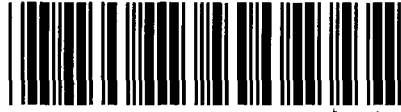




Control Number: 46423



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Ms. Crump's Direct Line: (512) 322-5832  
Email: gcrump@lglawfirm.com

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June 6, 2017

Mr. Jason Haas  
Legal Division  
Public Utility Commission  
ATTN: CENTRAL RECORDS  
1701 N. Congress Ave., Room 8-100  
Austin, TX 78711-3326

Re: PUC Docket No. 46423; *Application of MSEC Enterprises, Inc. to Amend  
Water CCN No. 12887 in Montgomery County, Texas*

Dear Jason:

Enclosed please find a letter from Mr. Jeffrey Robertson, P.E., addressing the non-applicability of 30 Tex. Admin. Code § 290.39(1)(j)(D), as requested by Public Utility Commission Staff in our last telephone conversation.

MSEC appreciates your consideration of this information. Please let us know if we can provide you with anything further.

Sincerely,

Georgia N. Crump  
on behalf of MSEC Enterprises, Inc.

GNC/jmc  
3849\00\7379140.1

Enclosure

cc: Troy Morris  
Kerry Kelton



May 25, 2017

Mr. Troy Morris  
Sr. Vice President of Water and Wastewater  
MSEC Enterprises  
P.O. Box 970  
Navasota, Texas 77868

Re.: MSEC Water CCN Expansion PUC Comment Response  
MBESI No. 10260008

Déar Troy:

Per your request, McClure & Browne has looked into the comments provided by the Public Utility Commission in regards to the CCN Expansion Application 46423.

PUC Staff has asked us to provide information of how the proposed CCN expansion will comply with 30 TAC §290.39(1)(j)(D). TCEQ has used the TAC §290.39(1)(j)(D) rule in the past as one criteria to determine when the executive director needed to be notified of changes to the system. This requirement has not been used in the past to determine a system's ability to expand the CCN boundary. The rule states:

- (j) Changes in existing systems or supplies. Public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance, or distribution facilities. Significant changes in existing systems or supplies shall not be instituted without the prior approval of the executive director.
- (1) Public water systems shall submit plans and specifications to the executive director for the following significant changes:
  - (D) proposed changes in existing distribution systems when the change is greater than 10% of the number of connections, results in the water system's inability to comply with any of the applicable capacity requirements of §290.45 of this title, or involves interconnection with another public water system;

Additionally, when a development occurs in multiple phases, the plans and specifications for distribution system extensions are are not necessarily reviewed by TCEQ. Submittal to TCEQ is only required when the project exceeds the limits outlined in 30 TAC §290.39(1)(j)(D). Each phase is considered an independent project and is reviewed as such.

I do not believe this rule applies in this case because the application in question is for a CCN boundary expansion, not a system or distribution network expansion as clearly stated in the text of the rule. Because the actual number of connections in the development will not be know until the layout of the new development is complete, and the new water system locations, sizes, connections, etc., are determined, the application of 30 TAC §290.39(1)(j)(D) cannot be known.

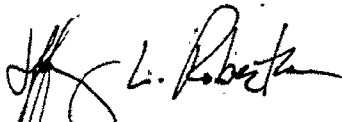
Troy Morris  
May 25, 2017  
Page 2

After the details of the layout are complete, we will then have to make determination whether the executive director needs to be notified of the proposed system change or if the change is small enough to not warrant notification. This determination comes much later than the CCN expansion.

Additionally, our previous letter to you demonstrated the Montgomery Trace Water Systems current capacities in regards to the requirements of PUC's Substantive Rule Section 24.93 and TAC §290.45. The system has adequate capacity to serve more than double the current number of connections. This capacity can easily accommodate the proposed 216 acre expansion. Additionally more well capacity, elevated storage, pumping and emergency power capacity are currently under construction and planned with the system's five year master plan.

If you have any questions or need any additional information regarding this matter, please do not hesitate to contact me.

Sincerely,

  
Jeffery L. Robertson, P.E.

