



Control Number: 44740



Item Number: 11

Addendum StartPage: 0

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APPLICATION MSEC ENTERPRISES,  
INC. TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
MONTGOMERY COUNTY

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§  
§

PUBLIC UTILITY COMMISSION  
FILING CLERK  
OF TEXAS

**APPLICANT MSEC ENTERPRISES, INC.'S RESPONSE  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MSEC ENTERPRISES, INC.  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

Applicant MSEC Enterprises, Inc., by and through its attorney of record, John M. Fultz, files this Response to Commission Staff's First Request for Information, and provides the attached Answers to Commission Staff's First Request for Information, Question Nos. Staff 1-1 through Staff 1-3, filed August 27, 2015, requiring a response within 20 days or by September 16, 2015, and would show that this Response and the attached Answers are timely filed. The Answers are proffered by Troy Morris, Applicant's Vice-President for Business Relations.

Dated: September 14, 2015

Respectfully submitted,

FULTZ & FULTZ, PLLC

By: 

John M. Fultz

P.O. Box 868

1400 E. Washington Ave.

Navasota, Texas 77868

SBN 07546000

Telephone: 936-825-7833

Facsimile: 936-825-2354

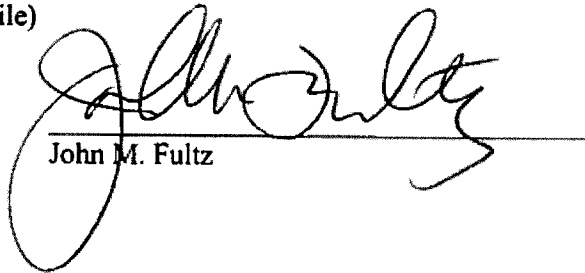
Email: [john@fultzlaw.com](mailto:john@fultzlaw.com)

Attorney for Applicant

CERTIFICATE OF SERVICE

I, John M. Fultz, attorney of record for Applicant MSEC Enterprises, Inc., certify that a copy of this document was served on all parties of record in this proceeding on September 14 2015, in the following manner:

Mr. Jason Haas  
Attorney-Legal Division  
Public Utility Commission of Texas  
Via fax: (512) 936-7268 (facsimile)



John M. Fultz

**DOCKET NO. 44740**

**ANSWERS TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MSEC ENTERPRISES, INC.**

**QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-3**

Staff 1-1 Please provide all information on the costs for constructing, operating, and maintaining the system and the revenue amount that will be generated from the Montgomery Independent School District to pay for the new system, along with projected profit and loss statements, cash flow worksheets, and balance sheets for each of the first five years of operation.

Answer: CONSTRUCTION: Applicant engaged the engineering firm of McClure & Browne (the "Engineer") to design and generate plans and specifications for the construction of the Wastewater Plant that will serve only Montgomery Independent School District ("MISD"). Applicant and MISD have agreed that (1) Applicant will construct the Plant on real property contributed to Applicant by MISD; (2) the Wastewater Plant will include a Reuse Water Plant; (3) MISD will contribute to Applicant 100% of the costs to construct each Plant attributable to the capacity requirements of MISD as agreed upon; and, (4) MISD will be entitled to 100% of the capacity of the Plants attributable to the contribution made to Applicant for the construction of the Plants. The Engineer has prepared an Engineer's Preliminary Opinion as to costs to be incurred in the construction of each plant sufficient to provide the capacity requirements of MISD dated September 1, 2015, a copy of which is attached as Exhibit "A" to these answers. This document is subject to revision. Applicant and MISD are in the process of completing a contract for the construction of the Wastewater Plant and Reuse Plant for the amount that will be agreed upon and as reflected in a final opinion as to costs to be issued by the Engineer and agreed upon by MISD and Applicant. Applicant will supplement as relevant changes in circumstances require.

OPERATION AND MAINTENANCE: Applicant is in the process of reviewing all anticipated costs of operating and maintaining the Wastewater Plant and the Reuse Plant. Applicant and MISD have agreed in principle to enter into a Wastewater Service Agreement with MISD that will provide a monthly contracted amount for which Applicant will operate and maintain the two Plants. Operation and maintenance costs will include cost associated with materials, utilities, repairs, labor, and administration. Applicant will supplement as relevant changes in circumstances require.

REVENUE: Applicant is analyzing the data prepared and being revised by the Engineer to develop the financials requested. Applicant will supplement as the financial information is developed.

Staff 1-2 Please provide approval documentation of the wastewater permit submitted to the Texas Commission on Environmental Quality.

Answer: Applicant filed its Application for Wastewater Permit with the Texas Commission on Environmental Quality ("TCEQ") on or about February 3, 2015. TCEQ issued its preliminary opinion letter on or about July 16, 2015. A copy of the TCEQ Central Records status report as of September 8, 2015, is attached as Exhibit "B". The Application is pending before the TCEQ. Applicant will pursue the Application until completion. Applicant will supplement as relevant changes in circumstances require.

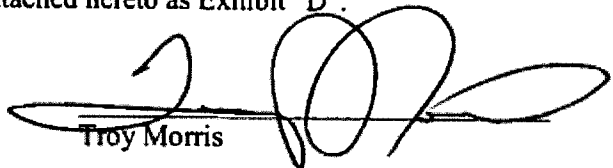
Staff 1-3 Please provide written consent from Lonestar GCD and the SJRA pursuant to Texas Water Code§ 13.244(c) and 16 Tex. Admin Code§ 24.105(a)(4).

Answer: Applicant gave written notice of its Application for Amendment of its Sewer CCN # 20984 to Lone Star Ground Water Conservation District and San Jacinto River Authority on or about August 24, 2015. After receipt of this Commission Staff First Request for Information, Applicant specifically requested the written consent of both Lone Star GCD and San Jacinto River Authority.

Lone Star GCD issued its written response indicating that it had no authority to consent to the Application or issuance of the CCN Amendment. Please see the email response from Samantha Reider with Lone Star GCD dated September 3, 2015, attached as Exhibit "C".

San Jacinto River Authority issued its consent dated September 10, 2015, a true and correct copy of which is attached hereto as Exhibit "D".

Dated: September 11, 2015



Troy Morris

JURAT

The foregoing answers to Commission Staff's First Request for Information to MSEC Enterprises, Inc., Question Nos. Staff 1-1 through Staff 1-3, were:

SWORN TO and SUBSCRIBED BEFORE ME the undersigned authority on this 11 day of September, 2015, by Troy Morris.



Notary Public, State of Texas

EXHIBIT "A"

MSEC ENTERPRISES, INC.

ENGINEER'S PRELIMINARY OPINION

DATED SEPTEMBER 1, 2015

**MSEC ENTERPRISES, INC.**  
**Master Wastewater System Improvements Plan**  
**Engineer's Preliminary Opinion of Probable Project Costs**

MBESI No. 10260008

September 1, 2015

Item	Description	Unit	Quantity	Estimated Unit Price	Total
<b>1.00 - Mobilization</b>					
1.01	Mobilization	LS	1	\$60,000.00	\$60,000
1.02	Clear 5,585 LF of 25' Easement	AC	3.2	\$4,500.00	\$14,424
1.03	Crushed Rock Access Road (15' x 8" thick)	SY	1,400.0	\$30.00	\$42,000
1.04	Stormwater Pollution Prevention Plan	LS	1	\$8,500.00	\$8,500
Subtotal:					\$124,924
<b>2.00 - Gravity Wastewater Improvements</b>					
2.01	8"Ø ASTM D3034, SDR 26 PVC	LF	1,616	\$18.00	\$29,088
2.02	0 - 5' Trench	EA	808	\$4.00	\$3,232
2.03	5' - 8' Trench	EA	404	\$6.00	\$2,424
2.04	8' - 10' Trench	LF	404	\$8.00	\$3,232
2.05	Trench Safety	LF	1,616	\$2.00	\$3,232
2.06	4'Ø Standard Concrete Manhole (0-6' Deep)	EA	5	\$2,800.00	\$14,000
2.07	4'Ø Standard Fiberglass Manhole (0-6' Deep)	EA	1	\$3,000.00	\$3,000
2.08	Additional Depth	VF	6	\$200.00	\$1,200
2.09	Air Scrubbing System for Force Main Discharge	EA	1	\$4,500.00	\$4,500
2.10	Hydroseeding and Fibermulch (20' Wide)	SY	3,591	\$1.00	\$3,591
2.11	Silt Fence (20 LF every 200 feet)	LF	162	\$4.00	\$646
Subtotal:					\$68,146
<b>3.00 - Wastewater Force Main Improvements</b>					
3.01	4"Ø ASTM D2241, SDR 26 PVC	LF	8,213	\$10.00	\$82,130.00
3.02	4"Ø ASTM D2241, SDR 26 Restrained Joint PVC	LF	240	\$10.00	\$2,400.00
3.03	4" Restrained Joint PVC 90 Sweep Bend	EA	4	\$250.00	\$1,000.00
3.04	4" Restrained Joint PVC 45 Sweep Bend	EA	3	\$250.00	\$750.00
3.05	4" Restrained Joint PVC Transition Coupling	EA	10	\$200.00	\$2,000.00
3.06	8" Bore & Steel Encasement	LF	120	\$150.00	\$18,000.00
3.07	Air/Vacuum Release Valve	EA	4	\$2,500.00	\$10,000.00
3.08	Hydroseeding and Fibermulch (40' Wide)	SY	36,502	\$1.00	\$36,502.22
3.09	Silt Fence (20 LF every 200 feet)	LF	821	\$4.00	\$3,285.20
Subtotal:					\$156,067
<b>4.00 - Lift Station Improvements</b>					
4.01	Grading at Site	LS	1	\$2,500.00	\$2,500.00
4.02	Wet Well and Associated Appurtenances	LS	1	\$20,000.00	\$20,000.00
4.03	Yard Piping, Mag Meter and Associated Appurtenance	LS	1	\$10,000.00	\$10,000.00

**Master Wastewater System Improvements Plan**  
**Engineer's Preliminary Opinion of Probable Project Costs**

MBESI No. 10260008

September 1, 2015

4.04	Pumps, Piping, Access Hatch and Associated Appurtenances	LS	1	\$30,000.00	\$30,000.00
4.05	Electrical System and Associated Appurtenances.	LS	1	\$20,000.00	\$20,000.00
4.06	8' Board Fence	LS	1	\$5,000.00	\$5,000.00
4.07	6" Compacted Rock Base	LS	1	\$3,000.00	\$3,000.00
4.08	Hydroseeding and Fibermulch	LS	1	\$2,500.00	\$2,500.00
				Subtotal:	\$93,000
<b>5.00 - Wastewater Treatment Plant</b>					
5.01	Grading at Site	LS	1	\$50,000.00	\$50,000.00
5.02	Concrete Foundation/Tank	LS	1	\$75,000.00	\$75,000.00
5.03	Equipment for 105,000 Gallon SBR WWTP w/filtration equipment.	LS	1	\$605,928.40	\$605,928.40
5.04	Concrete Foundation for Filtration Unit (16' x 10')	LS	1	\$7,500.00	\$7,500.00
5.05	Chloring Contact Chamber	LS	1	\$15,000.00	\$15,000.00
5.06	Chlorine Disinfection System	LS	1	\$60,000.00	\$60,000.00
5.07	Yard Piping and Associated Appurtenances	LS	1	\$30,000.00	\$30,000.00
5.08	Lift Station Wet Well	LS	1	\$25,000.00	\$25,000.00
5.09	Lift Station Pumps, Piping, Access Hatch and Associated Appurtenances	LS	1	\$40,000.00	\$40,000.00
5.10	Lift Station and WWTP Electrical System	LS	1	\$100,000.00	\$100,000.00
5.11	Control Building (16' x 32' block building)	LS	1	\$51,000.00	\$51,000.00
5.12	Electrical System and Associated Appurtenances.	LS	1	\$75,000.00	\$75,000.00
5.08	Hydroseeding and Fibermulch	LS	1	\$15,000.00	\$15,000.00
5.09	8' Manproof Fencing (1,605 LF)	LS	1	\$24,075.00	\$24,075.00
				Subtotal:	\$1,173,503
<b>6.00 - Water Reuse Facility</b>					
6.01	Reuse Pump Basin (10' x 10' x 10')	LS	1	\$12,000.00	\$12,000.00
6.02	Resued Basin Pump, Piping, Access Hatch and Associated Appurtenances	LS	1	\$20,000.00	\$20,000.00
6.03	Yard Piping, Mag Meter and Associated Appurtenance	LS	1	\$7,500.00	\$7,500.00
6.04	Reuse Fiberglass Storage Tanks (30,000 gal.)	EA	3	\$45,000.00	\$135,000.00
6.05	Tank Foundation	EA	3	\$7,500.00	\$22,500.00



**Master Wastewater System Improvements Plan  
Engineer's Preliminary Opinion of Probable Project Costs**

MBESI No. 10260008

September 1, 2015

6.06	2 Boosert Pumps	LS	1	\$20,000.00	\$20,000.00
6.07	Pump Foundation	LS	1	\$3,500.00	\$3,500.00
6.08	500 Gallon Pressure Tank	LS	1	\$5,000.00	\$5,000.00
6.09	Pressure Tank Foundation	LS	1	\$3,000.00	\$3,000.00
6.10	Hydroseeding and Fibermulch	LS	1	\$2,500.00	\$2,500.00
Subtotal:					\$231,000
Construction Subtotal:					\$1,846,640
Contingency (10%):					\$184,664
Estimated Construction Cost:					\$2,031,304
Engineering/surveying (12%):					\$243,757
Easement Cost (20' wide, \$15,000/ac):					\$0
Total Project Cost					\$2,275,061

The above construction estimate is based on the engineer's preliminary opinion of probable construction costs. This estimate constitutes our best judgment at this time. Please note that the engineer does not have any control over contractor or supplier workloads and the degree to which inflation may affect project costs between now and the bid date. During design and construction, additional features may become apparent as the work progresses, which will result in an increase or decrease in cost.

Prepared by: \_\_\_\_\_

J. Dale Browne, Jr., P.E. 09/01/15  
McClure & Browne Engineering/Surveying, Inc.  
Firm Reg. No. F-458

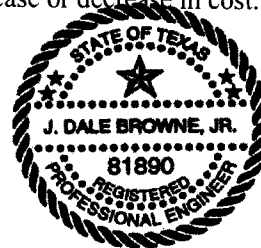


EXHIBIT "B"

MSEC ENTERPRISES, INC.

TCEQ CENTRAL RECORDS STATUS REPORT  
SEPTEMBER 8, 2015

## Central Registry

Detail of: **Wastewater Permit WQ0015341001**

For: **MSEC WWTP 2 (RN107967390)**

LOCATED ON THE SOUTH SIDE OF FM 2854 APPROX 1700 F

Permit Status: **PENDING**

Held by: **MSEC ENTERPRISES INC (CN600729891)**

**OWNER** Since 02/03/2015

Mailing Address: PO BOX 1266 MONTGOMERY, TX 77356-1266

### Commissioners' Actions

Item Number	Item Type	Document Type	Status	TCEQ Docket Number	SOAH Docket Number
96930	NEW	PERMIT	ACTIVE	N/A	N/A

### Item 96930

#### Activity Actions

Action Date	Document Type	Action
08/24/2015	Comment Period	END
08/03/2015	PUBLIC NOTICE VERIFICATION FOR	COMPLETE
08/03/2015	PUBLIC NOTICE VERIFICATION FOR	RECEIVED
07/23/2015	Notice - Preliminary Decision	PUBLISHED
08/03/2015	Newspaper Tearsheet	RECEIVED
08/03/2015	Affidavit - Notice of Prelimin	RECEIVED
07/24/2015	Bilingual Notice	PUBLISHED
08/03/2015	Bilingual Tearsheet	RECEIVED
08/03/2015	Bilingual Affidavit	RECEIVED
07/16/2015	Notice - Preliminary Decision	MAILED
07/09/2015	File	RECEIVED
04/15/2015	Notice - Receipt and Intent	COMPLETE
04/15/2015	Verification Application	RECEIVED
04/15/2015	Bilingual Verification Form	RECEIVED
04/15/2015	Bilingual Affidavit	RECEIVED
04/15/2015	Bilingual Tearsheet	RECEIVED
04/03/2015	Bilingual Notice	PUBLISHED
04/15/2015	Affidavit - Notice of Receipt/	RECEIVED
04/15/2015	Newspaper Tearsheet	RECEIVED
04/04/2015	Notice - Receipt and Intent	PUBLISHED
03/24/2015	Notice - Receipt and Intent	MAILED
03/16/2015	Notice - Receipt and Intent	RECEIVED
03/12/2015	Administrative Review	COMPLETE
02/03/2015	APPLICATION	RECEIVED

### Protestant Information

Request Type	Count
Hearing Request	3
Public Meeting - Request	2

000010

Comment - Written	2
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**Filings**

Date Received	Title
No Filings exist for this Item	

**Public Meeting**

Meeting Type	Meeting Date	Meeting Time	Location	Total Attendance
No Public Meeting exist for this Item.				

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EXHIBIT "C"  
MSEC ENTERPRISES, INC.

LONE STAR GROUND WATER CONSERVATION DISTRICT  
RESPONSE TO REQUEST FOR CONSENT

**From:** Debbie Hancock  
**To:** John Fultz; John M. Fultz  
**Subject:** FW: Sewer CCN 20971 - MSEC Enterprises, Inc.  
**Date:** Thursday, September 03, 2015 4:15:09 PM  
**Attachments:** MSEC Enterprises Sewer CCN.09.01.15.pdf

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John: I received a phone call from Samantha Reiter and requested that she email me the response to have it in writing. deb

**From:** Samantha Reiter [mailto:[sreiter@lonestargcd.org](mailto:sreiter@lonestargcd.org)]  
**Sent:** Thursday, September 03, 2015 3:04 PM  
**To:** [debbie@fultzlaw.com](mailto:debbie@fultzlaw.com)  
**Cc:** Kathy Turner Jones  
**Subject:** Sewer CCN 20971 - MSEC Enterprises, Inc.

Hi Debbie –

Per our conversation this afternoon, the Lone Star Groundwater Conservation District (“LSGCD”) is in receipt of the attached letter dated September 1, 2015 from Fultz & Fultz on behalf of MSEC Enterprises, Inc.

LSGCD is a local regulatory agency in Montgomery County that is charged with preserving, conserving, and protecting the groundwater resources for the county. LSGCD does not handle any activities having to do with sewer systems or sewer CCNs, therefore we cannot give consent on the Application to Amend the Sewer CCN for MSEC Enterprises, Inc., as requested.

Please feel free to contact me should you have any questions.

Thank you,

**Samantha Stried Reiter**  
Permitting Director



LONE STAR GROUNDWATER CONSERVATION  
DISTRICT  
655 Conroe Park North Drive  
Conroe, Texas 77303  
Phone 936.494.3436  
Fax 936.494.3438  
[www.lonestargcd.org](http://www.lonestargcd.org)

EXHIBIT "D"

MSEC ENTERPRISES, INC.

SAN JACINTO RIVER AUTHORITY CONSENT TO ISSUANCE OF CCN



## San Jacinto River Authority

ADMINISTRATIVE OFFICE  
P.O. Box 329 • Conroe, Texas 77305  
(T) 936.588.3111 • (F) 936.588.3043

September 10, 2015

MSEC ENTERPRISES, INC.  
P.O. Box 970  
Navasota, Texas 77868

RE: Consent to Amendment of Sewer CCN 20984 in favor of MSEC Enterprises, Inc.

Dear Sirs:

Pursuant to Rule 105(a)(4), please be advised that the Authority consents to the amendment of Sewer CCN 20984 in accordance with the terms of the Application to Amend CCN filed in PUC Docket 44740.

Sincerely,

San Jacinto River Authority

By: 

Name: Jace A. Houston

Title: General Manager

LAKE CONROE DIVISION  
P.O. Box 329  
Conroe, Texas 77305  
(T) 936.588.1111  
(F) 936.588.1114

GRP DIVISION  
P.O. Box 329  
Conroe, Texas 77305  
(T) 936.588.1662  
(F) 936.588.7182

WOODLANDS DIVISION  
P.O. Box 7537  
The Woodlands, Texas 77387  
(T) 281.367.9511  
(F) 281.362.4385

HIGHLANDS DIVISION  
P.O. Box 861  
Highlands, Texas 77562  
(T) 281.843.3300  
(F) 281.426.2877