



Control Number: 48405



Item Number: 10

Addendum StartPage: 0



consulting environmental engineers, inc.

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July 30, 2018

Public Utilities Commission
Central Records
1701 N Congress P.O. Box 13326
Austin, TX 78711-3326

RE: Crest Water Company Docket # 48405
Attn: Ms. Patricia Garcia

Dear Ms. Garcia:

In response to the PUC Interoffice Memorandum dated 06/28/18 and the recent Order No. 2 dated 07/13/2018 we respectfully submit the following:

- 1) A revised General Location Map
- 2) A revised Large Scale (Detailed) Map
- 3) Response to PUC Memorandum

We have included 10 copies of each per Central Records request.

I believe that is all that is required at this time,

Sincerely,

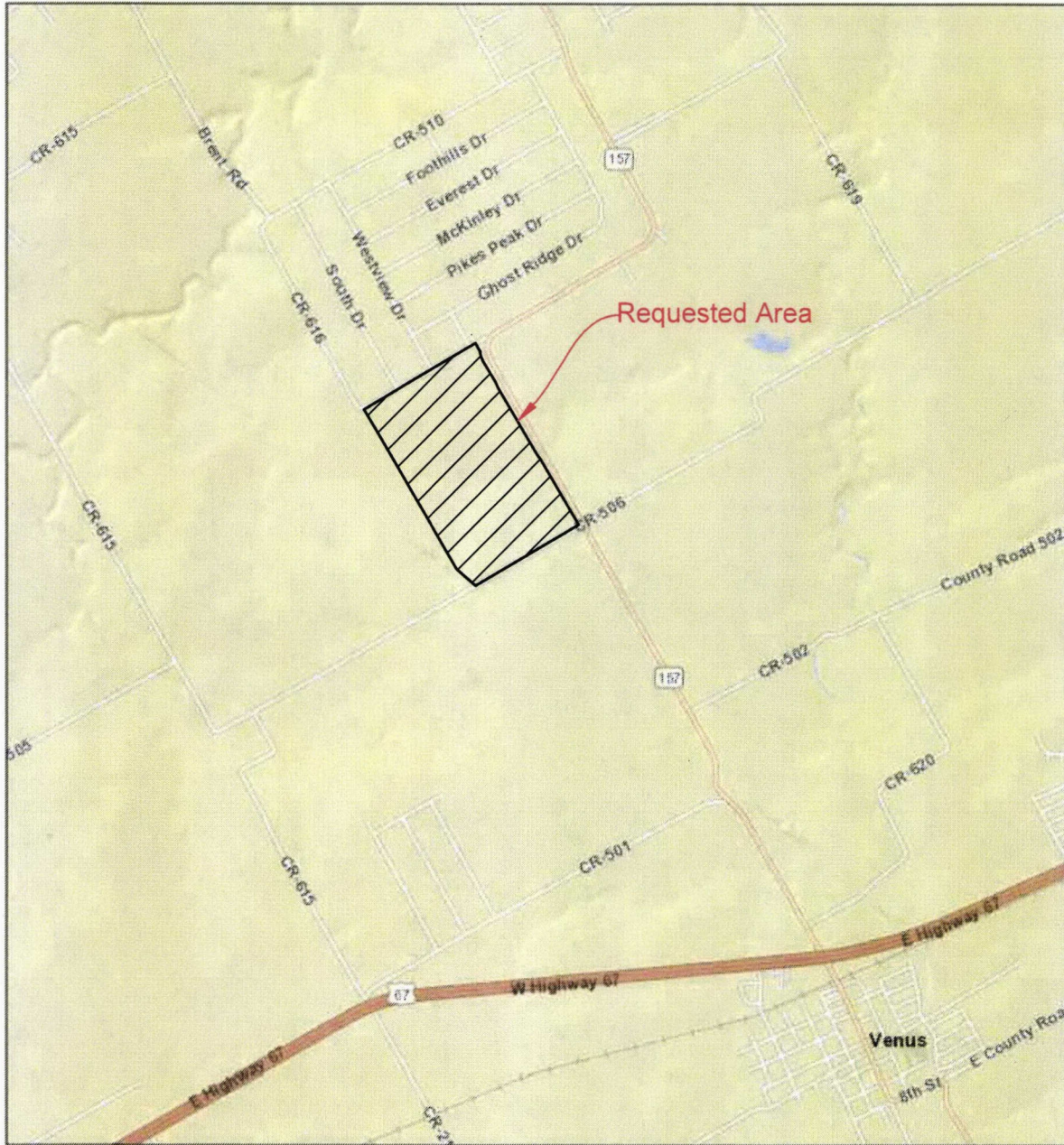
Charles P. Gillespie III

Charles P. Gillespie III
President

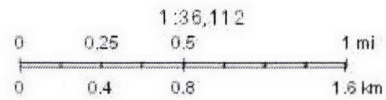
CPG/cg

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FILING CLERK

Crest Water Company to AMEND Water CCN No. 12037 in Johnson County



June 7, 2018




Requested Areas to be Added

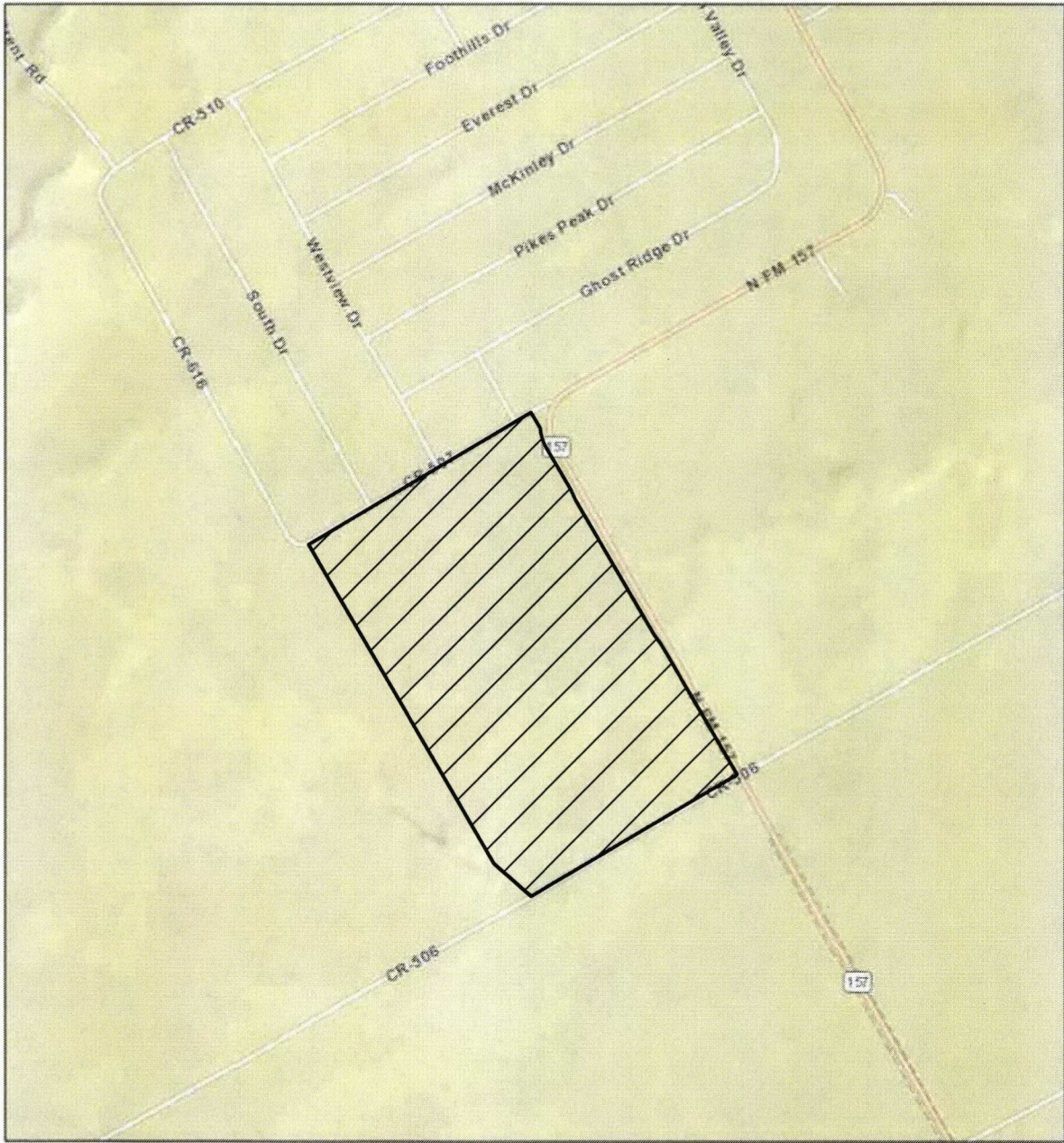


CCN No. 12037 - Crest Water Company

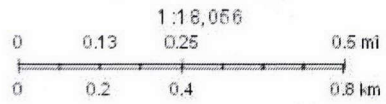
Esri, HERE, Garmin, INCREMENT P, NOAA, USGS

Date July 26, 2018	 consulting environmental engineers, inc. <small>550 N. Harbin Drive - Suite 408 • DeShaunville, TX 76401 (254) 846-8330 Fax: (254) 948-8154 email: ceedec@ceeinc.org registered firm: 07-2823</small>	Crest CCN Amendment Johnson County, Texas	
Drawn By WB	General Location Map		
Scale 1"=3000'			

Crest Water Company to AMEND Water CCN No. 12037 in Johnson County



June 7, 2018



Requested Areas to be Added

CCN No. 12037 - Crest Water Company

Esri, HERE, Garmin, INCREMENT P, NOAA, USGS

Date July 26, 2018	consulting environmental engineers, inc. <small>130 n. harbor drive - suite 408 • daphenville, tx 76401 (254) 966-8130 fax: (254) 968-8134 email: ceedee@ceeeinc.org registered firm: FF-2323</small>	Crest CCN Amendment Johnson County, Texas
Drawn By WB	Detailed Map	
Scale 1"=1500'		



consulting environmental engineers, inc.

150 n. harbin drive – suite 408 • stephenville, tx 76401

phone: (254) 968-8130 fax: (254) 968-8134

email: ceeinc@ceeinc.org registered firm: #F-2323

July 27, 2018

Patricia Garcia, Engineering Specialist
Public Utility Commission
1701 Congress Ave., Suite 8-100
Austin, TX 78701

RE: Docket No. 48405 for Crest Water Company Application to Amend a Water Certificate of Convenience and Necessity to help service Carnegie Developments located northwest of Venus, Texas.

Dear Ms. Garcia:

In response to PUC Interoffice Memorandum dated June 26, 2018 we respectfully submit the following information.

Mapping Information

- 1) A general location map is attached as requested
- 2) A detailed map is attached as requested

Technical Information

This response is being provided to address the Staff's request for plans and specifications for the above-referenced application. According to Texas Administrative Code Section 24.105 (14) (A), plans and specifications are only required if the proposed change in the existing capacity is required by TCEQ rules. Title 30 Texas Administrative Code Section 290.39 (j) (1) (D) describes what is considered a significant change. The proposed changes to the Crest Water CCN (No. 12037) are not considered significant since the immediate change is less than 10% of the existing distribution capacity and the associated number of connections thus making the TCEQ approval inapplicable.

Michael Matthews of Carnegie Development is requesting water service from Crest Water to supply a newly proposed 195-acre development that will consist of 128 1-acre tracts of land. Crest Water's CCN (No. 12037) is located immediately north of the newly proposed development with both being just 2 miles northwest of downtown Venus, Texas.

The PWS of Mansfield South (#TX1260066) features two wells that have a capacity of 31 gallons per minute (GPM) and 21 GPM for a total of 52 GPM. These two pumps together can handle 87 connections and are currently only servicing 76 connections. Currently the ground storage tank at Mansfield South will hold a total of 20,000 gallons which can handle 100 connections. There are 2 pressure tanks located in the Mansfield South neighborhood that are capable of holding 3,400 gallons of water which can service 170 connections.

Crest can comfortably initially service 4 additional homes in the new proposed subdivision. Once the development begins construction, Crest will submit the necessary plans and specification to increase Mansfield South's capacity to provide adequate service to the new development. The owner of Crest Water and the developer are currently in negotiations to deed land to Crest Water for the expansion of the water system to serve the development.

In summary, Crest Water has sufficient capacity to serve the proposed development at start up and such service does not exceed the 10% capacity of connection criteria to require plans to be approved by TCEQ.

Financial Information

- 1) Facility upgrades and improvements are addressed in the Technical Information.
- 2) Cost for new upgrades will be based on (see attached Preliminary Budget) current costs at time of future construction.
- 3) Facility upgrades will be funded by loans coupled with self funding as available – unknown timeframe.
- 4) A Preliminary Project Schedule is attached
- 5) Current year financials are attached
- 6) Projected financials are attached

Sincerely,



Charles P. Gillespie III
President



2017 2016 2015 2014 2013 2012

HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash	29,339.76	28,485.21	27,655.54	26,850.04	26,068.00	25,285.96
Accounts Receivable	124,104.61	119,907.84	115,852.98	111,935.25	108,150.00	104,364.75
Inventories	190,603.17	186,865.86	183,201.82	179,609.63	173,087.87	172,566.11
Income Tax Receivable						
Other						
Total	344,047.55	335,258.90	326,710.34	318,394.92	310,305.87	302,216.82
FIXED ASSETS						
Land	22,510.18	21,854.54	21,218.00	20,600.00	20,000.00	19,400.00
Collection/Distribution System						
Buildings	94,133.66	95,567.16	97,022.50	98,500.00	100,000.00	101,500.00
Equipment	62,562.79	63,839.59	65,142.43	66,471.87	67,828.44	69,185.01
Other	760,338.59	735,368.19	710,889.72	686,889.26	663,353.15	639,817.04
Less: Accum. Depreciation or Reserves						
Total	939,545.21	916,628.47	894,272.66	872,461.13	851,181.59	829,902.05
TOTAL ASSETS	1,282,064.83	1,250,794.96	1,220,287.76	1,190,524.65	1,161,487.40	1,132,450.27
CURRENT LIABILITIES						
Accounts Payable	1,358.55	1,338.47	1,318.69	1,299.20	1,280.00	1,260.80
Notes Payable, Current						
Accrued Expenses						
Other	2,630.31	2,578.74	2,528.17	2,478.60	2,430.00	2,381.40
Total	3,988.86	3,917.20	3,846.86	3,777.80	3,710.00	3,642.20
LONGTERM LIABILITIES						
Notes Payable, Long-term	375,947.71	370,391.83	364,916.06	359,525.18	354,212.00	348,898.82
Other						
TOTAL LIABILITIES	379,936.56	374,309.03	368,764.92	363,302.98	357,922.00	352,541.02
OWNER'S EQUITY						
Paid in Capital	70,358.09	68,978.52	67,626.00	66,300.00	65,000.00	63,700.00
Retained Equity	831,261.93	807,050.42	783,544.10	760,722.42	738,565.46	716,408.50
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY	901,620.02	876,028.94	851,170.10	827,022.42	803,565.46	780,108.50
TOTAL LIABILITIES AND EQUITY	1,281,556.58	1,250,337.97	1,219,935.01	1,190,325.40	1,161,487.46	1,132,649.52
WORKING CAPITAL	902,128.27	786,485.92	851,522.84	827,221.67	803,565.46	779,909.25
CURRENT RATIO	3.37	3.34	3.31	3.28	3.25	3.21
DEBT TO EQUITY RATIO	0.42	0.43	0.43	0.44	0.45	0.45
EQUITY TO TOTAL ASSETS	0.70	0.70	0.70	0.70	0.69	0.69

2017 2016 2015 2014 2013 2012

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps	1,162.00	1,132.00	1,119.00	1,092.00	1,052.00	1,031.00
New Taps per Year	22.00	31.00	16.00	27.00	40.00	23.00
Total Meters at Year End	1,184.00	1,163.00	1,135.00	1,119.00	1,092.00	1,054.00
METER REVENUE						
Fees Per Meter	120.98	117.46	114.04	110.71	107.49	104.27
Cost Per Meter	59.51	58.20	56.92	55.66	54.44	53.22
Operating Revenue Per Meter	180.49	175.66	170.95	166.38	161.93	157.48
GROSS WATER REVENUE						
Fees	3,768.00	35,738.00	34,364.00	33,042.00	31,771.00	30,500.16
Other	799,451.93	787,637.37	775,997.41	764,529.47	753,231.00	738,166.38
Gross Income	836,619.93	823,375.37	810,361.41	797,571.47	785,002.00	768,666.54
OPERATING EXPENSES						
General & Administrative	694,447.86	685,874.43	677,406.85	669,043.80	660,784.00	652,524.20
Interest						
Other						
NET INCOME	142,172.07	137,500.93	132,954.56	128,527.67	124,218.00	116,142.34

2017 2016 2015 2014 2013 2012

HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	314,010.00	304,864.00	295,985.00	287,364.00	278,994.00	270,624.00
Office Expense	20,284.00	19,639.00	19,120.00	18,563.00	18,022.00	17,481.00
Computer Expense						
Auto Expense	38,923.00	37,790.00	36,689.00	35,620.00	34,583.00	24,208.00
Insurance Expense	29,569.00	28,708.00	27,872.00	27,060.00	26,272.00	25,484.00
Telephone Expense						
Utilities Expense	81,897.00	79,511.00	77,195.00	74,947.00	72,764.00	70,581.00
Depreciation Expense						
Property Taxes						
Professional Fees	14,346.00	13,928.00	13,522.00	13,128.00	12,746.00	12,364.00
Other	52,221.00	51,671.00	50,166.00	48,705.00	47,286.00	45,867.00
Total	552,250.00	536,165.00	520,549.00	505,387.00	490,667.00	466,610.00
% Increase Per Year	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance	192,455.00	186,850.00	181,408.00	176,124.00	170,994.00	168,864.10
Supplies						
Other						
Total						
% Increase Per Year	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

2020 2021 2022 2023 2024 2025

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash	30,219.96	31,126.56	32,060.35	33,022.16	34,012.83	35,033.21
Accounts Receivable	128,448.27	132,943.96	137,597.00	142,412.90	147,397.35	152,556.26
Inventories	194,415.24	198,303.54	202,269.61	206,315.00	210,441.30	214,650.13
Income Tax Receivable						
Other						
Total	353,083.47	362,374.06	371,926.97	381,750.06	391,854.48	402,239.60
FIXED ASSETS						
Land	23,185.48	23,881.05	24,597.48	25,335.40	26,095.46	26,878.33
Collection/Distribution System						
Buildings	92,721.65	91,330.83	89,960.86	88,611.45	87,282.28	85,973.04
Equipment	61,311.54	60,085.31	58,883.60	57,705.93	56,551.81	55,420.77
Other	785,815.17	811,812.51	838,345.49	865,429.34	893,079.62	921,312.25
Less: Accum. Depreciation or Reserves						
Total	963,033.84	987,109.69	1,011,787.43	1,037,082.12	1,063,009.17	1,089,584.40
TOTAL ASSETS	1,314,116.45	1,346,969.36	1,380,643.60	1,415,159.69	1,450,538.68	1,486,802.15
CURRENT LIABILITIES						
Accounts Payable	1,378.92	1,399.61	1,420.60	1,441.91	1,463.54	1,485.49
Notes Payable, Current						
Accrued Expenses						
Other	2,682.92	2,736.57	2,791.31	2,847.13	2,904.07	2,962.16
Total	4,061.84	4,136.18	4,211.91	4,289.04	4,367.61	4,447.65
LONGTERM LIABILITIES						
Notes Payable, Long-term	381,586.92	387,310.73	393,120.39	399,017.19	405,002.45	411,077.49
Other						
TOTAL LIABILITIES	385,648.76	391,446.91	397,332.29	403,306.23	409,370.06	415,525.14
OWNER'S EQUITY						
Paid in Capital	71,765.30	73,200.56	74,664.57	76,157.86	77,681.02	79,234.64
Retained Equity	856,199.79	881,885.78	908,342.36	935,592.63	963,660.41	992,570.22
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY	927,965.04	955,086.34	983,006.93	1,011,750.49	1,041,341.42	1,071,804.86
TOTAL LIABILITIES AND EQUITY	1,313,613.80	1,346,533.25	1,380,339.22	1,415,056.72	1,450,711.49	1,487,329.99
WORKING CAPITAL	928,467.69	855,522.46	983,311.30	1,011,853.45	1,041,168.61	1,071,277.01
CURRENT RATIO	3.41	3.44	3.47	3.51	3.54	3.58
DEBT TO EQUITY RATIO	0.42	0.41	0.40	0.40	0.39	0.39
EQUITY TO TOTAL ASSETS	0.71	0.71	0.71	0.72	0.72	0.72

2021 2022 2023 2024 2025

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps	1,184.00	1,230.00	1,267.00	1,284.00	1,309.00	
New Taps per Year	46.00	37.00	18.00	25.00	39.00	
Total Meters at Year End	1,230.00	1,267.00	1,285.00	1,309.00	1,348.00	
METER REVENUE						
Fees Per Meter	124.61	128.35	132.20	136.17	140.25	
Cost Per Meter	60.85	62.22	63.62	65.05	66.51	
Operating Revenue Per Meter	185.46	190.56	195.81	201.12	206.76	
GROSS WATER REVENUE						
Fees	38,654.00	40,200.00	41,808.00	43,481.00	45,220.00	
Other	811,433.71	823,615.36	835,969.59	848,509.14	861,236.77	
Gross Income	850,097.71	863,815.81	877,778.06	891,989.94	906,456.81	
OPERATING EXPENSES						
General & Administrative	703,128.46	711,917.57	720,816.54	729,826.74	738,949.58	
Interest						
Other						
NET INCOME	146,969.25	151,898.25	156,961.52	162,163.20	167,507.24	

2021 2022 2023 2024 2025

PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	323,431.00	333,133.00	343,127 00	353,421.00	364,024.00	
Office Expense	20,892.00	21,519.00	22,165.00	22,830.00	23,515.00	
Computer Expense						
Auto Expense	40,091.00	41,294.00	42,533 00	43,809.00	45,123.00	
Insurance Expense	30,456.00	31,370.00	32,311 00	33,281.00	34,279 00	
Telephone Expense						
Utilities Expense	84,353.00	86,884.00	89,491 00	92,175.00	94,491 00	
Depreciation Expense						
Property Taxes						
Professional Fees	14,776.00	15,219.00	15,676.00	16,146.00	16,631.00	
Other	54,817 00	56,462.00	58,156 00	59,900 00	61,698 00	
Total	568,818 00	585,882.00	603,459.00	621,562.00	640,209.00	
% Increase Per Year	3.00	3.00	3.00	3.00	3 00	
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance	198,229.00	204,176 00	210,301.00	216,610.00	223,108.00	
Supplies						
Other						
Total	198,229.00	204,176 00	210,301.00	216,610.00	223,108 00	
% Increase Per Year	3.00	3.00	3 00	3.00	3 00	
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

2021 2022 2023 2024 2025
PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	151,898.25	156,961.52	162,163.20	167,507.24	172,997.72	
Depreciation (if Funded)						
Loan Proceeds	96,859.26	78,261.97	56,956.91	32,549.84	4,589.09	
Other						
Total Sources	248,757.51	235,223.49	219,120.11	200,057.07	177,586.81	
USES OF CASH						
Net Loss	0.00	0.00	0.00	0.00	0.00	
Principle Portion of Pmts.	32,700.00	32,700.00	32,700.00	32,700.00	32,700.00	
Fixed Asset Purchase	50,000.00	0.00	23,000.00	16,000.00	0.00	
Reserve	11,000.00	18,000.00	10,000.00	14,000.00	19,000.00	
Other						
TOTAL USES	93,700.00	50,700.00	65,700.00	62,700.00	51,700.00	
NET CASH FLOW	155,057.51	184,523.49	153,420.11	137,357.07	125,886.81	
DEBT SERVICE COVERAGE						
Cash Available for Debt	38,300.00	38,300.00	38,300.00	38,300.00	38,300.00	
Service (CADS)						
Net Income (Loss)	0.00	0.00	0.00	0.00	0.00	
Depreciation , or Reserve Interest	6,200.00	6,200.00	6,200.00	6,200.00	6,200.00	
TOTAL	44,500.00	44,500.00	44,500.00	44,500.00	44,500.00	
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest	38,300.00	38,300.00	38,300.00	38,300.00	38,300.00	
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS	1.00	1.00	1.00	1.00	1.00	



consulting environmental engineers, inc.

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PRELIMINARY BUDGET

for a

Public Water Supply

for

**Mansfield South
 Venus, TX**

<u>Feature</u>	<u>Details</u>	<u>\$ Estimate</u>
6" dia. x 1000 ft. Well	≈ 80 GPM	\$ 97,000
Pressure Tank	3000 gallons	5,000
Booster Pumps	2 @ 130 GPM	5,400
Ground Storage Tank	30,000 gallons	32,000
Pump House & Fencing	12 x 16 building 20 x 50 fencing	42,500
Plumbing & Electrical	Assume existing service is available at site	3,500
Contingencies	For oversights and owner preferences	<u>28,000</u>
	TOTAL CONSTRUCTION	\$ 213,400
Laboratory Testing		10,000
Engineering & Permitting		<u>9,000</u>
	TOTAL PROJECT COST	\$ 232,400

NOTE: No transmission or distribution line work is included. Community, other than transient system, serving 128 connections. 128 x 0.6gpm = 76.8 gpm well 30TAC§290.45(b)(1)(C)



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 phone: (254) 968-8130 fax: (254) 968-8134
 email: ceinc@ceinc.org registered firm: #F-2----

PRELIMINARY PROJECT SCHEDULE

for a

Public Water Supply

for

Mansfield South Expansion

2020 Activity	1	2	3	4	5	6	7	8	9	10	11	12
Engineering	◆	◆										
Prepare Permit Application		◆	◆									
State Approval			◆	◆	◆							
Bid Construction				◆	◆							
Construction					◆	◆						
Testing/Approval to use						◆	◆	◆	◆			
Project Completion										*		