, OSCAR  
106 Evans Road  
Rockwall, Texas 75032-6122

PERDOMO, WILFREDO  
100 Evans Road  
Rockwall, Texas 75032-6122

PEREZ, JOSE D.  
152 Perch Road  
Rockwall, Texas 75032-6321

RAMIREZ, JOE  
251 Lakeside  
Rockwall, Texas 75032

RAMIREZ, RUTH  
135 Chris Drive  
Rockwall, Texas 75032-6372

RENOVA-LIMON, ROSIE  
493 Bass Road  
Rockwall, Texas 75032

RENTERIA, MARIA  
683 Tubbs Road  
Rockwall, Texas 75032-6195

RICO, MARIA  
212 Valerie Place  
Rockwall, Texas 75032-6198

RIVERA, SELIA  
138 Eva Place  
Rockwall, Texas 75032

RODRIGUEZ, ANA  
352 Lynne Drive  
Rockwall, Texas 75032-6146

RODRIGUEZ, MARIA v.  
529 Bass Road  
Rockwall, Texas 75032

RODRIGUEZ, ROMAN  
540 Chris Drive  
Rockwall, Texas 75032-6382

ROSALO, MARIA M.  
416 Blanche Drive  
Rockwall, Texas 75032

RUIZ, JOSE C.  
219 Valerie Place  
Rockwall, Texas 75032-6199

SANCHEZ, JESUS  
293 Yvonne Drive  
Rockwall, Texas 75032-5684

SANCHEZ, JULIO  
400 Chris Drive  
Rockwall, Texas 75032-6380

SANCHEZ, MIGUEL  
216 Chris Drive  
Rockwall, Texas 75032-6376

SANCHEZ, PABLO  
250 Nicole Street  
Rockwall, Texas 75032

SANCHEZ, ROSA  
140 Chris Drive  
Rockwall, Texas 75032-6372

SANCHEZ, SANTIAGO  
387 Chris Drive  
Rockwall, Texas 75032-6379

SANDOVAL, MARIO  
154 Diana Drive  
Rockwall Texas 75032

SERNA, SONIA T.  
109 Diana Drive  
Rockwall, Texas 75032

SERVIN, SAUL  
552 Russell Drive  
Rockwall, Texas 75032

SIERRA, PETRA  
384 County Line Road  
Rockwall, Texas 75032-6111

SILVA, BERTHA  
346 Perch Road  
Rockwall, Texas 75032-6166

SILVA, JOSE  
315 Bass Road  
Rockwall, Texas 75032

SILVA, MARIA  
186 Eva Place  
Rockwall, Texas 75032-6110

SOTO, CARLOS P.  
364 Yvonne Drive  
Rockwall, Texas 75032-5685

TAMAZ, CLARA  
188 Bass Road  
Rockwall, Texas 75032-6104

TARCICIO, GUADARRAMA  
346 Yvonne Drive  
Rockwall, Texas 75032

TOVA, MICELA  
723 Lakeside  
Rockwall, Texas 75032

TOVAR, JOSE  
723 Lakeside Drive  
Rockwall, Texas 75032-6139

VALDEZ, MARGARITO  
525 Wayne  
Rockwall, Texas 75032

VALDEZ, TERESA  
422 Trout Street  
Rockwall, Texas 75032-6191

WILSON, ROBERTA  
203 Lynne Drive  
Rockwall, Texas 75032-6145

WILSON-UNDERWOOD, TAMMY  
215 Lynne Drive  
Rockwall, Texas 75032-6145

KQ  
RECEIVED  
STATE OFFICE OF  
ADMINISTRATIVE HEARINGS

**TEXAS COMMISSION  
ON ENVIRONMENTAL QUALITY** 2012 JUL 13 PM 1:49  

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**TRANSMITTAL OF ADMINISTRATIVE RECORD**

**TO:** SOAH Natural Resources Docket Clerk **DATE:** July 12, 2012

**FROM:** KA Katha Anderson, Final Document Technician  
Final Documents Team  
Office of the Chief Clerk

**RE:** Aqua Utilities, Inc.  
SOAH Docket No. 582-12-6658; TCEQ Docket No. 2012-1058-UCR

Enclosed is a certified copy of the affidavit of notice to customers of the public hearing for the above-referenced matter. This document is now being forwarded as a supplement to the Administrative Record originally transmitted to your office on June 26, 2012.

If you have any questions, please contact Deanna Avalos, Final Documents Team Leader at (512) 239-3327.



TCEQ - Office of the Chief Clerk  
MC-105 Attn: SOAH Docket Clerk  
PO Box 13087  
Austin TX 78711-3087

Utility Company: AQUA UTILITIES, INC.

TCEQ Docket Number: 2012-1058-UCR

SOAH Docket Number: 582-12-6658

## AFFIDAVIT OF NOTICE TO CUSTOMERS OF THE PUBLIC HEARING

STATE OF TEXAS §

COUNTY OF: TRAVIS §

Before me, the undersigned authority, on this day personally appeared the affiant who being by me duly sworn, deposes and says:

My name is Kurt Scheibelhut, I am over eighteen (18)  
(Name of Affiant)

years of age. I have personal knowledge of the facts stated herein and they are all true and correct.

I am Regional Director of Accounting of  
(Title of Affiant)

Aqua Utilities, Inc., Aqua Development, Inc. and Aqua Texas, Inc.  
(Name of Utility)

On July 2, 2012, I caused to be mailed to all of the above named utility's  
(Date)

customers and affected municipalities, if any, the attached notice of public hearing. The notice was

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a  
Texas Commission on Environmental Quality document,  
which is filed in the permanent records of the Commission  
Given under my hand and the seal of office on

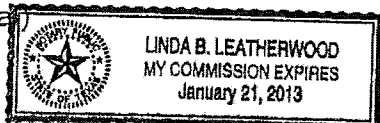
Bridget C. Bohac JUL 12 2012

Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

Kurt Scheibelhut  
Signature of Affiant

Subscribed and sworn to before me this the 12th day of July,  
20 12, to certify which witness my hand and seal of office.

(Seal)



Linda B Leatherwood  
Notary Public in and for the State of Texas

Linda B Leatherwood  
Print or type Name of Notary Public

My Commission Expires January 21, 2013

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



## NOTICE OF HEARING

**AQUA UTILITIES, INC., AQUA TEXAS, INC., AQUA DEVELOPMENT, INC.,  
KERRVILLE SOUTH WATER COMPANY, INC., AND HARPER WATER  
COMPANY, INC. DBA AQUA TEXAS (AQUA TEXAS) – NORTH REGION  
WATER AND SOUTHWEST REGION WATER ONLY**

**SOAH Docket No. 582-12-6658**

**TCEQ Docket No. 2012-1058-UCR**

### APPLICATION.

Aqua Utilities, Inc., Aqua Texas, Inc., Aqua Development, Inc., Kerrville South Water Company, Inc., and Harper Water Company, Inc. dba Aqua Texas (Aqua Texas) – North Region Water and Southwest Region water only, 1106 Clayton Lane, Suite 400W, Austin, Texas 78723, has applied to the Texas Commission on Environmental Quality (TCEQ) to change its water rate/tariff effective February 22, 2012 for its service area located in Anderson, Bosque, Camp, Cherokee, Cooke, Denton, Erath, Grayson, Gregg, Henderson, Hood, Hunt, Johnson, McLennan, Marion, Parker, Smith, Somervell, Tarrant, Taylor, Wise, Wood, Bandera, Bexar, Burnet, Comal, Gillespie, Hays, Kendall, Kerr, Kimble, Live Oak, Llano, Medina, Nueces, Travis, Victoria, Williamson, and Wilson Counties, Texas (Certificate of Convenience and Necessity (CCN) Nos. 11157, 12902, A1943, 11421 and 11484, Application Nos. 37234-R and 37235-R). This application concerns service areas located within the USPS zip codes on the attached list.

### CONTESTED CASE HEARING.

The State Office of Administrative Hearings (SOAH) will conduct a preliminary hearing on this application at:

**10:00 a.m. – July 16, 2012 •  
William P. Clements Building  
300 West 15th Street, 4th Floor  
Austin, Texas 78701**

The purpose of a preliminary hearing is to establish jurisdiction, name the parties, establish a procedural schedule for the remainder of the proceeding, allow an opportunity for settlement discussions, and to address other matters as determined by the judge. The evidentiary hearing phase of the proceeding will be similar to a civil trial in state district court. The hearing will be conducted in accordance with Chapter 2001,



Texas Government Code; Chapter 13, Texas Water Code; TCEQ rules, including 30 Texas Administrative Code (TAC) Chapter 291; and the procedural rules of the TCEQ and SOAH, including 30 TAC Chapter 80 and 1 TAC Chapter 155. To participate in the evidentiary hearing as a party, you must attend the preliminary hearing and show you would be affected by the petition in a way not common to members of the general public.

**INFORMATION.**

Information concerning your participation in this hearing may be obtained by contacting Blas Coy, TCEQ Office of Public Interest Counsel (MC 103), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-6363. For additional information, please contact the TCEQ Water Supply Division, Utilities & Districts Section (MC 153), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-4691. General information regarding the TCEQ can be found at our web site at <http://www.tceq.texas.gov/>.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the SOAH Docketing Department at 512-475-3445, at least one week prior to the hearing.

Issued: June 11, 2012

A handwritten signature in cursive script that reads "Bridget C. Bohac".

Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality