



Control Number: 45781



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RINCON WATER SUPPLY CORPORATION

P.O. DRAWER 7 TAFT, TEXAS 78390
(361) 528-3969 PWS ID. NO. 205-0078

rinconwater@rinconwater.com

Rincon Water Supply Corporation is an Equal Employment Opportunity Employer
Rincon Water Supply Corporation does not discriminate based on sex, religious belief, race, national origin, or ethnic background

July 25, 2016

State Office of Administrative Hearings

Austin, TX

Re: PUC Docket No. 45781, SOAH Docket No. 473-16-5010.WS

To Whom it May Concern,

Please accept my apologies for the late response. Rincon Water Supply Corporation received notification of the requirement to respond to the above mentioned docket on Friday July 22, 2016 via fax transmission. The office of Rincon Water Supply Corporation is closed on Friday's and as such we did not receive the notice and was not able to respond until this date.

In response to the Commission Staff's Proposed List of Issues we offer the following:

1. Since Rincon Water Supply Corporation is not the land owner this section is not applicable.
2. Rincon Water Supply Corporation is currently financially solvent.
3. Rincon Water Supply Corporation is an approved water system that is currently providing potable water service to the majority of rural San Patricio County and a portion of Aransas County. The CCN number is 11440, the TCEQ PWSID is 205-0078. Our water distribution system meets all of the requirements of the Texas Health and Safety Code Chapter 341 and the TCEQ rules and regulations for a drinking water system.
4. Rincon Water Supply Corporation currently purchases treated water from the San Patricio Municipal Water District and has a contract for water supply that is more than adequate for continued service to the service area and the future growth of this area.
5. As for Rincon Water Supply Corporation there would be no requirement for the construction of a physically separate water system since we currently have distribution facilities in place that have been in existence and in operation since the early 1980's.
6. It is the belief of Rincon Water Supply Corporation that since we currently serve the area in question that we are providing for the service, accommodation, convenience, and safety of the public.
7. (a) The area in question is currently receiving adequate potable water service provided by Rincon Water Supply Corporation. Further, Rincon Water Supply can support the fact that Rincon Water Supply Corporation has been servicing this area since 1993 as we have current customers that have had service since 1993.

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7.(b)i. To the knowledge of Rincon Water Supply Corporation no land owners, tenants, or residents have requested water service or additional water service at this time.

7.(b)ii. As with any area within south Texas there is the possibility of residential, commercial, and/or industrial growth in any location. As of this time and to our knowledge the growth of the City of Portland is moving in the general direction of the area in question. Rincon Water Supply Corporation is capable of meeting the potable water needs of the anticipated growth.

7.(b)iii. To the knowledge of Rincon Water Supply Corporation there are no environmental needs for potable water service that we cannot accommodate.

7.(b)iv. Rincon Water Supply Corporation has received no written applications or requests for additional service in the area in question.

7.(b)v. The area surrounding the Corpus Christi area is in a state of constant growth.

7(c) The impact to Rincon Water Supply Corporation is the loss of existing service customers and the associated revenue, additionally, the loss of the possibility to expand should development occur in the area in question.

7.(d) Rincon Water Supply Corporation is currently providing service to the area in question and has the ability to provide adequate service given the potential growth of the area in question.

7.(e) As for the feasibility of obtaining service from an adjacent retail public utility, Rincon Water Supply Corporation is currently in place and serving the customers in the affected area.

7.(f) As for the ability to pay for the facilities necessary to provide continuous and adequate potable water service, Rincon Water Supply Corporation is currently in place and serving the area and has room for anticipated growth.

7.(g) Rincon Water Supply Corporation is financially stable and maintains a very low debt-to-equity ratio. Our equity is approximately \$3,000,000 and our total debt is less than \$150,000.

7.(h) The environmental integrity would remain unchanged regardless of the granting of the certificate.

7.(i) Since Rincon Water Supply Corporation is currently providing adequate service to the area in question it is believed by us that service would not be improved or costs reduced to the customer.

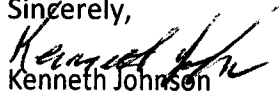
7.(j) Here again, since Rincon Water Supply Corporation is currently providing adequate service to the affected area it is believed that the granting of the certificate would have no effect on the land or land values.

8. Since Rincon Water Supply Corporation is currently serving the affected area, and has been for a number of years, no bond should be required in this case.

9.(a) Rincon Water Supply Corporation serves a large area of San Patricio County and currently serves a large number of economically distressed areas.

9.(b) Rincon Water Supply Corporation has a set of rules and regulations in place to maintain the standards of and integrity of the safe drinking water standards.

Sincerely,



Kenneth Johnson

General Manager

Rincon Water Supply Corporation

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Taft, TX 78390

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