



Control Number: 46923



Item Number: 42

Addendum StartPage: 0

DOCKET NO. 46923
SOAH DOCKET NO. 473-17-5770 WS

2018 JAN 18 AM 11:03

APPLICATION OF WOLFE	§	PUBLIC UTILITY COMMISSION
AIRPARK CIVIC CLUB, INC. TO	§	FILING CLERK
OBTAIN A WATER CERTIFICATE	§	OF TEXAS
OF CONVENIENCE AND	§	
NECESSITY IN BRAZORIA COUNTY	§	

WOLFE AIRPARK CIVIC CLUB, INC.'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
QUESTIONS 1-10

NOW COMES WOLFE AIRPARK CIVIC CLUB, INC. and files this Response to Commission Staff's First Request for Information Questions 1-10.

Staff 1-1 Please provide the historical and projected cash flow statements and balance sheets for water utility operations for the past five years and for the test year.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

We previously provided the historical cash flow statements and balance sheets for 2013, 2014, 2015 and 2016. This information is attached to this response for your convenience (see Exhibit 1).

Applicant anticipates that there will be no material growth of the water system and therefore no change to the physical facilities and associated costs. Therefore, since we anticipate no change in our costs due to growth, Applicant is not submitting projected cash flow statements and balance sheets.

Applicant identifies additional costs that may be incurred on an "as needed" basis in our response to RFI Question 1-5.

Under separate cover, we will provide historical cash flow statements and balance sheets for 2012 and 2017.

Staff 1-2 If Wolfe Airpark anticipates growth in the number of customers for which it would provide water utility services, please provide an explanation, including projected income statements, projected expense statements, and projected balance sheet schedules.

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The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

There has only been one new residential connection to the system within the last decade.

Therefore, Wolfe Airpark anticipates no more than two (2) potential new connections to the water system over the next five years. These connections can be made without making any modifications to the well or the delivery system. These additions, if they occur, will have no affect on the cost associated with the maintenance or operation of the system.

Staff 1-3 Please provide a copy of the current tariff by the City of Manvel and Wolfe Airpark's proposed tariff, listing all fees.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

There is no tariff currently imposed on Wolfe Airpark by the City of Manvel. The City of Manvel asserts no obligation or right to provide water services to Wolfe Airpark.

The Civic Club has continuously served its customers under various regulatory agencies, charging fees to recoup the expenses for the maintenance and operation of the water system.

The TCEQ letter dated December 13, 2004, states that no violations were documented during the Compliance Evaluation Investigation conducted on November 2, 2004 (see Exhibit 2).

A Notice of Violation against the Wolfe Airpark water system dated January 9, 2006 was withdrawn by the TCEQ on August 20, 2008 (see Exhibit 3). In the August 20, 2008 report, the TCEQ acknowledged that the Civic Club was authorized to collect appropriate fees to offset the costs for maintenance and operation of the water system.

Staff 1-4 Please provide a copy of Wolfe Airpark's Profit and Loss Statement and Balance Sheet for 2015.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

The Profit and Loss Statement and Balance Sheet for 2015 were previously provided in our document titled “Supplemental Information in Support of Wolfe Airpark’s Application for Certificate of Convenience and Necessity” filed with the Commission on May 5, 2017.

For convenience, this information is attached to this document (see Exhibit 4).

Staff 1-5 Please provide the general ledger supporting the chart of operating expenses relating to the proposed \$35.00 monthly charge for water utility services.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

The operating expenses of the water system at Wolfe Airpark are maintained via the checking account for the Civic Club. Some expenses are incurred monthly and some are periodic as required. We looked at the expenses for the water system for the years 2015 and 2016 and developed the table previously submitted with our application (see Exhibit 5). The costs shown on this table under “Additional Costs as Needed” are typical maintenance and repair costs and fluctuate from year to year.

Our initial application submittal included a \$35.00 per month fee for residential connections and a \$10.00 per month fee for hangar only connections. Upon further review of our system and associated expenses (which includes the first new residential connection in the last several years), and the fact that this fee is not based on metered water usage, but on the expenses required to operate and maintain the system, we propose to change the monthly fee for hangar connections from \$10.00 per month to \$15.00 per month.

These payments provide an average additional revenue of approximately \$5,500.00 per year. Some years our maintenance and repair costs are below this amount and some years our costs are above this amount.

Staff 1-6 Please refer to the answer provided in the Applicant’s Direct Testimony in response to Question #10 in the section entitled “List of Issues and Applicant’s Responses”. Provide the agreement or contract that allows the Applicant to charge customers for “additional assessments (with regulatory approval) for any extraordinary and unanticipated expenses”, as well as any actual historical assessments charged to the customers, including, but not

limited to, what the charge was for, the amount of the charge, how the customers were charged, and the time increment for the charge.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

The Deed Restrictions and the amendments to the Deed Restrictions allow the Civic Club to charge assessments the landowners for maintenance and repairs of the common areas of Wolfe Airpark. In the recent amendments, Amendment No. 4:

- **clarifies any ambiguity in the original Deed Restrictions,**
- **ratifies the prior actions of the Civic Club in the operation of the water system, and**
- **authorizes the Civic Club to collect assessments for the maintenance and operation of the water system.**

Staff 1-7 Please provide the Texas Commission on Environmental Quality's (TCEQ) approval letters for the distribution system for the requested area.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

We have attached the following documents in response to this question:

- **TCEQ Site Visit Report documenting results of numerous site inspections from 2001 through 2015 (see Exhibit 6),**
- **TCEQ Letter dated December 13, 2004 stating no violations were documented during the Compliance Evaluation Investigation conducted on November 2, 2004 (previously referred to Exhibit 2).**
- **TCEQ Withdrawal of Complaint No. 68737 dated August 20, 2008 establishing that the Civic Club is authorized to collect appropriate fees to offset the costs for maintenance and operation of the water system (previously referred to Exhibit 3).**

Staff 1-8 Please provide a copy of the most recent Comprehensive Compliance Investigation from the TCEQ.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

We have requested the most recent TCEQ Comprehensive Compliance Investigation Report, and will forward it to PUC Counsel upon receipt.

Staff 1-9 Please provide the connection count and capacity of the well(s), pressure tank(s), ground storage tank(s), and pump(s) available.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

The current residential connection count for this system is 19 (we have added one new connection as discussed in our response to Question 1-2), and the current hangar connection count is 24.

The system has a well capacity of 1.5 gallons per minute per connection and a pressure tank capacity of 50 gallons per connection.

Staff 1-10 Please provide a list of individuals who will be involved with the management of the water utility, including, but not limited to, the names of the individuals and their experience with water utility management.

The name of the person who can vouch for the truth of this answer is John Heitz, President of Wolfe Airpark Civic Club, Inc.

John Heitz, responsible for overall maintenance and operation of the system.

Jeff Brennan with Utility Technologies, responsible for periodic monitoring and sampling of water, and inspecting equipment operation.

Affirmation of Response to RFI

Before me, the undersigned Notary Public, on this day personally appeared John Heitz, who after being duly sworn, stated under oath as follows:

"I am over 18 years of age, of sound mind, have never been convicted of a felony or a crime involving moral turpitude, am competent to make this affidavit, and have personal knowledge of the facts stated herein.

I am on the board of directors of the Wolfe Airport Civic Club, Inc., and have been since 2009. My wife and I own our home in Wolfe Airpark, as well as a hanger on lot 155.

I am president of the board of directors of the Wolfe Airpark Civic Club, Inc., and have been re-elected president in 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017.

I am designated as the operator of the Wolfe Airpark water system with the Texas Commission on Environmental Quality. I am familiar with the current status of the water system for the residential homes and hangars in Wolfe Airpark, and the history of Wolfe Airpark as it relates to this affidavit.

Affirmation of Sworn Statement

I have read this affidavit and reviewed the exhibits (attached or incorporated by reference), and the statements made in this affidavit and the exhibits are true and correct based upon my personal knowledge."

Signed and sworn on January 17, 2018.

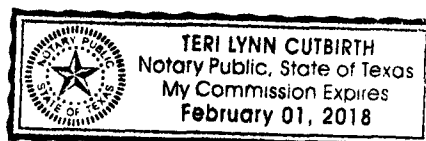
John Heitz
John Heitz

SUBSCRIBED AND SWORN TO BEFORE ME on January 17, 2018.

Teri Lynn Cutbirth

Notary Public in and for the State of Texas

My commission expires



Respectfully submitted,

/s/John C. Hampton

BY:

John C. Hampton

Texas Bar No. 08873200

17918 Western Pass Lane

Houston, Texas 77095

Tel. (281) 386-9959

Fax (281) 858-6781

jhampton@johnhamptonlaw.net

CERTIFICATE OF SERVICE

I certify that a true copy of this document, together with any attachments, has been served on January 17, 2018 on the Legal Division of the Texas PUC by serving Rachelle Robles via email Rachelle.robles@puc.texas.gov, and on Joe Walker via email joewalk@hal-pc.org.

/s/John C. Hampton

JOHN C. HAMPTON

HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash	54,551.35	13,233.26	21,445.89	36,536.02	22,004.84	
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total		13,233.26	21,445.89	36,536.02	22,004.84	
FIXED ASSETS						
Land		39,783.04	39,783.04	38,183.04	32,183.04	
Collection/Distribution System						
Buildings						
Equipment			4,500.00			
Other						
Less: Accum. Depreciation or Reserves						
Total		39,783.04	44,283.04	38,183.04	32,183.04	
TOTAL ASSETS		53,016.20	65,728.93	74,719.06	54,187.88	
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity		65,728.93	74,719.06	54,187.88	50,631.14	
Other						
Current Period Profit or Loss		-21,912.74	-8,990.13	20,531.18	3,556.74	
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY		43,816.19	65,728.93	74,719.06	54,187.88	
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

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	42.00	42.00	42.00	42.00	42.00	
New Taps per Year						
Total Meters at Year End	42.00	42.00	42.00	42.00	42.00	
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees		18,014.40	16,631.00	25,726.00	25,281.02	
Other				14,150.00		
Gross Income		18,014.40	16,631.00	39,876.00	25,281.02	
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

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						
Office Expense		115.00	206.20	220.88	262.07	
Computer Expense						
Auto Expense		222.80	31.32	277.67	916.97	
Insurance Expense		2,239.03	2,972.00		1,928.00	
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes		4,967.76	2,257.17	2,998.80	2,065.51	
Professional Fees		11,805.43	1,986.78			
Other		1,798.25	50.00	294.88	632.88	
Total		21,148.27	7,503.47	3,792.23	5,805.41	
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries		4,339.00	5,465.00	927.50	4,970.00	
Auto Expense						
Utilities Expense		1,605.15	1,389.74	1,435.12	1,537.45	
Depreciation Expense						
Repair & Maintenance		6,981.89	2,613.37	3,393.10	3,001.88	
Supplies		709.04	1,396.09	4,521.38	555.55	
Other		5,143.79	7,253.46	5,275.51	5,853.99	
Total		18,778.87	18,117.66	15,552.59	15,918.87	
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Kathleen Hartnett White, Chairman
R. B. "Ralph" Marquis, Commissioner
Larry R. Soward, Commissioner
Glenn Shankle, Executive Director

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 13, 2004

Mr. Scott Van Dusen
Wolfe Air Park
1015 Wolfe
Marvel, Texas 77578

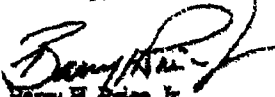
Re: Compliance Evaluation Investigation at:
Wolfe Air Park, 1015 Wolfe Air Park, Marvel, Brazoria Co., Texas
TCEQ ID No. 0200409

Dear Mr. Elridge:

On November 02, 2004, Mr. David W. Livings Sr., R.S. and Ms. Elaine Jackson of the Texas Commission on Environmental Quality (TCEQ), Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. No violations were documented during the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. David W. Livings Sr., R.S. in the Houston Region Office at (713)767-3630.

Sincerely,


Barry H. Price, Jr.
PWS Work Leader
Houston Region Office

BHP/dwl

cc: Brazoria Co. Health Dept.

Reply To: REGION 12 • 5425 FOLEY AVE., STE. H • HOUSTON, TEXAS 77023-1486 • T19/767-3500 • FAX 713/767-3520

P.O. Box 13067 • Austin, Texas 78711-3067 • 512/239-1000 • Internet address: www.tceq.state.tx.us

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PRIDDY ET AL 00755

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Exhibit 2



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t Texas Commission on Environmental Quality

SITE SEARCH:

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Questions or Comments:

oce@tceq.texas.gov

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Have you had contact with the TCEQ lately? Complete our [Customer Satisfaction Survey](#).

Complaint Investigation Details

Complaint Tracking #: 68737

Investigation #: 451666

Regulated Entity: WOLFE AIR PARK

Regulated Entity #: RN101230720

County: BRAZORIA

Street Address: Not available

City: Not available

Zip: Not available

Date of Investigation: 12/01/2005

Media: **Program:**

WATER PUBLIC WATER SYSTEM/SUPPLY

Notice of Violation Date: 01/09/2006

Violations:

Status	Date	Abbreviated Description	Regulation	Specific Citation
WITHDRAWN	08/20/08	Failure to possess a Certificate of Convenience and Necessity.	30 TAC Chapter 291, SubChapter G	291.101 (a)
WITHDRAWN	08/20/08	Failure by a community water system to provide accurate metering devices at each service connection to provide water usage data.	30 TAC Chapter 290, SubChapter D	290.44 (d)(4)
WITHDRAWN	08/20/08	Failure to file Tariffs.	30 TAC Chapter 291, SubChapter B	291.21 (a)

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Last modified November 29, 2016

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Exhibit 3

9:14 AM

09/20/16

Accrual Basis

WOLFE AIRPARK CIVIC CLUB INC

Profit & Loss

January through December 2015

	TOTAL
Ordinary Income/Expense	
Income	
Assessment Fees	16,631.00
Total Income	16,631.00
Gross Profit	16,631.00
Expense	
Contract Labor	5,465.00
Franchise Tax	50.00
Fuel	31.32
Insurance Expense	2,972.00
Landscaping and Groundskeeping	624.00
Office Supplies	148.20
Postage and Delivery	
Mail Box Rental	58.00
Total Postage and Delivery	58.00
Professional Fees	1,986.78
Property Taxes	2,257.17
Repairs and Maintenance	2,613.37
Supplies	1,396.09
Trash/Dumpster	2,955.96
Utilities	1,389.74
Water Analysis	1,979.50
Well Monitoring	1,694.00
Total Expense	25,621.13
Net Ordinary Income	-8,990.13
Net Income	<u>-8,990.13</u>

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Exhibit 4

9:16 AM

09/20/16

Accrual Basis

WOLFE AIRPARK CIVIC CLUB INC

Balance Sheet

As of December 31, 2015

Dec 31, 15

ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo	21,445.89
Total Checking/Savings	21,445.89
Total Current Assets	21,445.89
Fixed Assets	
Equipment	4,500.00
Land Improvement	39,783.04
Total Fixed Assets	44,283.04
TOTAL ASSETS	65,728.93
LIABILITIES & EQUITY	
Equity	
Retained Earnings	74,719.06
Net Income	-8,990.13
Total Equity	65,728.93
TOTAL LIABILITIES & EQUITY	65,728.93

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Wolfe Airpark Civic Club Well System Operating Expenses

		Yearly
State fee	(annual)	\$150.00
TCEQ fee	(annual)	\$150.00
Brazoria County Water Conservation Permit	(annual)	\$200.00
Brazoria County fee	(annual)	\$175.00
Texas Health Department lab fees	(annual)	\$1,200.00
Utility Technology	(monthly)	\$2,184.00
Electricity Reliant Energy	(monthly)	\$1,740.00
LCRA lab fees	(biannual)	\$570.00
Mowing and grounds mtn	(monthly)	\$400.00
SUBTOTAL		\$6,769.00
Additional Costs As Needed		
Well maintenance	(as needed)	\$4,500.00
Contract repairs	(as needed)	\$2,500.00
Water line repairs	(as needed)	\$3,200.00
Supplies	(as needed)	\$525.00
SUBTOTAL AS NEEDED		\$10,725.00
TOTAL		\$17,494.00

<u>Texas Commission on Environmental Quality</u>	<u>Office of Water</u>	<u>Public Drinking Water Section</u>
<u>County Map of TX</u>	<u>Water System Search</u>	<u>Office of Compliance and Enforcement</u>

<u>Water System Detail</u>			
<u>Water System Facilities</u>	<u>Violations</u>	<u>TCR Sample Results</u>	<u>TTHM HAA5 Summaries</u>
<u>Source Water Assessment Results</u>	<u>Enforcement Actions</u>		
<u>Sample Points</u>	<u>Assistance Actions</u>	<u>Recent Positive TCR Results</u>	<u>PBCU Summaries</u>
<u>Sample Schedules / FANLs / Plans</u>	<u>Compliance Schedules</u>	<u>Other Chemical Results</u>	<u>Chlorine Summaries</u>
<u>Site Visits</u> <u>Milestones</u>	<u>TOC/Alkalinity Results</u>	<u>Chemical Results: Sort by: Name Code</u>	<u>Turbidity Summaries</u>
<u>Operators</u> <u>All POC</u>	<u>LRAA (TTHM/HAA5)</u>	<u>Recent Non-TCR Sample Results</u>	<u>TCR Sample Summaries</u>
<u>Glossary</u>			

<u>Water System Detail Information</u>			
<u>Water System No.:</u>	TX0200409	<u>Federal Type:</u>	C
<u>Water System Name:</u>	WOLFE AIR PARK	<u>Federal Source:</u>	GW
<u>Principal County Served:</u>	BRAZORIA	<u>System Status:</u>	A
<u>Principal City Served:</u>		<u>Activity Date:</u>	01-01-1913

This list displays Site Visits for the last 2 years by default. If you need to search for a specific date range, use the following date fields (you can also pick a date from the pop-up calendar next to the field) and click on Search.

Date of Visit From



To



<u>Site Visits</u>				
<u>Primary Reason</u>	<u>Date of Visit</u>	<u>Highest Deficiency Severity</u>	<u>Number of Def./Rec.</u>	<u>Number Resolved</u>
<u>SNSV</u>	04-22-2015	MIN	0	0
<u>SNSV</u>	02-29-2012	NON	0	0
<u>SNSV</u>	08-14-2008	NON	0	0
<u>SNSV</u>	08-02-2006	NON	0	0
<u>SNSV</u>	11-02-2004	NON	0	0
<u>SNSV</u>	11-25-2002	NON	0	0
<u>SNSV</u>	11-13-2002	NON	0	0
<u>SNSV</u>	11-01-2001	NON	0	0

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Exhibit 6