



Control Number: 42864



Item Number: 14

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

Bryan W. Shaw, Ph.D., Chairman
Toby Baker, Commissioner
Zak Covar, Executive Director



4284
RECEIVED

2014 SEP 11 AM 9:30

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
PUBLIC UTILITY COMMISSION
FILING CLERK

October 18, 2013

Mr. Jesse Wood, Vice President
Enchanted Harbor Utility
2301 Nancy Lou
El Campo, Texas 77437

RECEIVED
NOV 01 2013
UTILITIES & DISTRICTS
SECTION

NOTICE OF DEFICIENCY

Re: Water Rate/Tariff Change Application for Farmers Transport Inc. dba
Enchanted Harbor Utility in Calhoun County, Certificate of Convenience and
Necessity No. 12683; Application No. 37728-R

CN: 600684773; RN: 101249225

Dear Mr. Wood:

Your rate application received on September 19, 2013, has been assigned
Application No. 37728-R, but has not been accepted for filing. Please refer to this
number in future correspondence.

Based on an administrative review of your application, it appears the notice to
customers contains deficiencies. To continue processing the application, you must
complete and revise the following portions of the notice:

1. The following current miscellaneous fees were omitted on your notice
to customers:
 - a. Tap Fee (Unique costs)... Actual Cost
 - b. Tap Fee (large meter).... Actual Cost
 - c. Meter Relocation Fee.... Actual Relocation Cost, Not to Exceed Tap
Fee
2. The return check charge is \$20.00 per TCEQ approved tariff and not
\$25.00 as shown on your notice.
3. If you intend to apply for a capital improvement surcharge, your
proposed surcharge should be included with your notice to customers
under your proposed rate column. Please include the total dollar
amount, the amount being charged per month and the time period of
the surcharge.

Mr. Jesse Wood, Vice President

Page 2

October 18, 2013

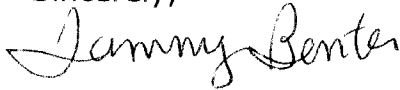
Also, please submit either a letter from an engineer or other documentation that supports your estimated total dollar amount of the surcharge.

The effective date of your rate change is hereby suspended until the deficiencies are corrected and your customers are re-noticed. Your new effective date must be at least 60 days following the date the completed application is mailed to us, and correct notice is mailed or delivered to the customers. It must also be the first day of a billing period. If you have collected the new proposed rates, you are required to refund the excess amount collected.

An original and three (3) copies of the customer notice, notarized affidavit, and other documents referenced above must be submitted to our office by **November 8, 2013**. If these items are not received by this date, the application will be returned for failure to prosecute.

If you have any further questions, please call Ms. Mary Damron at (512)239-4667, by email at mary.damron@tceq.texas.gov, by fax at (512) 239-6145. If you contact our office by correspondence, please include MC-153 in the address.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/MD/mmg

ENCHANTED HARBOR / SUNILANDINGS
2301 Nancy Lou St
El Campo, Texas 77437
979-637-0010 / jwood@jwnet.net

October 30, 2013

TCEQ Rate Review

Re: Rate Change App. Explanation of included engineering documentation.

Dear Ms. Benter:

The recently declined South Port Alto Mud engineers of record were G&W Engineers, Inc. I have included the engineered stamped "Itemized Summary of Costs for Proposed South Port A lot M.U.D. which contains their bid or the Water System Upgrades. This document was submitted on February 2011 and was still in effect the date the MUD was refused in Austin a few months back on March 2013. I took their numbers and changed a few bids that I had gotten and managed to reduce the engineers projected cost by \$126,000. The largest cost savings came in the form of Item 21 on my list "Labor to install 4" taps". G&W had a bid of \$1200 each and I calculate that I can get this done for \$500. This is a savings of \$700 for each of the 96 connections or \$67,000. I chose not to include the entire lengthy set of engineered paperwork but only the page that referenced the Itemized Summary of Cost and the official seal of the engineer.

In most cases my spreadsheet clearly states the name of the bidding company (i.e. INFINITY meters), the retailer (i.e. USA Bluebook), the engineer (i.e. G&W), or simply the words BID for the work I will do myself with or without the help of local plumbers, electricians, etc.

I have a file with copies of all the actual bids from these various companies that I plan on bringing to the expected protest hearing for public viewing. Our plans are to bring multiple copies of all this documentation to the hearing to be distributed to all the interested parties in hopes of providing full transparency.

Jesse Wood, Manager

Enchanted Harbor Utility

ITEMIZED SUMMARY OF COSTS FOR PROPOSED SOUTH PORT ALTO M.U.D.

PURCHASE CCN 12525 and 12683 and assets

\$ 185,000.00

WASTEWATER SYSTEM UPGRADES

Expand exist 25,000 GPD WWTP to 50,000

GPD	1	LS	\$ 225,000.00	\$ 225,000.00
Upgrade existing Lift Station	1	LS	\$ 30,000.00	\$ 30,000.00
New Lift Stations	2	EA	\$ 50,000.00	\$ 100,000.00
Forcemain	500	LF	\$ 20.00	\$ 10,000.00
Sewer Mains	7000	LF	\$ 40.00	\$ 280,000.00
Manholes	15	EA	\$ 3,000.00	\$ 45,000.00
Cleanouts	3	EA	\$ 1,000.00	\$ 3,000.00
Sewer Service Connections	97	EA	\$ 1,250.00	\$ 121,250.00
4" gravity service lines	5000	LF	\$ 20.00	\$ 100,000.00
decommission septic tanks	96	EA	\$ 600.00	\$ 57,600.00
Pavement Repair	800	LF	\$ 10.00	\$ 8,000.00
SWPP	1	LS	\$ 5,000.00	\$ 5,000.00

\$ 984,850.00

WATER SYSTEM UPGRADES

New 20,000 gal GST and relocated exist.	1	LS	\$ 50,000.00	\$ 50,000.00
Add 100 gpm pumping capacity	1	LS	\$ 20,000.00	\$ 20,000.00
Add 1000 gal PT	1	LS	\$ 12,000.00	\$ 12,000.00
New Fencing and Site Improvements	1	LS	\$ 20,000.00	\$ 20,000.00
6" waterline	9500	LF	\$ 30.00	\$ 285,000.00
4" waterline	500	LF	\$ 26.00	\$ 13,000.00
Mainline Fittings	10	EA	\$ 550.00	\$ 5,500.00
FH Assembly	9	EA	\$ 3,000.00	\$ 27,000.00
6" Valve & Box	22	EA	\$ 800.00	\$ 17,600.00
4" Valve & Box	1	EA	\$ 500.00	\$ 500.00
2" Flush Valve	1	EA	\$ 1,000.00	\$ 1,000.00
service connections	96	EA	\$ 1,200.00	\$ 115,200.00
connections to main	5	EA	\$ 1,200.00	\$ 6,000.00
pavement repair	800	LF	\$ 10.00	\$ 8,000.00

\$ 580,800.00

OTHER COSTS

Engineering	14.5	%	\$ 1,585,850.00	\$ 227,019.25
Land acquisition for LS's	0.4	AC	\$ 130,700.00	\$ 52,280.00
Discharge Permit Application	1	LS	\$ 10,500.00	\$ 10,500.00
Legal Fees				\$ 15,000.00

ESTIMATED TOTAL INFRASTRUCTURE IMPROVEMENT COSTS: \$ 2,055,449.25

CONTINGENCY -10%: \$ 2,260,994.18

ANNUAL OPERATION AND MAINTENANCE COSTS

Part-time Water and Wastewater Operator	12	MO	\$ 1,500.00	\$ 18,000.00
Supplies (Chemicals, parts, etc.)	12	MO	\$ 500.00	\$ 6,000.00
Maintenance/Repairs	12	MO	\$ 1,000.00	\$ 12,000.00
Electricity	12	MO	\$ 600.00	\$ 7,200.00
Office Supplies/Postage/phone, etc.	12	MO	\$ 200.00	\$ 2,400.00
Testing and Lab fees	12	MO	\$ 250.00	\$ 3,000.00
Mowing and grounds maintenance	12	MO	\$ 100.00	\$ 1,200.00
Insurance	1	LS	\$ 2,000.00	\$ 2,000.00
Accounting	12	MO	\$ 1,000.00	\$ 12,000.00
Annual Fees	1	LS	\$ 1,800.00	\$ 1,800.00
				\$ 65,400.00

EXHIBIT 13

district water connections in addition to the existing 96. The calculation of these existing and future service connections are detailed in the Land Use Table (Exhibit 14). Without the formation of the Municipal Utility District and the construction of public sewer collection services, any tracts less than 0.5 acres will not be permitted to be developed using on-site sewer systems.

7. Provide an itemized summary of costs which includes (but not limited to): utilities, clearing and erosion control, water and wastewater plant, lift station and/or force main(s), off-site water lines and connections, construction contingencies, legal, financial agent and engineering fees, interest costs, operating expenses, creation costs, OSSF decommissioning costs and land costs.

See Exhibit 13

8. Provide a map detailing principal drainage ditches and structures (existing and proposed) and indicating the general drainage patterns within the proposed district. Provide a discussion and cost estimate as to planned improvements for the proposed district.

The MUD will not be assuming the responsibilities for storm drainage within the district. Calhoun County Precinct No. 4 currently maintains the storm drainage system within the area of the proposed district and will continue to do so after the formation of the district.

9. Provide a detailed land use table which describes the development type (single family residence, commercial, multi-family); the assessed value for each type; the equivalent single family connections for each type; the acreage for each type. Note: table shall include undeveloped lots, roads, easements, trails, reserves, WWTP site, etc.

See Exhibit 14

10. Provide a certificate by the county's central appraisal district which indicates the existing certified taxable assessed value of the property within the boundaries of the proposed district.

See Exhibit 15

11. Provide an estimated assessed valuation for the potential build-out of the proposed district.

As stated above, there are approximately 20 potential future single family residences that may be developed within the district boundaries. If we assume an average value of \$150,000 for these improvements, this would equate to an additional \$3,000,000 valuation, for a total of \$17.9 million dollars assessed valuation for the potential build-out in today's dollars.

12. Provide a revised debt service tax calculation(s) without grant/loan issuance scenarios

See Exhibit 16

13. Provide a table summarizing the overlapping taxing entities (including the proposed district).

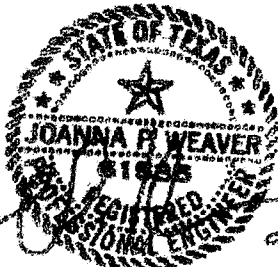
TAXING ENTITY	2010 Tax Rate
Farm to Market & Lateral Road	\$ 0.0000
Calhoun County	\$ 0.4900
Calhoun Port Authority	\$ 0.0039
Calhoun ISD	\$ 1.1331
South Port Alto M.U.D.	\$1.07 - \$0.51 - varies with grant/loan issuance scenarios - Ref to Exhibit 16

Attached Exhibits

1. proposed district boundary map
2. proposed district boundary metes and bounds description
3. metes and bounds computation sheet
4. photograph depicting existing Sunlandings sewer MH lid raised above the BFE
5. Revised preliminary land use map
6. Marshall Johnson Subdivision plat (Vol Z, Page 103 CCPR)
7. Arnold Koep Subdivision plat (Vol Z, Page 144 CCPR)
8. Enchanted Harbor Section II (Vol Z, Page 439 CCPR)
9. Sunlandings Phase I (Vol Z, Page 527 CCPR)
10. Enchanted Harbor Section I (Volume Z, Page 437-438 CCPR)
11. Sunlandings Phase II (Volume Z, Page 536)
12. Map of existing and potential future development within the proposed district boundaries
13. Itemized Summary of Costs
14. Land Use Table within the proposed district boundaries
15. Certificate by Calhoun County Chief Appraiser of the existing certified taxable assessed valuation of the property within the boundaries of the proposed district
16. Debt Service schedule
17. Letter of Intent between the proposed South Fort Alto MUD and Jesse Wood, current owner of CCN 12525 and CCN 12683
18. Letter from existing CCN provider indicating inability to provide service.

Please feel free to contact me at jweaver@gwengineers.com or 361-552-4509 if you need additional clarification on any of these topics.

Respectfully submitted,



Joanna P. "Jody" Weaver, P.E.
Texas Serial No. 61535
Sr. Project Engineer
G&W Engineers, Inc.

cc: T. Norman-Peterson, W. Roberts, file 5516.001