



Control Number: 44236



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**PUC DOCKET NO. 44236
SOAH DOCKET NO. 473-15-4944.WS**

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PUBLIC UTILITY COMMISSION
FILING CLERK

**APPLICATION OF CUSTOM WATER § THE STATE OFFICE
COMPANY, LLC FOR A RATE/ § OF
TARIFF CHANGE § ADMINISTRATIVE HEARINGS**

**1st. SUPPLEMENT TO WRITTEN RESPONSE TO COMMISSION STAFF'S
MOTION TO STRIKE AND REQUEST TO RESCHEDULE**

COMES NOW, Michael Ratliff, as counsel for Custom Water Company, LLC and files this Supplement to Written Response to Commission's Staff Motion To Strike the letter of Chris A. Lemon, CPA previously submitted as Custom Water's direct case.

1. APPLICATION HISTORY

In Order No. 1, the SOHA administrative law judge (ALJ) set a deadline of September 24, 2015 for Custom Water to file its case. On that date, Custom Water submitted the letter of Chris A. Lemon, C.P.A. as its direct case. On October 6, 2015 the Commission Staff filed a Motion to Strike and objections to the letter submitted by Chris A. Lemon, C.P.A. which was received by counsel for Custom Water Company, LLC on October 13, 2015. Counsel for Custom Water Company, LLC now serves this, his written 1st supplement to an earlier response to the Commission Staff's Motion to Strike and objections.

II. SUPPLEMENTAL EXHIBIT

1. Letter of Kerry D. Maroney, P.E.

Counsel for Custom Water Company requested Mr. Kerry D. Maroney prepare a cost analysis with comparative bid options, of the methodology employed by Mr. Fenoglio and Mr. Maroney during the planning stage, of the implementation of the court ordered upgrades to the water systems.

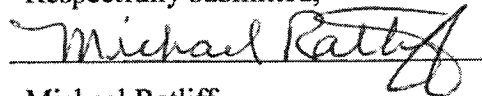
The cost analysis and resulting saving to the customers of Custom Water Company are significant and evidence the expert management of Mr. Fenoglio and

his ability to use his experience and credentials to benefit the customers of Custom Water Company. This document is also offered to further evidence Mr. Lemon's testimony in his direct case submission regarding the cost savings he witnessed during this upgrade of the physical plant of Custom Water Company.

Mr. Maroney is a well-known professional engineer in this field and was contracted by Custom Water Company as a professional consulting engineer during this extensive work on the water system.

The attached exhibit did not arrive in time to be attached for counsel's submission to the Court. Counsel respectfully requests the Court add this exhibit 25-25H to his earlier filed submission as allowed under the Texas Rules of Evidence. Custom Water Company is committed to working with all parties to allow all the information and data to be presented to the Commission in the interest of a proper decision.

Respectfully submitted,



Michael Ratliff
Law Office of Michael Ratliff
TX SBN: 24088276
5145 Upper Montague Road
Bowie, Texas 76230
Telephone: (940) 531-0709
Consumer.law@hotmail.com
Attorney for Custom Water
Company, LLC

CERTIFICATE OF SERVICE

I certify that a true copy of the above was served upon the Public Utility Commission of Texas and parties, by fax and /or electronic means on October 20, 2015.

/s/ Michael Ratliff
MICHAEL RATLIFF



BIGGS & MATHEWS INC.
Consulting Engineers

October 19, 2015

Michael Ratliff, J.D.
5145 Upper Montague Rd.
Bowie, Texas 76230

RE: Custom Water Company, LLC
Rate/Tariff Change

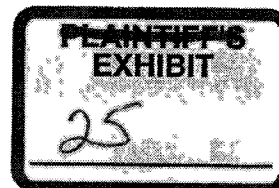
Dear Mr. Ratliff:

It is my understanding on January 12, 2015, Custom Water Company, LLC filed an application for a rate/tariff change with a proposed effective date of March 20, 2015. Included in some of the documentation as justification and support for the rate increase were water system improvements that Biggs & Mathews, Inc. had designed and obtained approval from the Texas Commission on Environmental Quality (TCEQ) to construct new facilities at the various locations within the water systems.

Those improvements included one (1) 25,000 gallon AWWA approved water ground storage tank located at the Montague System Pump Station No. 1, one (1) 25,000 gallon AWWA approved water ground storage tank located at the Montague System Pump Station No. 2, and one (1) 20,000 gallon AWWA approved water ground storage tank at the Oak Shores System Pump Station.

In addition, an 850 foot water supply well (Verretto Rd.) and 3,000 feet of 3" transmission line was constructed at the Montague System Pump Station No. 1, which provides for an additional 85 gallons per minute (gpm) of water to the system and then a second 850 foot water supply well was constructed at Pump Station No. 2, which provides for an additional 35 gpm of water to the Montague System. Therefore, with the two (2) wells combined, an additional 120 gpm of water supply capacity was added to the Montague Water System.

Once these facilities were approved by TCEQ for construction, the owner of Custom Water Company, LLC, Mr. Eddie Fenoglio (Acting as the General Contractor) negotiated agreements and contracts with competent utility suppliers, tank manufacturers, and water well drilling companies to construct and complete all the TCEQ required and approved improvements at the least possible costs to the his water customers. It should be understood, that due to Mr. Fenoglio being a licensed water well driller, in addition to him having the knowledge and expertise to complete portions of the required work himself, he was able to save a substantial amount of money for his customers, and to limit as best he could the increase in water rates that were necessary to pay for the required improvements.



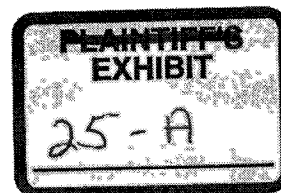
In an attempt to document these savings, we have reviewed and evaluated some recent competitive bids received for similar type work and we have shown a comparison to actual costs from invoices supplied by Custom Water Company, L.L.C. The cost comparisons are summarized below.

COSTS OF IMPROVEMENTS BASED ON RECENT COMPETITIVE BIDS

➤ P.S. No. 1 - 25,000 Gallon Tank @ \$3.00 per gallon	= \$75,000
➤ P.S. No. 2 - 25,000 Gallon Tank @ \$3.00 per gallon	= \$75,000
➤ Oak Shores - 20,000 Gallon Tank @ \$3.00 per gallon	= \$60,000
➤ Site Tank Piping 3 EA. @ 7,500 per tank site	= \$22,500
Costs Sub-Total (Tanks)	= \$232,500
➤ P.S. No. 1 (Verretto) Water Well - 850 feet @ \$225 per foot of depth	= \$191,250
➤ P.S. No. 2 Water Well - 850 feet @ \$225 per foot of depth	= \$191,250
➤ Transmission Line to P.S. No. 1 - 3,000 LF of 3" Pipe @ \$16.00 per foot	= \$48,000
Costs Sub-Total (Wells)	= \$430,500
➤ Engineering & Design Fees @ 10% of Construction Costs	= \$66,500
Total Anticipated Improvements Costs	= \$729,500

COSTS OF IMPROVEMENTS BASED INVOICES AND IN HOUSE WORK

➤ P.S. No. 1 - 25,000 Gallon Tank	= \$40,068
➤ P.S. No. 2 - 25,000 Gallon Tank	= \$40,068
➤ Oak Shores - 20,000 Gallon Tank	= \$35,620
➤ Site Tank Piping & Foundation	= \$15,325
Costs Sub-Total (Tanks)	= \$131,081
➤ P.S. No. 1 (Verretto) Water Well - 850 feet	= \$63,219
➤ P.S. No. 2 Water Well - 850 feet	= \$52,198
➤ Transmission Line to P.S. No. 1 - 3,000 LF of 3" Pipe	= \$14,300
Costs Sub-Total (Wells)	= \$129,717
➤ Engineering & Design Fees	= \$44,270
Total Estimated Improvements Costs	= \$305,068

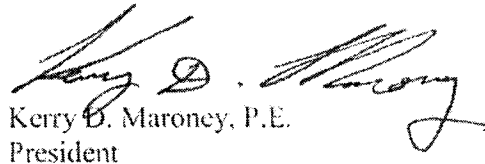


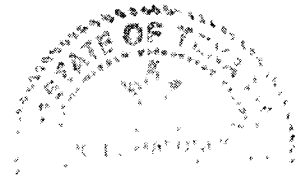
Based on the above cost comparisons, it should be noted that it appears Mr. Fenoglio, saved the water customers an estimated \$424,432 in costs, while also complying with TCEQ requirements.

After your review please call with any questions or comments.

Regards,

BIGGS & MATHEWS, INC. (F-834)


Kerry D. Maroney, P.E.
President




10/19/15

Groundwater Development Project - TDA No. 7214127
 Clay County On Behalf of Dean Dale SUD
 September 25, 2015

THH Water Well
 P.O. Box 1300
 Bowie, Texas 76230

Central Texas Water Well
 P.O. Box 1184
 Bowie, Texas 76230

ITEM QTY	UNITS	DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL
BASE BID:						
1	LS	Mobilization & Insurance	7,750.00	\$7,750.00	22,000	\$22,000.00
2	8 EA	Drill, Complete, Test 55' deep 6 5/8" Water Well	\$13,980.00	111,840.00	\$28,000.00	224,000.00
3	8 EA	Provide & Install 2HP Well Sub Pumps, Pipe, Mele	7,921.00	63,368.00	5,900.00	47,200.00
4	LS	Site Power Cable in Conduit	30,000.00	30,000.00	42,500.00	42,500.00
5	LS	Site Control Cable in Conduit	28,000.00	28,000.00	42,500.00	42,500.00
6	LS	Well SCADA & Control System	15,000.00	15,000.00	48,000.00	48,000.00
7	8 EA	Power & Control Junction Box	1,500.00	12,000.00	3,200.00	25,600.00
8	1,950 LF	6" PVC (SDR-21)	9.00	17,550.00	22.00	42,900.00
9	1,150 LF	4" PVC (SDR-21)	8.00	9,200.00	20.00	23,000.00
10	1 EA	6" Gate Valve & Box	1,000.00	1,000.00	2,200.00	2,200.00
11	LS	Connection to Existing Thornberry Plant	5,000.00	5,000.00	3,800.00	3,800.00
12	8 EA	Chain Link Well Site Fencing	3,500.00	28,000.00	3,000.00	24,000.00
13	LS	Project Sign	500.00	500.00	700.00	700.00
TOTAL AMOUNT OF BID				\$329,208.00		\$548,400.00
TOTAL MATERIALS PORTION				\$197,525.00		\$356,460.00
TOTAL SERVICES PORTION				\$131,683.00		\$191,940.00

Water Supply Wells Add or Deduct Items:

1-A	LF	Furnish & Install 6 5/8" O.D. Well Casing	\$20.00
2-A	LF	Furnish & Install 6" I.D. Stainless Screen, Gravel	\$65.00
3-A	LF	Furnish & Install 6 5/8" O.D. Blank Liner Pipe	\$20.00
4-A	LF	Furnish & Install 2 3/8" O.D. Column Pipe	\$4.00
5-A	LF	Three-wire power cable for 2 HP Sub pump	\$1.00
6-A	LS	Haul & Dispose Drilling Mud to Off Site Location	\$4,500.00



F.M. 94-3" Water Line Relocation Northfield System Red River Authority of Texas December 16, 2014			Bowles Construction Company P.O. Box 1764 Wichita Falls, TX 76307			Wichita Contractors Inc. 2408 Holliday Road Wichita Falls, Texas 76301		
ITEM	QTY	UNITS	DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL	TOTAL
1		LS	Mobilization & Insurance	5,000.00	\$5,000.00	6,000.00	\$6,000.00	
2		LS	Pipeline Easement Route Preparation	\$8,000.00	8,000.00	\$12,000.00	12,000.00	
3	2,600	LF	Furnish & Install 3" PVC Pipe	20.00	52,000.00	16.00	41,600.00	
4	4	EA	Furnish & Install 3" Gate Valve & Box	800.00	3,200.00	650.00	2,600.00	
5	2	EA	Furnish & Install 1" Manual Air Valve Assembly	1,400.00	2,800.00	500.00	1,000.00	
6	50	LF	Furnish & Install Boring & Casing 3" Carrier Pipe	125.00	\$6,250.00	105.00	\$5,250.00	
7		LS	Connection No. 1	1,100.00	\$1,100.00	700.00	\$700.00	
8		LS	Connection No. 2	1,100.00	\$1,100.00	700.00	\$700.00	
9		LS	Connection No. 3	1,100.00	1,100.00	700.00	700.00	
10		LS	Connection No. 4	1,500.00	1,500.00	1,200.00	1,200.00	
11	52	EA	Trench Erosion Control	525.00	27,300.00	950.00	49,400.00	
Total Amount of Bid					109,350.00		121,150.00	
Materials Portion					29,350.00		72,100.00	
Labor Portion					80,000.00		49,050.00	



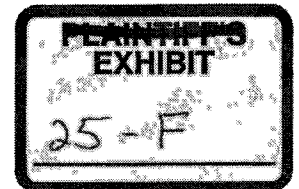
Wastewater Treatment Plant Effluent Reuse Conveyance Facilities			Bowles Construction Co.		Adams Construction	
City of Iowa Park			P.O. Box 1764		P.O. Box 399	
December 4, 2014			Wichita Falls, TX 76307		Iowa Park, TX 76367	
ITEM	QTY	UNITS DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL
1	1 LS	Mobilization & Insurance	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
2	1 1A	Furnish & Install Five Foot (5') Diameter Effluent Manhole	\$3,500.00	\$3,500.00	\$6,000.00	\$6,000.00
3	70 LF	Furnish & Install Twelve Inch (12") C-900 (DR-25) PVC Effluent Gravity Line	\$40.00	\$2,800.00	\$100.00	\$7,000.00
4	1 LS	Furnish & Install Packaged Effluent Lift Station	\$70,000.00	\$70,000.00	\$113,000.00	\$113,000.00
5	1 LS	Furnish & Install all required Electrical/Control Work for Effluent Lift Station	\$11,800.00	\$11,800.00	\$12,000.00	\$12,000.00
6	1 LS	Furnish & Install Effluent Filter Facility	\$241,000.00	\$241,000.00	\$287,000.00	\$287,000.00
7	1 LS	Furnish & Install all required Electrical/Control Work for Effluent Filter Facility	\$8,600.00	\$8,600.00	\$9,000.00	\$9,000.00
8	1 LS	Furnish & Install 10,000 Gallon Ground Storage Tank	\$45,000.00	\$45,000.00	\$53,000.00	\$53,000.00
9	1 LS	Furnish & Install Effluent Pump Station	\$85,000.00	\$85,000.00	\$150,000.00	\$150,000.00
10	1 LS	Furnish & Install all required Electrical/Control Work for Effluent Pump Station	\$55,000.00	\$55,000.00	\$60,000.00	\$60,000.00
11	1 LS	Furnish & Install Miscellaneous Yard Piping	\$15,000.00	\$15,000.00	\$21,000.00	\$21,000.00
12	4,900 LF	Furnish & Install Ten Inch (10") C-900 (DR-25) PVC Effluent Transmission Line	\$27.00	\$132,300.00	\$20.00	\$98,000.00
13	450 LF	Furnish & Install Six Inch (6") C-900 (DR-25) PVC Effluent Transmission Line	\$20.00	\$9,000.00	\$17.00	\$7,650.00
14	3 1EA	Furnish & Install Ten Inch (10") Gate Valve & Box	\$1,700.00	\$5,100.00	\$1,800.00	\$5,400.00
15	1 1EA	Furnish & Install Eight Inch (8") Gate Valve & Box	\$1,100.00	\$1,100.00	\$1,200.00	\$1,200.00
16	3 1EA	Furnish & Install Six Inch (6") Gate Valve & Box	\$800.00	\$2,400.00	\$1,000.00	\$3,000.00
17	1 1EA	Furnish & Install Twelve Inch (12") Butterfly Valve and Box	\$1,800.00	\$1,800.00	\$5,000.00	\$5,000.00
18	1 1EA	Furnish & Install Six Inch (6") Butterfly Valve and Box	\$900.00	\$900.00	\$3,000.00	\$3,000.00
19	225 LF	Furnish & Install Boring & Casing for a Six Inch (6") Carrier Pipe	\$120.00	\$27,000.00	\$100.00	\$22,500.00



Wastewater Treatment Plant Effluent Reuse Conveyance Facilities City of Iowa Park December 4, 2014			Howles Construction Co. P.O. Box 1764 Wichita Falls, TX 76307		Adams Construction P.O. Box 399 Iowa Park, TX 76367	
ITEM	QTY	UNITS DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL
20	3 L-A	Furnish & Install Two Inch (2") Air/Vacuum Value and Vault	\$7,000.00	\$21,000.00	\$7,000.00	\$21,000.00
21	1 L-S	Furnish & Install Effluent Meter & Control Valve Vault for Cryovac	\$20,000.00	\$20,000.00	\$30,000.00	\$30,000.00
22	1 L-S	Furnish & Install all required Electrical/Control Work for Cryovac Effluent Meter & Control Valve Vault	\$24,700.00	\$24,700.00	\$25,000.00	\$25,000.00
23	1 L-S	Traffic Control Plan, Devices, & Structures	\$2,000.00	\$2,000.00	\$1,000.00	\$1,000.00
24	5,420 LF	Trench Safety Plan, Procedures, Devices, and/or Structures	\$1.00	\$5,420.00	\$1.00	\$5,420.00
25	1 L-S	Stormwater Pollution Prevention Plan (SWPPP), Erosion Control Methods, & Facilities/Structures	\$1,500.00	\$1,500.00	\$1,000.00	\$1,000.00
TOTAL AMOUNT OF BASE BID				\$831,920.00	\$0.00	\$987,170.00

ADDITIVE BID ITEMS

1-A	1-L	Furnish & Install Casing for a Six Inch (6") Carrier Pipe (in lieu of boring)	\$120.00		\$100.00	
2-A	1-L	Furnish and Install a Communication Antenna/Structure (in lieu of a building mounted antenna)	\$17,600.00	\$17,600.00	\$25,000.00	\$25,000.00



Howardwick Ground Storage Tank Red River Authority of Texas June 25, 2014			H2O Steel Contractors, LLC 2000 Howard Rd. Waxahachie, Tx. 75165		Adams Construction P. O. Box 399 Iowa Park, TX 76367	
ITEM	QTY	UNITS DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL
1	1.S	Mobilization & Insurance		\$2,500.00		\$10,000.00
2	1.S	Furnish & Install 68,000 Gallon Ground Storage Tank on Concrete Foundation		\$111,500.00		\$132,000.00
3	1.S	Site Piping & Valves to Connect new tank to Existing System		\$26,000.00		\$25,000.00
4		Electrical & Control Work		\$1,500.00		\$6,000.00
		TOTAL AMOUNT OF BASE BID		\$141,500.00		\$173,000.00
1-A	1.S	Disconnect From Inlet/Outlet Pipes and Remove And Dispose of three (3) Existing Tanks		\$15,670.00		19,000.00

Water Supply Well No. 1
The City of Nocona, Texas
October 26, 2010

THI Water Well
P. O. Box 1300
Bowie, TX 76230

Jackson Drilling Services LP
P. O. Box 1204
Bridgeport, TX 76426

ITEM QTY	UNITS	DESCRIPTION	\$ PER UNIT	TOTAL	\$ PER UNIT	TOTAL
BASE BID						
1	LS	Mobilization & Demobilization of all required equipment & personnel required to complete a 825 foot test hole for logging purposes		\$3,000.00		\$5,000.00
2	LS	Drill a 825 foot test hole & provide for & complete a Gamma Ray Dual Induction Log to determine potential water bearing sand formations		14,900.00		59,000.00
3	LS	Plug & Abandon test hole in accordance with TCEQ regulations (if directed by the Owner) & provide for all site clean-up & final grading		7,000.00		5,000.00
TOTAL MATERIALS PORTION						
TOTAL SERVICES PORTION						
TOTAL WELL BASE BID						
\$10,000.00						
\$59,000.00						
\$69,000.00						

Additive Bid Option No. 1

(Contractor shall not proceed with this Option No. 1 unless Directed by the Owner)

1	LS	Furnish all labor, materials, & equipment to drill, complete, & test one 8 5/8" water supply well in accordance with the plans & specifications		\$102,587.50		\$122,000.00
2	LS	Furnish all labor, materials, & equipment to provide & install a submersible deep well pump, pump panel, cable, & well cover in accordance with the plans & specifications		38,440.25		37,420.00
3	LS	Furnish all labor, materials, & equipment to install the Well Head piping, valves, flow meter, power cable, conduits, disconnect, & all other required electrical & control work		11,850.00		20,000.00
TOTAL MATERIALS PORTION						
TOTAL SERVICES PORTION						
TOTAL WELL ADDITIVE BID OPTION NO. 1						
\$91,726.65						
\$61,151.10						
\$179,420.00						

