



CITY OF HOUSTON

Legal Department

Annise D. Parker

Mayor

REVIEWED

FEB 17 2015

By [Signature]

H

Donna Edmundson
City Attorney
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February 5, 2015

Ms. Bridget Bohac, Chief Clerk
Chief Clerk (MC 105)
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

WR
88324

CHIEF CLERKS OFFICE
FEB 16 PM 2:14
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Via Telecopier & Regular Mail

RE: Application No. 12866 – NuStar Terminals Partners TX L.P.

Dear Ms. Bohac:

I am writing on behalf of the City of Houston (“Houston”) in response to the notice of the above-referenced Application No. 12866 (the “Application”) filed by NuStar Terminals Partners TX L.P. (“NuStar L.P.”) to obtain a permit to divert and use not to exceed 62 acre-feet of water per year from a point on the Lower Galveston Bay, San Jacinto-Brazos Coastal Basin, for non-consumptive industrial purposes in Galveston County and discharge water via six discharge points located on the Lower Galveston Bay. A copy of the notice of the application for a water use permit dated January 30, 2015 is attached for reference (Appendix “A”).

Please consider this letter as the City of Houston’s request for the Commission to conduct a contested case hearing on the Application.

The City of Houston relies upon the San Jacinto-Brazos Coastal Basin, as well as other water resources, for its municipal water supplies to provide water to more than 3 million customers in Houston and its environs, including Harris and Fort Bend Counties, Texas. The City of Houston holds multiple water rights in San Jacinto-Brazos Coastal Basin. Additionally, the San Jacinto-Brazos Coastal Basin provides the fresh water inflows to the Galveston Bay and its estuaries, all of which contribute to the economic well-being and quality of life of the City of Houston and its citizens. Accordingly, the Permit proposed in the Application may directly injure or impact the City of Houston’s water rights.

[Handwritten signature]

In order to protect the City's rights and afford adequate opportunity to review the Application, and any proposed Permit that may be published by the Executive Director for consideration by the Commission, the City of Houston requests that the Commission conduct a contested case hearing on the Application.

For all of the reasons set forth above, on behalf of the City of Houston, I also request that the Commission and the Executive Director's staff provide the City with copies of all proposed Permit drafts, technical memoranda, and any other evaluations, and/or any notices proposed, promulgated, or published by the Commission or the Executive Director's staff related to this Application. Please have these documents sent to my attention using the following contact information:

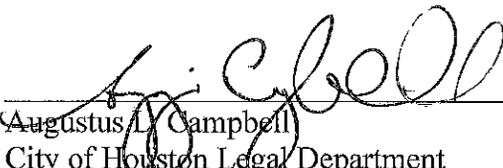
Augustus L. Campbell
City of Houston Legal Department
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augustus.campbell@houstontx.gov

Please note that this request is conditional. After further review and evaluation of the Application and its potential impacts, Houston hopes to reach an agreement with the Commission and NuStar Terminals L.P. on the Application that will address Houston's interest in San Jacinto-Brazos Coastal Basin as well as protecting Houston's downstream water rights and other affected interests. Assuming those efforts are successful, the City would be able to withdraw its contested case hearing request.

Thank you for your assistance.

Sincerely,

CITY OF HOUSTON


Augustus L. Campbell
City of Houston Legal Department

ALC
Encl.

Appendix "A"

Notice reviewed by the City issued January 30, 2015



CITY OF HOUSTON Legal Department
 P.O. Box 368
 Houston, Texas 77001-0368

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COMMISSION
 ON ENVIRONMENTAL
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