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November 21, 2002

Ms. Lisa Mejia
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality
P O Box 13087, MC 173
Austin, Texas 78711-3087

Re: Applications Nos. 34068-C and 34069-C; Applications of Denton County Fresh Water Supply District No. 10 to Amend CCN's Nos. 13021 and 20923 in Denton County

Dear Ms. Mejia:

I am writing in response to Ms. Michele Abrams letter of October 31st on the above-referenced CCN applications of Denton County FWSD No. 10. There are two points raised on page two of Ms. Abrams' letter that I wish to address.

First, in the third paragraph on page two, Ms. Abrams notes that there appears to be a complete overlap with the City of Prosper's pending CCN application. She inquires how Denton County FSWD No. 10 proposes to resolve this overlap. Ms. Abrams' observation is almost, but not quite, correct. There is an overlap. However, District #10 is not requesting certification inside the corporate limits of the City of Prosper. The City wants to serve an area including its corporate limits, which is a paved roadway. This is an old-style strip annexation no longer permitted by the Legislature.

In that third paragraph, Ms. Abrams asks District #10 to provide written documentation on how the overlap will be handled. It will be handled through the contested hearing process under such prehearing orders as may be prescribed by the presiding judge. District #10 has requested a consolidated referral of this application with the Prosper application to SOAH for hearing. I will prepare and present the necessary evidence and exhibits at time of trial.



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This brings me to my second point. In her fourth paragraph, Ms. Abrams states that Denton County FWSD No. 10's application overlaps the corporate limits of the City of Prosper. It does not. When the City reported to the TCEQ that all of the area it sought for certification was inside the city corporate limits, it was not providing the agency with an accurate picture of the situation. The City had previously annexed a roadway that forms a loop away from the city proper. The contested area in question generally lies inside this loop. If you will exam the description of District #10's requested service area in the application, you will see that it very carefully approaches but does not enter the annexed roadway. The District's service area boundary was established our engineers from the City's metes and bounds annexation ordinance and we are confident that our distances are correct.

Texas Water Code §49.215 only requires a district to obtain a municipality's consent to serve when the area in question is outside the district and inside the city. District #10's requested service area is completely in unincorporated territory. No consents are required from any governmental entity for District #10 to provide water or sewer service to its requested service area as a matter of law. [Texas Water Code §§13.002(19), 13.242(a) and 49.215(a) and (d)] District #10 does not need a CCN but desires to hold one and be subject to its universal service obligation in order to insure that timely, cost effective continuous and adequate utility services are provided to the area in a responsible manner that are safe for public health and safety and public waters.

District #10 is in the process of providing public notice of this application. My office will soon be filing publication and mailing affidavits with you.

Ms. Abrams' letter also requested copies of a map showing the Binary Investments, Inc. service request area and any other service requests. I am having such a map made and will file it shortly. District #10 is in service ongoing negotiations with other area landowners. If, and as, these negotiations become fruitful, copies of service contracts, service requests, or other useful documents indicating need for service in the requested area will be filed with the Staff.

Sincerely/yours,

Mark H. Zeppa

cc: Bob Petite

Fred Brown

Clay Crawford