



Control Number: 47093



Item Number: 9

Addendum StartPage: 0



BLEYL ENGINEERING

PLANNING • DESIGN • MANAGEMENT

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Bryan, Texas 77802
Tex. Reg. No. F-678
www.bleylengineering.com

July 12, 2017

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
Austin, Texas 78711-3326

Reference: Docket No. 47093
Water CCN Application for
Petra Firma Development Group, Inc.
Bleyl Engineering Project No. 11806

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FILING CLERK

To whom it may concern:

On behalf of our client, Petra Firma Development Group, Inc. ("Petra Firma"), we are submitting a response to the PUC's comments on our Certificate of Convenience and Necessity ("CCN") application (Docket No. 47093).

On April 24, 2017, we filed an application package for a new water CCN to the PUC. Comments on that application were made on May 24, 2017 by PUC Staff. Petra Firma was given until June 23, 2017 to cure deficiencies listed in the comments. An extension of the deadline was granted for July 17, 2017 to provide responses:

The development will be constructed in phases, with Phase 1 being the first three sections of the residential development. Phase 1 consists of two (2) water wells, a water plant and water lines. Also included are engineering and water exploration necessary for development. It is expected to have a total of 56 water taps for Phase 1 by Year 2021.

Phase 2+, which has no expected timeline, yet, will consist of possible additional wells and expansion of the water plant to supply and treat water for remaining sections of the development. Also, additional engineering and water exploration will be required. It is expected to have approximately 175 total water taps when fully developed.

This submittal serves to cure the deficiencies in the initial application noted by PUC Staff. In doing so, we offer the following responses to the items listed in the PUC Interoffice Memorandum dated May 22, 2017:

A. Mapping and Notice Content

1. A detailed map identifying additional roadways and landmarks per phone conversation with Tracy Montes is provided as Exhibit A.
2. The entities required to be notified include:
 - a. Upper Colorado River Authority (Watermaster);
 - b. Lipan-Kickapoo Water Conservation District;

Conroe
(936) 441-7833

Bryan
(979) 268-1125

Austin
(512) 328-7878

San Angelo
(325) 262-4082

La Porte
(281) 470-0955

Houston
(936) 271-9600

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- c. Concho Rural Water Corporation (PWS within 2 miles); and
- d. David Jensen (only landowner within the CCN area).

B. Application Content

- 1. The submittal letter for Plan approval by the TCEQ is attached as Exhibit B. The TCEQ Log Number for the Plans is P-05162017-093, and the TCEQ-assigned reviewer is John Locke. Once approval of the Plans is given, it will be forwarded to the PUC.

C. Financial Information

1. Funding

- a. Phase 1 will be funded through two sources:

- i. Land Sale Revenue

Lots from three separate subdivisions (one is The Haciendas) will be sold. Revenue from those subdivisions is expected to total almost \$2 million the first year and \$800,000 in Year 2021. A more detailed outline of the projected lot sales is provided as "Land Sale Revenue" in Exhibit C.

- ii. Water Revenue

Billings for water service are expected to grow with the development. Water bills are expected to average \$67.50 per month. 110 bills in Year 2017 yields \$7,425, whereas 594 bills in Year 2021 yields \$40,095. A more detailed outline of the expected water bills is provided as "Water Revenue" in Exhibit C.

- b. Phase 2 and additional phases will be funded through water revenue, available cash on hand, and additional lot sales.

- 2. Construction of Phase 1 will begin upon approval of the Plans submitted to the TCEQ, expected to be July 15, 2017. Phase 2+ construction will be subject to market conditions and sales of Phase 1 lots.

If you have any questions or need additional information please contact me by phone or e-mail at twolff@bleylengineering.com.

Sincerely,

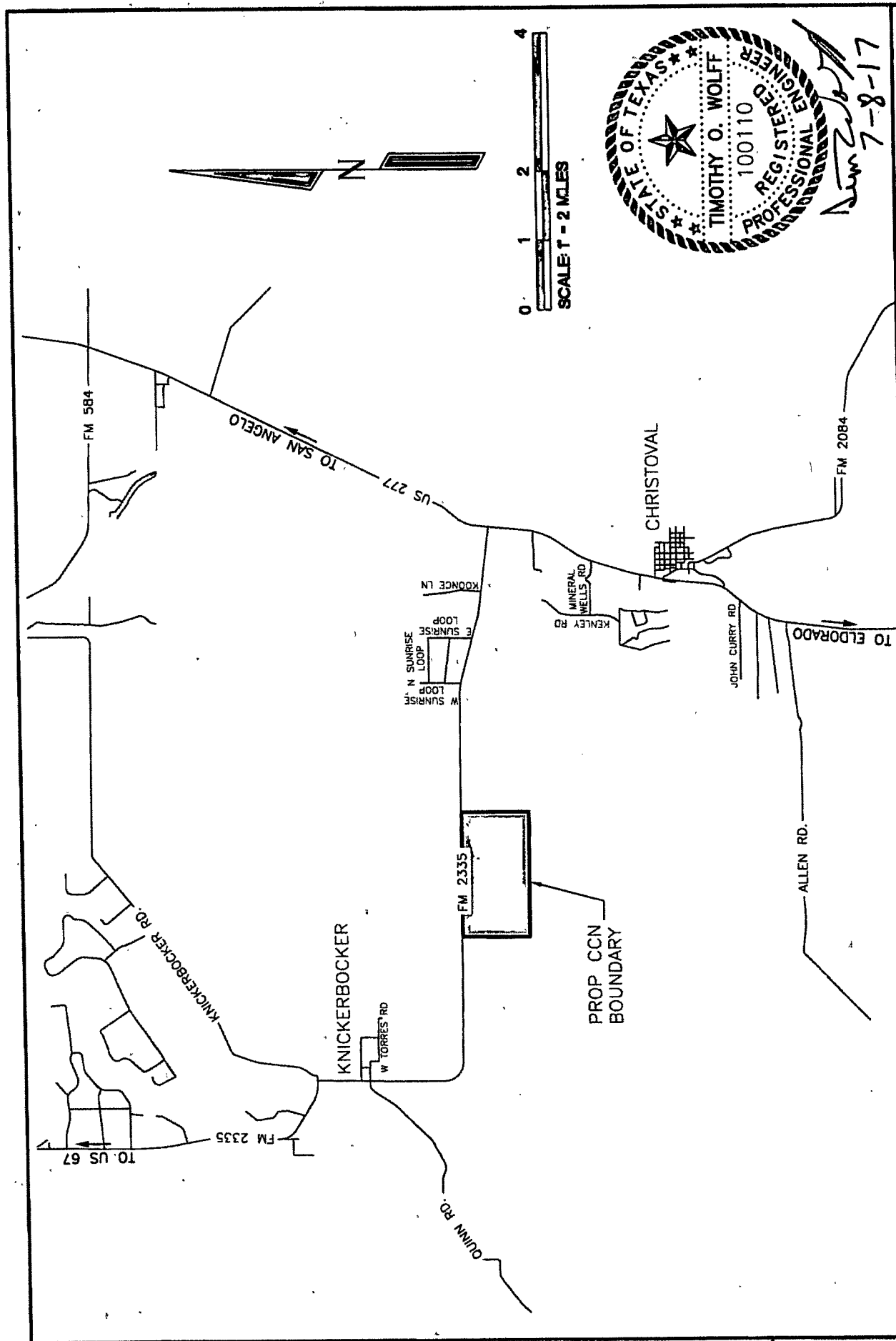


Tim Wolff, P.E.

cc: Petra Firma Development Group, Inc..

Mr. David Jensen, President





BLEYL ENGINEERING PROJECT • DESIGN • MANAGEMENT www.bleylengineering.com 1722 BROADMOOR DR. SUITE 210 BRYAN, TX 77802 (979) 268-1125 T&E FIRM REG. No. 678		JOB NO. 11806
CCN GENERAL LOCATION MAP		
1145 ACRES - FM 2335		
SCALE: AS SHOWN DATE: DRAWN BY: TOW CHECKED BY: TOW	PREPARED FOR: PETRA FIRMA DEV. CORP. P.O. BOX 1669 SAN ANGELO, TX 76902	

EXHIBIT B

TCEQ PLANS SUBMITTAL



Document for THE HACIENDAS AT CHRISTOVAL RANCH

Document Type

Name: WATER SYSTEM PLAN REVIEW

Description: WATER SYSTEM PLAN REVIEW

Document Status: Plans Picked up for Review

Values

LOG-NUM	P-05162017-093
DESCRIPTION	PROPOSED GWTP AND WELL
REFERENCE LOG NUMBERS	
REVIEW PLANS TYPE CODE	8B
PE COVER LETTER	05/05/2017
CODE	THE HACIENDAS AT CHRISTOVAL RANCH
TCDP/O R C.A. NUMBER	0
PLAN REVIEWER ASSIGNED DATE	05/23/2017
STATUS (APPROVED/DISAPPROVED)	
LETTERHEAD DATE	
PTT CODE	
REQUEST PWS ID DATE	
ASSIGNED PWS DATE	
48 HOUR NOTICE DATE	
CEMENTING DATE	
WELL DRILLER NAME	
WELL DRILLER PHONE NUMBER	
OWNERS DESIGNATION	
QTY OF PROPOSED TANKS/PUMPS	0
CONSTRUCTION FINISHED	
CONSTRUCTION STARTED	
WASTEWATER REVIEW NEEDED	
UNUSED FIELD	
POTENTIAL HUMAN HEALTH IMPACT	
FUTURE FIELD - CURRENTLY UNUSED	

Document

ID: 378925

Received Date: 05/16/2017

Final Action Date:

Document Creation Date: 05/16/2017

Document Affiliation

Type:

Individual:

Organization:

No occurrences retrieved

For all filter and queries to perform effectively best to view with IE

TCEQ PUBLIC WATER SYSTEM PLAN REVIEW SUBMITTAL FORM

(Complete, Seal and Attach to Submittal Package)

WATER SYSTEM INFORMATION

Date:	03/22/2017	
TCEQ PWS Identification No.: (Facilities will be assigned this PWS No.)		
Water System Name:	THE HACIENDAS AT CHRISTOVAL RANCH WATER SUPPLY	

OWNER INFORMATION

Water System Owner:		PETRA FIRMA DEVELOPMENT GROUP, INC.	
Address:	P.O. BOX 1669	(AC) Phone:	325.234.8544
Responsible Official:	MR. DAVID JENSEN	Title:	MANAGER
County (System Location):	TOM GREEN	Mechanism & Source of Financing: (i.e. loans, rates, self-financed, etc.)	EXISTING BUSINESS OPERATIONS, SELF FINANCED
Subdivision Sec., Phase, Unit, Etc.	PHASE I		

ENGINEER INFORMATION

Engineer Name:	C. JASON CLINTON, P.E.	Registration No.:	99195
Firm Name:	SKG ENGINEERING, LLC	Firm No.:	F-7608
(AC) Phone:	325.655.1288	(AC) Fax:	
Firm Address:	706 SOUTH ABE STREET, SAN ANGELO, TEXAS 76903		

SUBMITTAL INFORMATION

Is this submittal for a new public water system?	YES: <input checked="" type="checkbox"/>	NO: <input type="checkbox"/>	
If no, proceed to the <i>Project Information</i> section on Page 2. If no PWS number exists, the owner must submit a core data form and business plan, if required, in accordance with §290.39(f) and (g).			

NEW (PROPOSED) WATER SYSTEMS

(Only complete this section if this submittal is for a NEW water system)

For new (proposed) system submittals, please provide 2 copies of the submittal and attach the following:

<input checked="" type="checkbox"/>	A list of all water utilities within 1/2 mile of the proposed service area boundaries (reference 30 TAC 290.39(c)(1))	NONE
<input type="checkbox"/>	Copies of written responses from each of the entities listed above (reference 30 TAC 290.39(c)(1))	
<input type="checkbox"/>	Copies of formal applications for service from each of the following (reference 30 TAC 290.39(c)(1)):	
<input checked="" type="checkbox"/>	Any municipality if the system is within its ETJ	
<input type="checkbox"/>	Any district or other political subdivision whose corporate boundaries are within 1/2 mile of the proposed service area boundaries	
<input type="checkbox"/>	Any other water service provider whose certificated service area boundary is within 1/2 mile of the proposed service area boundaries	
<input type="checkbox"/>	Documentation that all application requirements, including fee payments, are current.	
<input checked="" type="checkbox"/>	<p>Business plan: Please complete the financial ability form, provide a cost summary for the proposed project, and submit a business plan (reference 30 TAC 290.39 (f)). The business plan must confirm capital available to construct the system according to TCEQ requirements. Acceptable financial information can include some of the following:</p> <p style="margin-left: 20px;">Financial statements (preferably audited), CPA compilation report, tax returns, statements of net worth, bank statements.</p> <p style="margin-left: 20px;">If the project is being funded with loan proceeds, provide a loan commitment letter from the lender specific to this project.</p> <p>If the plan submittal is for a community system, also provide a copy of the Certificate of Convenience and Necessity (CCN) application submitted to the Public Utility Commission of Texas (PUC), and complete items referenced in 30 TAC 290.39 (f) (1 - 13).</p>	

TCEQ PUBLIC WATER SYSTEM PLAN REVIEW SUBMITTAL FORM

(Complete, Seal and Attach to Submittal Package)

<input type="checkbox"/>	Justification for constructing a separate system (if one of the entities listed above is willing to provide service)
<input checked="" type="checkbox"/>	TCEQ Core Data Form (No. 10400)
<input type="checkbox"/>	Emergency Preparedness Plan (No. 20536) if serving water in Harris or Fort Bend Counties and have overnight accommodations

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

Certificates of Convenience and Necessity (CCN) applications are processed by the Public Utility Commission of Texas (PUC) and are required for privately owned systems and water supply corporations. If a CCN is required and a CCN does not exist, the applicant must obtain a CCN number or have the application accepted for filing at the PUC before a PWS project submittal can be technically reviewed. In addition, if a submittal is for a project located outside the CCN area, a CCN amendment application must be submitted before a project may be reviewed for construction approval. Please refer to PUC for additional information at: <http://www.puc.texas.gov/industry/water/guidance/UtilRulesGuidance.aspx>.

Will the proposed PWS be owned by either an investor owned utility (IOU) or water supply corporation (WSC)? If yes, please indicate which type of entity WSC.

YES: ☒ NO: ☐

Has a CCN application been submitted to the PUC? If yes, please provide the date of acceptance PUC is requiring TCEQ submittal first

YES: ☐ NO: ☒

List the name, license number and class of the operator for the proposed system:

Tess Heidelberg-Garza - WO0015071 - Class D

PROJECT INFORMATION

If a system does NOT have a PWS number, the sections above must be filled out

All engineering documents must be sealed, signed, and dated by a Texas registered professional engineer. An engineering report that includes the number of connections to be served must accompany each project. Please check each box that is applicable.

If this submittal is a revision of previously submitted plans, please provide the assigned TCEQ log number:

New Projects/Facilities	Modifications to Existing Facilities
<input checked="" type="checkbox"/> Water well construction – Proposed	<input type="checkbox"/> Surface water treatment plant modifications
<input type="checkbox"/> Well completion data for approved well	<input type="checkbox"/> Storage capacity modifications
<input checked="" type="checkbox"/> Ground water treatment plant – New	<input type="checkbox"/> Distribution system modifications
<input type="checkbox"/> Surface water treatment plant – New	<input type="checkbox"/> Pressure maintenance facilities modifications
<input type="checkbox"/> Proposed Innovative/Alternative Treatment	<input type="checkbox"/> Disinfection facilities or other modifications
<input type="checkbox"/> Request for rule exception	<input checked="" type="checkbox"/>
<input type="checkbox"/> Preliminary engineering report without plans	
<input type="checkbox"/> Texas Water Development Board Project No.:	
<input type="checkbox"/> As-Built Plans & Engineering Report	
<input type="checkbox"/> Other (please describe):	

SIGNATURE AND CERTIFICATION

The following certification indicates I have the authority to make submittals on behalf of the PWS referenced on Page 1. I hereby certify that the above information is, to the best of my knowledge, true and correct:

Engineer's Signature:

Engineer's Printed Name:

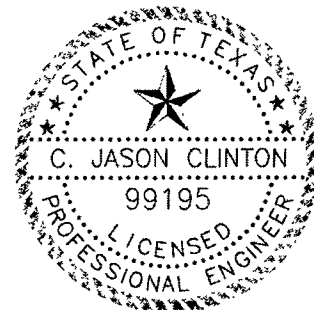
C. JASON CLINTON, P.E.

Date:

03/22/2017

Please call (512) 239-4691 if you have questions regarding this form. Your cooperation will help us provide better service. Additional helpful information and rules are available at the Public Water System Plan Review website.

Signature/P.E. Seal Required below:



3.22.2017
F-7608

SKG ENGINEERING, LLC

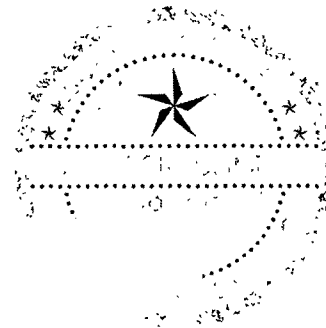
Proposed Public Water Supply Engineer & Technical Report

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The Haciendas at Christoval Ranch

W FM 2335

Tom Green County, Texas



03.22.2017

SKG Engineering, LLC – F-7608

PREPARED FOR:
Mr. David Jensen
Petra Firma Development Group, Inc.
PO Box 1669
San Angelo, Texas 76902

SKG
ENGINEERING, LLC
FIRM REGISTRATION NUMBER 7608
SURVEYING • ENVIRONMENTAL • LAB/CMT

706 SOUTH ABE STREET
SAN ANGELO TEXAS 76903

PHONE 325.655.1288
FAX 325.657.8189

March 22, 2017

17-E-0002

Mr. David Jensen
Petra Firma Development Group, Inc.
PO Box 1669
San Angelo, Texas 76902

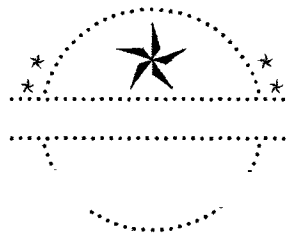
Subject: Proposed Public Water Supply, The Haciendas at Christoval Ranch,
W FM 2335, Tom Green County, Texas

Dear Mr. Jensen,

In accordance with your authorization, SKG Engineering has completed its Engineering Design Report and Technical Specifications at the referenced site. The work was done in accordance with the proposal dated the 28th day of June, 2016. The data and results are included in the attached report.

If you have any questions or comments, or if we can be of any more service to you, please do not hesitate to contact us at (325) 655-1288.

Sincerely,
SKG Engineering, LLC



Ethan George, AEP

Jason Clinton, P.E.

03.22.2017

SKG Engineering, LLC | F - 7608

Attachments – Engineering Design Report and Technical Specifications

CC: File
TCEQ – Austin Office

EXHIBIT C

REVISED FINANCIAL SPREADSHEETS

PETRA FIRMA DEVELOPMENT GROUP, INC.
CCN Application - Proposed Rate Schedule (Tariff)

Proposed Water Rate		
Base Service Fee	\$ 30.00	per tap
0-5,000 gallons	\$ 2.50	per thousand gallons
>5,000 gallons	\$ 5.00	per thousand gallons

Estimated Bill for 10,000 Gallons		Thousand Gallons	Cost
Base Service Fee	\$ 30.00		\$ 30.00
0-5,000 gallons	\$ 2.50	5	\$ 12.50
>5000 gallons	\$ 5.00	5	\$ 25.00
		Monthly Bill:	\$ 67.50

PETRA FIRMA DEVELOPMENT GROUP, INC.
CCN Application - Expected Expenses and Revenue

Construction Expenses		
Item	Initial Cost	Phase 1 Cost (3 Sections)
Water Plant	\$ 55,000.00	\$ 165,000.00
Water Lines	\$ 160,000.00	\$ 160,000.00
Water Wells	\$ 19,000.00	\$ 57,000.00
Engineering	\$ 15,000.00	\$ 45,000.00
Water Exploration	\$ 8,000.00	\$ 24,000.00
Totals:	\$ 257,000.00	\$ 451,000.00

Tap Cost	Initial	Phase 1
Number of Taps	0	56
Cost per Tap	-	\$ 4,589.29

Water Revenue	Avg Bill: \$ 67.50	
Year	No. of Bills	Annual Revenue
2017	110	\$ 7,425.00
2018	304	\$ 20,520.00
2019	594	\$ 40,095.00
2020	594	\$ 40,095.00
2021	594	\$ 40,095.00

Land Sale Revenue	Subdivision			
Year	Buffalo Hts.	PaulAnn	Haciendas	Totals
2017	\$ 700,000	\$ 150,000	\$ 1,048,000	\$ 1,898,000
2018	\$ 600,000	\$ 70,000	\$ 1,133,000	\$ 1,803,000
2019	\$ 400,000	\$ 35,000	\$ 1,487,000	\$ 1,922,000
2020	\$ 400,000	\$ -	\$ 400,000	\$ 800,000
2021	\$ 400,000	\$ -	\$ 400,000	\$ 800,000

Total Revenue			
Year	Water Bills	Land Sales	Totals
2017	\$ 7,425	\$ 1,898,000	\$ 1,905,425
2018	\$ 20,520	\$ 1,803,000	\$ 1,823,520
2019	\$ 40,095	\$ 1,922,000	\$ 1,962,095
2020	\$ 40,095	\$ 800,000	\$ 840,095
2021	\$ 40,095	\$ 800,000	\$ 840,095