

A RESOLUTION **2012-08-02-0031R**

CONSENTING TO A REQUEST BY CITY BANK TO FILE AN APPLICATION FOR A WATER CERTIFICATE OF CONVENIENCE AND NECESSITY FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY.

WHEREAS, City Bank Texas (City Bank) is the owner of the development known as King's Gate which is an 850-acre tract located along FM 1283 in Medina County, inside of the City's extraterritorial jurisdiction (ETJ), outside the San Antonio Water System's (SAWS') service area, and on the Edwards Aquifer Recharge Zone (EARZ); and

WHEREAS, City Bank has requested the consent of the City of San Antonio (City) to apply for a Certificate of Convenience and Necessity (CCN) from the Texas Commission on Environmental Quality (TCEQ) to provide water service at the King's Gate development; and

WHEREAS, pursuant to Section 13.245 of the Texas Water Code, the TCEQ may not grant a retail public utility a CCN for a service area within the boundaries or ETJ of a municipality with a population of 500,000 or more without the consent of the municipality; and

WHEREAS, as a condition of granting consent, the municipality may require that all water and sewer facilities in the proposed CCN service area be designed and constructed in accordance with the municipality's standards for facilities; and

WHEREAS, over the last year, City Bank has been engaged in negotiations with SAWS over various options related to the development and operations of the proposed water system at King's Gate; and

WHEREAS, City Bank and SAWS have reached agreement on the level of improvements to the existing water distribution facilities at King's Gate, and the engineering standards applicable to future distribution facilities at the development as outlined in the letter of May 20, 2012 from City Bank to SAWS attached as **Exhibit A**; and

WHEREAS, SAWS has recommended to the City to consent to City Bank's request for a CCN on the condition that City Bank comply with the engineering standards outlined in its May 20, 2012 letter – said recommendation is set out in the letter dated July 3, 2012 from SAWS to the City attached as **Exhibit B**; **NOW THEREFORE**:

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City of San Antonio consents to the request of City Bank to the TCEQ for a CCN to provide water service at the King's Gate, an 850-acre tract development along FM 1283

in Medina County and inside the San Antonio ETJ as depicted in the maps found in Exhibits A and B.

SECTION 2. Consistent with Section 13.245 of the Texas Water Code, the City's consent is conditioned on City Bank meeting the engineering standards for the water distribution system as outlined in the Exhibits A and B, which are incorporated into this Ordinance as if fully set out herein.

SECTION 3. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

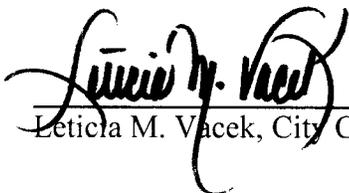
SECTION 4. This Resolution shall become effective immediately upon the passage by eight (8) votes of the City Council and if passed upon fewer than eight (8) votes after the tenth (10th) day after passage.

PASSED AND APPROVED, this 2nd day of August, 2012.


M A Y O R
Julián Castro

ATTEST:

APPROVED AS TO FORM:



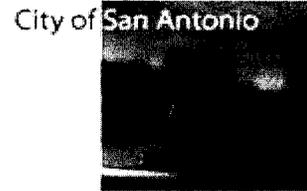
Leticia M. Vacek, City Clerk



Michael Bernard, City Attorney



Request for
COUNCIL
ACTION



Agenda Voting Results - 24

Name:	7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19A, 19B, 20A, 20B, 21, 22, 23, 24, 26
Date:	08/02/2012
Time:	09:36:50 AM
Vote Type:	Motion to Approve
Description:	A Resolution consenting to a request by City Bank to file an application for a Water Certificate of Convenience and Necessity (CCN) from the Texas Commission on Environmental Quality for an 850-acre tract located along FM 1283 in Medina County , inside the City's extraterritorial jurisdiction, outside the SAWS' CCN, and on the Edwards Aquifer Recharge Zone. [Ben Gorzell , Chief Financial Officer; Troy Elliott , Director, Finance]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				x
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x			x	
Carlton Soules	District 10	x					

City Bank Texas

Exhibit A



City Bank
TEXAS

Plano Branch
7800 Preston Rd., Suite 201
Plano, Texas 75024-3235
Phone: 972-491-1300
Fax: 972-491-1477

www.citybankonline.com

May 20, 2012

Mr. Dwayne Rathburn and
Mr. Sam Mills, P.E.
San Antonio Water System
2800 U.S. Hwy North, Tower 2
San Antonio, Texas 78212

RE: ±850 acre development located along FM 1283 in Medina County, Texas, known as King's Gate

Dear Mr. Rathburn and Mr. Mills:

Per your discussions over the past month with our representative in San Antonio for the above-referenced project (David Parkerson, Kavanaugh Consulting, LLC), please let this letter serve as our confirmation and agreement that we, as the owner of the development known as King's Gate as described herein as Exhibit A, or our assigns, do intend to construct certain improvements to the existing King's Gate domestic water system (Exhibit B) prior to its use as a public water system.

As you may recall, there is currently a formal request from us to the City of San Antonio (City) that is pending. We have asked for the City's consent on our request to the TCEQ for a Water Certificate of Convenience of Necessity ("CCN"). We are seeking the CCN in order to establish, confirm, and begin finalizing a plan for an economical method of serving our community of King's Gate with domestic water service. Phase 1 of the community is presently constructed as is 90% of the water production facility, including water pipe in the ground to all of the 119 single family lots in the first phase. The City, of course, has requested the approval of SAWS prior to their responding favorably to our CCN request.

As such, the status and future of this community has been the subject of many discussions with SAWS and with the City over the past few years. More recently, our discussions with Mr. Robert Puente, CEO and President of SAWS, and both of you have been constructive and very much appreciated by our organization. As a result of these meetings and at your request, we sought assistance from Mr. Mike Lucci of Hill Country Engineering, Inc. (the Engineer of Record for the water system). We directed Mr. Lucci and at his recommendation we proceeded with a system analysis that would identify necessary water system improvements to meet the SAWS requirements to provide fire flow in addition to the domestic flow necessary to serve these existing 119 single family lots. It is also our intention and this letter will serve as our commitment to follow a similar protocol for the system analysis to serve the remaining 263 single family lots at

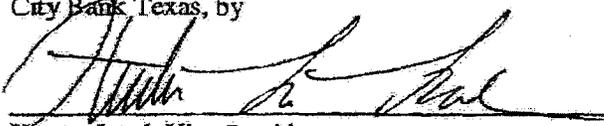
the time that they are being subdivided and developed and prior to their accessing the public water system.

It is our understanding that Mr. Lucci has completed his analysis for these first 119 single family lots and made recommendations to SAWS with the assistance of David Parkerson to make additions and upgrades to the existing facility (Exhibit C). These upgrades will provide a 1,000 GPM fire flow for a duration of at least one (1) hour for emergency fire protection in the community and to all points in the water system with a minimum pressure as required by the TCEQ for all points in the water system. All future water pipe to serve the remaining 263 single family lots will be designed and constructed to SAWS standards for material type, depth of bury, fire hydrant placement, and pipe size to accommodate these minimum fire flows and pressures in the system. We also are committed to making some future system modifications as may be necessary to meet the TCEQ minimum concentrations of chlorine residual in the system to avoid any stagnation issues.

We understand that these commitments and proposed upgrades meet with your general approval and hope to hear from SAWS that they have sent a favorable response to the City for our CCN request. The water system upgrades (in the form of the report from Mr. Mike Lucci, P.E.) are attached to this letter for clarification of what is required of the developer or owner of King's Gate moving forward with Phase 1.

If you need additional information, please do not hesitate to contact our representative in San Antonio, David Parkerson, at 512-587-7397. Thanks for your assistance in this matter.

Sincerely,
City Bank Texas, by



Hunter Lord, Vice President

Attachments: Exhibit A – Existing King's Gate Development Plan
Exhibit B – Existing King's Gate Water Production Facility
Exhibit C – Mike Lucci Letter regarding proposed improvements

Cc: David Parkerson, P.E., Kavanaugh Consulting, LLC,
Buck Benson, Pulman Cappuccio Pullen and Benson, LLP
Randall Wilburn, Randall Wilburn Law
Mike Lucci, P.E., Hill Country Engineering, Inc.
Mr. Robert Puente, President / CEO, SAWS
File

City Bank Texas

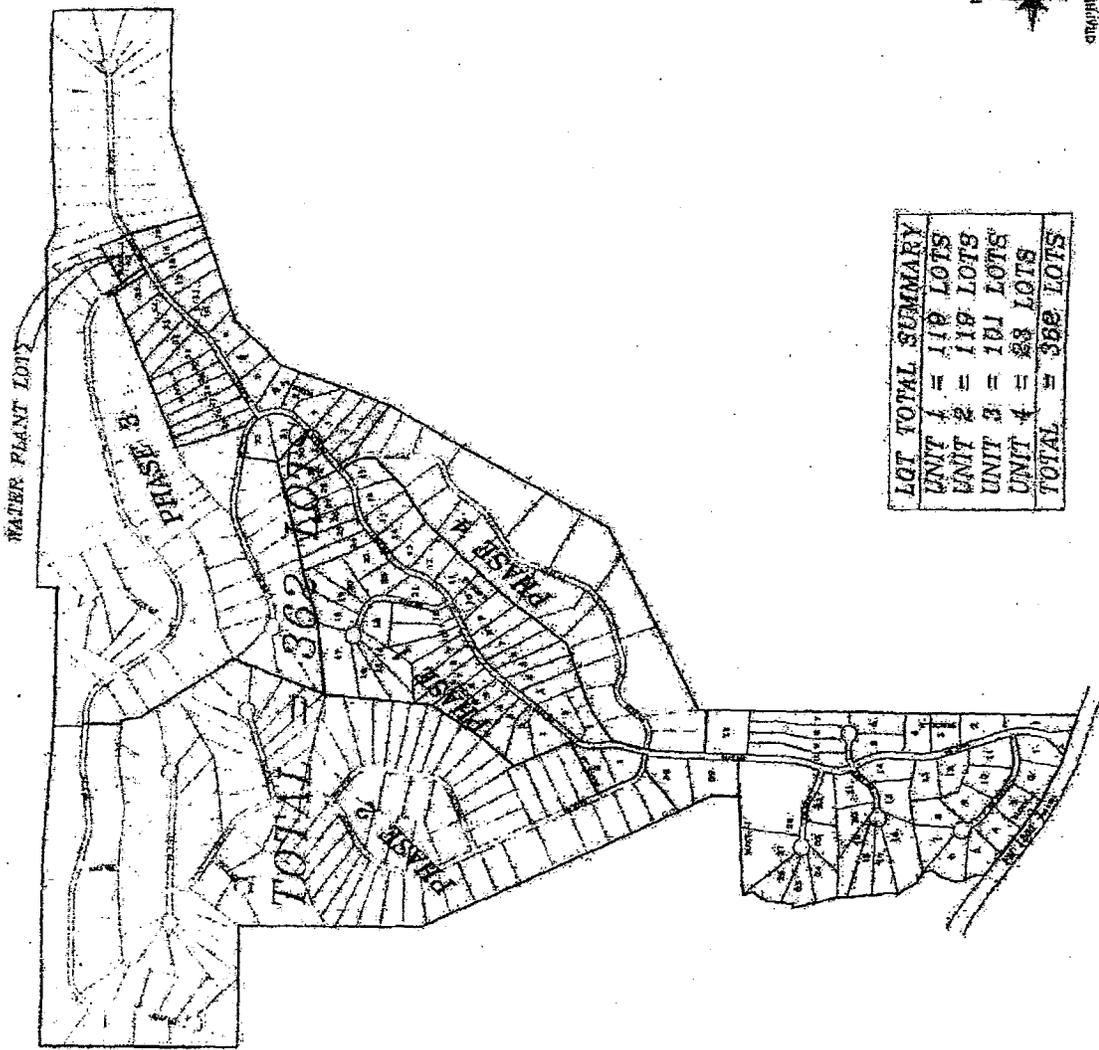
ATTACHMENTS:

Exhibit A

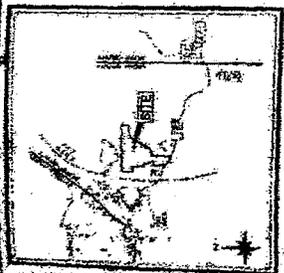
Exhibit B

Exhibit C

Exhibit A

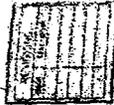


LOT TOTAL SUMMARY	
UNIT 1	= 110 LOTS
UNIT 2	= 118 LOTS
UNIT 3	= 101 LOTS
UNIT 4	= 23 LOTS
TOTAL	= 362 LOTS



LOCATION MAP
1/2" = 1 MILE

PREPARED FOR
THE BOARD OF COUNTY COMMISSIONERS
OF KING COUNTY, TEXAS
BY
BRUNNEN & ASSOCIATES, L.P.
1000 W. WILSON ST., SUITE 100
DALLAS, TEXAS 75201



BRUNNEN & ASSOCIATES, L.P.
 1000 W. WILSON ST., SUITE 100
 DALLAS, TEXAS 75201
 (214) 343-1111
 BRUNNEN & ASSOCIATES, L.P.
 1000 W. WILSON ST., SUITE 100
 DALLAS, TEXAS 75201
 (214) 343-1111



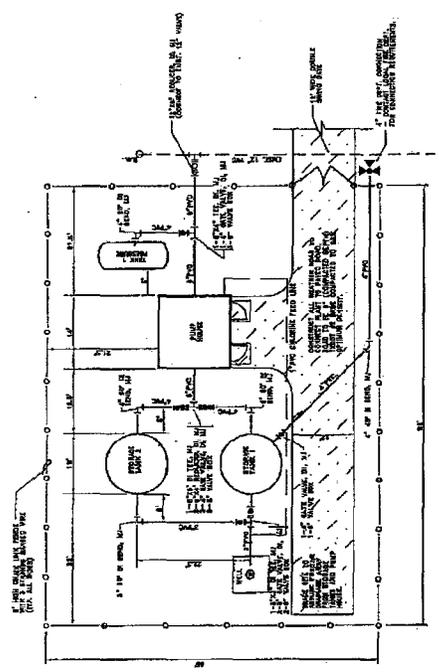
PHASING PLAN EXHIBIT
 FOR
 KING'S EMERALD
 MEDINA COUNTY, TEXAS

DATE: 05/20/09
 JOB NO: 2008-06
 SHEET
 C-11

KINGS GATE PUBLIC WATER SYSTEM MEDINA COUNTY, TEXAS PHASE I WATER PLANT

INDEX OF DRAWINGS	
NO.	TITLE
1	PLANT PLAN & GENERAL NOTES
2	WATER PLANT DETAILS
3	PIPE & ELECTRICAL DETAILS

LOCATION MAP
N.T.S.



WATER PLANT SITE PLAN
1"=10'

1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE LOCAL GOVERNMENT AGENCIES AND AGENCIES OF THE STATE OF TEXAS.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE LOCAL GOVERNMENT AGENCIES AND AGENCIES OF THE STATE OF TEXAS.
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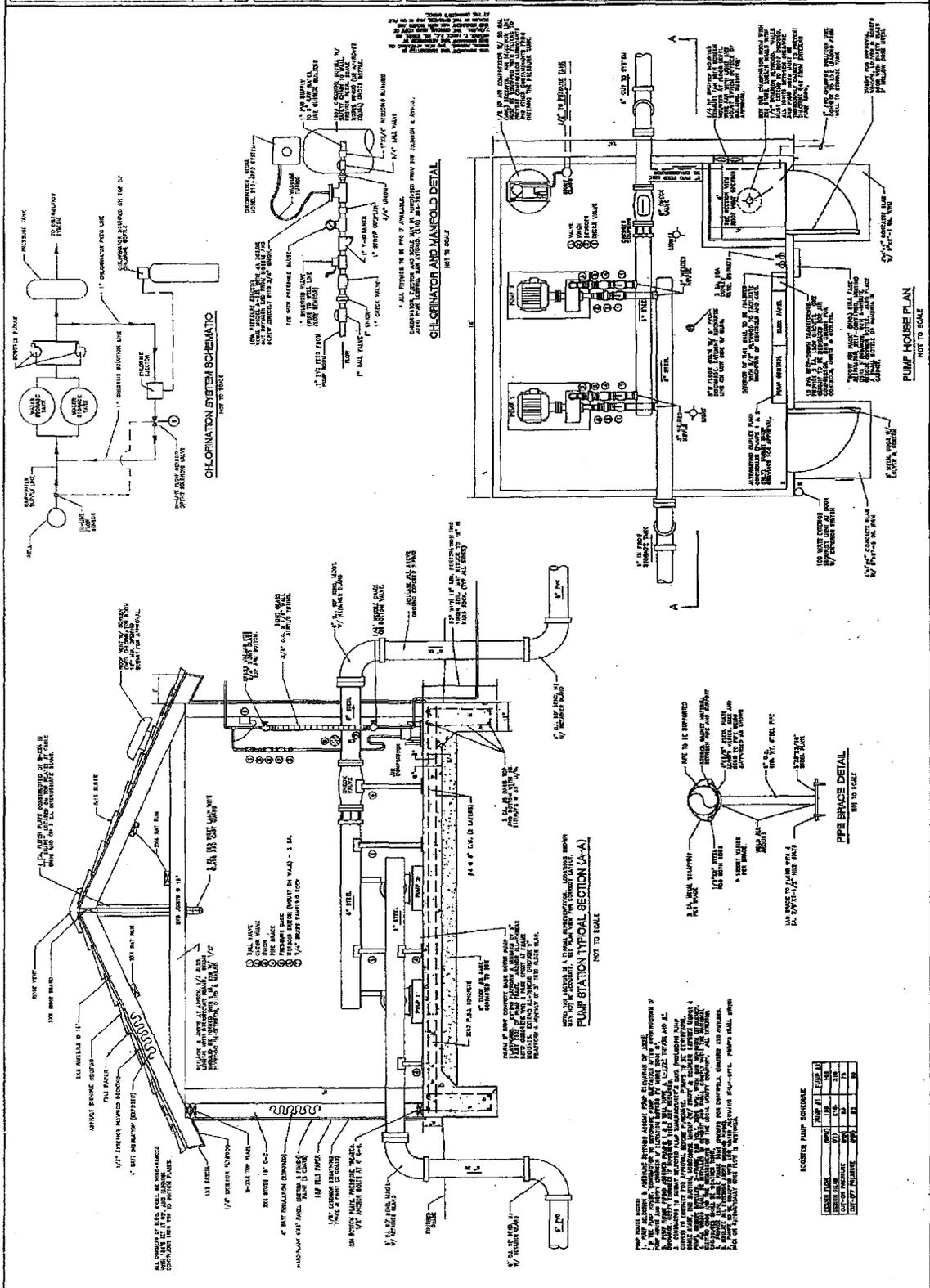
HILL COUNTRY
ENGINEERING, LLC
7827 VIA MONTANA
SAN ANTONIO, TX 78228
(210) 219-9462



KINGS GATE SUBDIVISION
PUBLIC WATER SYSTEM ID #1630048
MEDINA COUNTY, TEXAS
PHASE I
PLANT PLAN & GENERAL NOTES

DATE: 20 JUL 2009
SHEET: 1 OF 3

HILL COUNTRY ENGINEERING, L.P. 7927 VISTA MOUNTAIN SAN ANTONIO, TX 78265 (210) 213-0422		PUBLIC WATER SYSTEM ID #163048 MEDINA COUNTY, TEXAS PHASE I PUMP HOUSE DETAILS	DATE: 20 JUL 2008 SHEET: 3 OF 3
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1. ALL DIMENSIONS UNLESS OTHERWISE SPECIFIED ARE IN FEET AND INCHES.

2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.

3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE SPECIFIED.

4. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE SPECIFIED.

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10. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE SPECIFIED.

Michael F. Lucci, PE, PLLC

24165 IH-10W; Ste. 217-409; San Antonio, Texas 78257
TEL: (210) 213-3462 FAX: (210) 501-0758

March 13, 2012

City Bank of Texas
Attn: Hunter Lord
7800 Preston Road
Suite 201
Plano, TX 75024

RE: Fire Flow Upgrades; King's Gate Subdivision

Dear Mr. Lord:

As requested, I have inspected the King's Gate water plant and have investigated the feasibility of upgrading the system to provide for fire flow. Additionally, I attended a meeting with SAWS personnel and the following is the minimum configuration acceptable to SAWS.

Existing Plant Configuration

The existing plant was designed for domestic usage only and was sized for a maximum capacity of 100 connections. There are two fiberglass storage tanks of 20,000 gallons each, two pressure pumps of 100 gpm each, and a hydropneumatic tank of 2000 gallons.

Proposed Plant Configuration

As per SAWS requirements discussed at the above referenced meeting, our fire flow design standard will be 1000 gpm with a one-hour duration. I believe the existing plant can be upgraded to provide this demand with the following improvements:

Storage – A third 20,000 gallon tank will need to be added to reach the desired storage of 1000 gpm x 60 minutes = 60,000 gallons. The well pump would be running during this period to provide an additional 150 gpm x 60 minutes = 9,000 gallons. The third tank will need to be of the same size and installed at the same elevation as that of the two existing tanks. Additionally, I do not believe the 4-inch discharge flanges on the existing tanks will be large enough. We will need to have the tank manufacturer cut out the old flanges and glass in new 6-inch flanges. This can be done on-site without moving the tanks.

Pumps – SAWS will require two new 500-gpm pumps in addition to the existing two 100-gpm pumps. We will need to add pump control valves to the new pumps to reduce hammer. I do not believe there is sufficient room in the pump house for this addition. As such, we will probably need to knock out the south wall, extend the building and foundation by approximately 8 feet, and relocate the hydropneumatic tank.

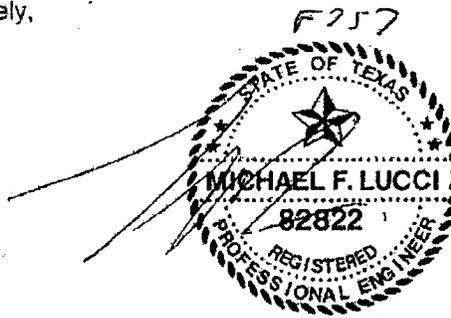
Yard & Plant Piping – The existing pumps are manifolded through a 6-inch line, and the suction and discharge lines are also 6-inch. With the addition of the new pumps, it will be necessary to upsize everything to 8-inch or larger.

Distribution System

A 12-inch line runs from the plant to the main entrance of the subdivision. Most all of the platted lots will be fed off of this line, with 8-inch lines feeding the cul-de-sacs. The plant is located near the top of this line. After a climb of approximately 90 feet to the high point near the lift station, there is an elevation drop of approximately 270 feet to the subdivision entrance. At 500 gpm, the velocity will only be 1.4 ft/s with a 0.0008 ft/ft friction slope. As such, even with the fire pumps running, there will be no flow or pressure issues due to line size or distance.

Please feel free to call me at any time should you have questions or concerns.

Sincerely,



Michael F. Lucci, P.E.

3/13/12

San Antonio Water Systems

Exhibit B



July 3, 2012

Ms. Sheryl Sculley
City Manager
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

Re: Request by City Bank for Consent from the City Of San Antonio to File an Application for a Water Certificate of Convenience and Necessity from TCEQ for an 850-Acre Tract Located Along FM 1283 in Medina County, Texas

Dear Ms. Sculley:

City Bank has requested consent from the City of San Antonio (City) to apply for a Certificate of Convenience and Necessity (CCN) from the Texas Commission on Environmental Quality (TCEQ). The CCN would apply to an 850-acre tract located along FM 1283 in Medina County, inside the San Antonio extraterritorial jurisdiction (ETJ), outside the San Antonio Water System's (SAWS) CCN and on the Edwards Aquifer Recharge Zone (EARZ). Section 13.245 of the Texas Water Code requires consent from a city with a population of 500,000 or more prior to TCEQ granting a CCN within the ETJ of that city. As a condition of the consent, the city can require that all water facilities be designed and constructed in accordance with the municipality's standards for facilities.

As suggested by City staff, SAWS staff has conducted an analysis of the request and offers these recommendations relating to the consent request. The information gathered during the analysis included:

- The tract owners originally requested and received a Utility Service Agreement (USA) for water service from SAWS in 2007. The USA required the developer to construct an independent water system to SAWS standards that SAWS would then own and operate. Sewer service would be provided through individual septic tanks. A portion of the infrastructure was constructed, but the development eventually went into bankruptcy and was never completed. The USA has now expired and SAWS no longer desires to own and operate a satellite water system at that location.
- Since the owners must obtain consent from the City to be granted a CCN, representatives from the bank met with SAWS staff on several occasions and discussed various options relating to the development and operations of the water system. Initially, the bank requested to not be held to SAWS production standards for wells and fireflow requirements. The bank has now agreed to make certain improvements to existing facilities and committed to construct future development phases in a manner that is acceptable to SAWS (see attached letter).

Ms. Sheryl Sculley
July 3, 2012
Page 2

It is SAWS recommendation that the City of San Antonio agree to the consent request to apply for the CCN under the following conditions:

- City Bank shall improve the existing facilities to the extent committed to in the attached letter. City Bank shall also design and construct all future water distribution and production facilities serving "Kings Gate" in accordance with SAWS Utility Service Regulations and the changes agreed to in the attached letter.
- City Bank shall not seek a sewer CCN for "Kings Gate" and shall not seek a wastewater discharge treatment plant permit for "Kings Gate."

Thank you for the opportunity to comment on and provide recommendations for the request for consent to create a CCN. Enclosed with this letter is a map showing the location of the property in relation to the ETJ, SAWS CCN and the EARZ. If you have any questions or need additional information, please contact Ms. Kelley Neumann, P.E., Senior Vice-President of Strategic Resources at (210) 233-3450.

Sincerely,



Robert R. Puente
President/Chief Executive Officer

Enclosures

CC: Ben Gorzell