



Control Number: 48033



Item Number: 19

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DOCKET NO. 48033

APPLICATION OF CRYSTAL
SPRINGS WATER CO., INC. TO
AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
MONTGOMERY COUNTY

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PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

CRYSTAL SPRINGS WATER CO., INC'S OBJECTIONS
AND RESPONSES TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION

Applicant, Crystal Springs Water Co., Inc. submits the following Responses to Commission Staff's Second Request for Information.

Objections and Responses to Commission Staff's Second Request for Information

Staff 2-1 Reference the document titled "Crystal Springs Long Term Liabilities" (page 161) included in Attachment M of the application. Please provide the yearly payment amount for each loan listed.

Response: Please see attached revised "Crystal Springs 2017 Long Term Liabilities".

Staff 2-2 Reference the Projected Income and Expense Statement for Fiscal Year 1 (page 149) and Fiscal Year 2 (page 150) included in Attachment M of the application. Admit or deny that Crystal Springs has funds available to cover the losses projected for these two years. If admit, provide documents confirming the availability of the funds. If deny, provide an irrevocable stand-by letter of credit as described by 16 Texas Administrative Code § 24.11(d) to demonstrate Crystal Springs' financial integrity.

Response: Crystal Springs has the available funds to cover the losses projected for the income and expenses projected for the Monterrey Oaks Subdivision Water System. Crystal Springs has a revolving \$1.2 million dollar line of credit with Prosperity Bank.

Staff 2-3 Reference Crystal Spring's response to Staff Request for Information No. 1-1 stating the cost estimates for the construction of the water plant and distribution system and providing a revised estimate of the costs for Year 1 and the response to 1-2 stating that the Company intends to use existing water revenues to fund the new water plant. In addition, reference the Profit and Loss Statement for January through December 2017 (pages 156-158) included in Attachment M of the application. Provide a written explanation for how Crystal Springs plans to cover the difference between the net income of \$176,253.58 reflected in the Profit and Loss Statement and the approximately \$740,000 needed to construct the system and

provide any loan approval documents or firm capital commitments confirming the funds needed to cover these costs are available.

Response: Crystal Springs Water Company will use the funds from its line of credit with Prosperity Bank and its cash reserve savings account at BBVA Compass to construct the water and sewer plant.

- Crystal Springs has estimated \$400,000 for the construction of the water well.
- Crystal Springs will spend approximately \$120,000 for the distribution system.
- It will cost \$520,000 for the well and distribution system. The expansion of the distribution system will be determined on the growth of the development.

Staff 2-4 Reference the Profit and Loss Statement for January through December 2017 (pages 156-158) included in Attachment M of the application.

- a. Indicate where depreciation expense is reflected in the statement.
- b. Provide a written explanation of the \$105,000 expense described as "Loan" on the first page of the statement (page 156). If this amount is for principal payments on a loan, explain why principal payments were included as an expense on the profit and loss statement.

Response: The depreciation expense is not reflected in the annual profit and loss statement: the depreciation expense is determined by Crystal Springs' accountant after the closing of the books for year end.

"Loan" Expense \$105,000 was paid off; this itemized expense was placed in the category.

Respectfully submitted.

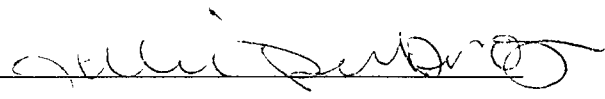
Crystal Springs Water Co., Inc.
P.O. Box 603
Porter, Texas 77365
Telephone: (281) 354-5141
Fax (281) 354-6627

By: Julie Dubros
Julie Dubros
Crystal Springs Water Co., Inc.

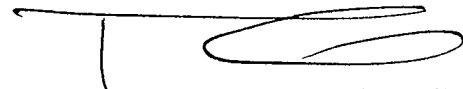
VERIFICATION

STATE OF TEXAS §
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COUNTY OF MONTGOMERY §

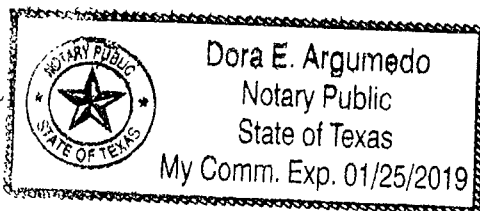
I hereby verify that the foregoing Objections and Responses to Commission Staff's Second Request for Information Nos. Staff 2-1 and Staff 2-4 are true and correct.

By: 
Julie Dubros
Crystal Springs Water Co., Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 5 day of July, 2018.


Notary Public, State of Texas

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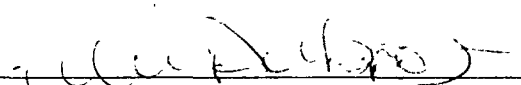


Dora E. Argumedo
Printed Name

My Commission Expires: 01-25-2019

CERTIFICATE OF SERVICE

I hereby certify that on July 5, 2018, the foregoing document and attachments were filed with all parties of record in this proceeding via delivery of hard copies to Central Records at the PUC.



Julie Dubros.

CRYSTAL SPRINGS WATER 2017 LONG TERM LIABILITIES

12/31/2017

Revised

QB Account Number	Payment to	Loan Balance	Total Annual Payments	Total Interest Paid	Monthly Loan Payments	Interest Rate
12538	Kubota	\$61,271.54	\$22,976.88	0	\$1,914.74	0%
12592	Prosperity Bank PP Sewer	\$723,149.18	\$723,149.18	\$13,149.18	\$8,000.00	
12591	Prosperity Bank PP Water	\$237,304.18	\$12,695.82	\$7,304.18	\$2,500.00	5.25%
12588	Prosperity Bank Line of Credit	\$1,200,000.00		\$30,915.88		5%
12587	Prosperity Bank (sewer plant)	\$610,957.02	\$54,274.83	\$32,815.07	\$7,500.00	5.50%
12578	Toyota Financial Services	\$10,866.09	\$9,131.00	\$317.80	\$787.40	1.90%
12557	John Deere Financial	\$1,721.25	\$19,897.50	\$755.58	\$1,721.21	5.99%
12579	Chase Auto Finance	\$16,649.36	\$9,631.49	\$643.27	\$856.23	2.89%
12589	Spirit of TX Bank	\$364,695.53	\$41,573.80	\$16,381.10	\$5,795.49	5.34%
TOTALS		\$3,226,614.15	\$893,330.50	\$102,282.06	\$29,075.07	