

Control Number: 47912



Item Number: 28

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SOAH DOCKET NO. 473-18-2475.WS DOCKET NO. 47912

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RATEPAYERS' · APPEAL	OF THE	§	BEFORE THE STATE OFFICE
DECISION BY SOUTH	I CENTRAL	§	FILING CLARA
CALHOUN COUNTY	WATER	§	OF
CONTROL AND IM	PROVEMENT	§	•
DISTRICT NO. 1 TO CHAN	GE RATES	8	ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY OF ALAN GINO AGUIRRE

on behalf of

SOUTH CENTRAL CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBMITTED ON June 18, 2018

DIRECT TESTIMONY OF ALAN GINO AGUIRRE

LIST OF EXHIBITS

EXHIBIT	DESCRIPTION
DISTRICT EXHIBIT 1	Direct Testimony of Alan Gino Aguirre
DISTRICT EXHIBIT 2	Resume of Alan Gino Aguirre
DISTRICT EXHIBIT 3	District's Notice of Rate Increase
DISTRICT EXHIBIT 4	Proposal for Maintenance of Clarifier
DISTRICT EXHIBIT 5	District's Rules and Regulations/Tariff

SOAH DOCKET NO. 473-18-2475.WS DOCKET NO. 47912

RATEPAYERS' APPEAL OF THE DECISION BY SOUTH CENTRAL	•	BEFORE THE STATE OFFICE
CALHOUN COUNTY WATER	§	OF
CONTROL AND IMPROVEMENT DISTRICT NO. 1 TO CHANGE RATES	8 §	ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY OF ALAN GINO AGUIRRE

WITNESS IDENTIFICATION AND QUALIFICATIONS

- 1 Q. Please state your name and business address.
- 2 A. My name is Alan Gino Aguirre. My business address is P.O. Box 833, Port Lavaca, TX
- 3 77079-833.
- 4 Q. On whose behalf are you testifying in this proceeding?
- 5 A. I am filing testimony on behalf of the South Central Calhoun County Water Control and
- 6 Improvement District No. 1 ("District").
- 7 Q. What is your official position with the District?
- 8 A. I am President of the Board of Directors.
- 9 Q. How long have you been an official with the District?
- 10 A. I have been a Board Director since 05/01/17 and Board President since 05/09/17.
- 11 Q. Please describe your role as President of the District.
- 12 A. I oversee daily operations of the District. I monitor the operating budget, review and
- approve invoices, generate financial reports for the Board with assistance from the
- District's bookkeeper, call and preside over the meetings of the Board and monitor all
- bank accounts. I also, from a practical perspective, am the day-to-day manager of the
- sewer utility system.

- 1 Q. How many years of experience do you have managing technical projects?
- 2 A. I have over 30 years' experience managing large and complex projects in industrial
- 3 services.
- 4 Q. What is your education level?
- 5 A. Some college courses. I studied Business at Bee County Community College.
- 6 Q. Do you have a current resume?
- 7 A. Yes. DISTRICT EXH. 2, which is attached, is an accurate copy of my current resume.
- 8 [DISTRICT OFFERS DISTRICT EXH. 2]
- 9 Q. Are you familiar with the regulatory programs through which sewer utilities are
- 10 regulated?
- 11 A. Yes. I am familiar with the state and local regulatory programs.
- 12 Q. Please explain what you do to comply with those regulatory programs.
- 13 A. I review all plans and specifications for any maintenance or updates to the sewer system.
- I review information provided by the Texas Commission on Environmental Quality
- 15 ("TCEQ") and the Public Utility Commission of Texas ("PUC") regarding plant
- operations. I have gained this knowledge through years of experience working with
- 17 residential, commercial and industrial water and sewer systems and with the day-to-day
- 18 operations of the District.
- 19 Q. Could you please describe the area covered by the District for me?
- 20 A. We are a small community in Calhoun County in Port Lavaca, Texas. The District serves
- an approximate 3-square mile area. We provide no services other than sewer.
- 22 Q. You testified that you monitor the District's budget. Would you please describe the
- 23 **budget?**

A. The District receives not subsidies from the State or County for the operation of the sewer plant. Our sole source of revenue is derived from the sewer rates used to charge our customers. Our current budgeted revenue from this source is approximately \$127,500.00 for 2018.

Q. How are you involved with the District's sewer rates?

Α.

A.

Essentially, I am the general manager of the District. In that role, I review all historical information on revenues and expenditures from the previous years and look for trends in our plant maintenance expenses, utility cost, sub-contractor service expenses and major expenditures as my starting point. We then query our contract Plant Operator for his professional opinion on the life expectancy of the major components of our Plant. Our contract Plant Manager has a standing invitation and obligation to attend our monthly Board Meeting to report on the current status of the Plant, any predictive maintenance required and any future repairs or impending equipment failures. I also consult with our Bookkeeper on the revenues and expenditures. I then review this information, and we (The Board) discuss the feasibility of a possible rate increase.

Q. What was the process used in determining the current sewer rates?

The Board asked the District's bookkeeper, Balanced Books, to review the District's financials and make financial recommendations. Balanced Books reviewed the District's revenue and expenditures and made a recommendation to the Board to consider raising the rate, or somehow, to lower the expenses. After receiving this recommendation and reviewing the previous year's revenues, expenditures, maintenance cost and repairs, it was determined that the District's old rate was not sufficient enough to cover the costs of maintenance, repairs and other major expenditures. At this point, it was apparent that a

Aguirre Direct Page 5

1		rate increase was necessary in order to have revenue sufficient to continue to operate and
2		provide an essential service to our small community.
3	Q.	When did you first place the potential rate increase on the agenda for the Board to
4		consider?
5	A.	The first time the Board discussed a rate increase was August 11, 2017. There was
6		discussion from the Board but no action was taken. We added the item to the agenda for
7		September 15, 2017. We asked Debbie McClanahan, the District's Bookkeeper, to
8		provide information about the District's financial status. After review of the District's
9		financials, the District voted to increase the rates. The rate increase was adopted on
10		September 15, 2017.
11	Q.	Can you identify what has been as DISTRICT EXH. 3?
12	A.	Yes. That is the notice of the rate increase provided to our customers. It shows the rates
13		that are challenged in this proceeding.
14	[DIS	TRICT OFFERS DISTRICT EXH. 3]
15	Q.	Have you reviewed the ratepayers' petition filed with the PUC to initiate this
16		proceeding?
17	A.	Yes.
18	Q.	Is it clear to you why the designated ratepayer at the time appealed the rate
19		increase?
20	A.	No. The rate case appeal did not shed any light on why the ratepayers are challenging
21		these rates.
22	Q.	In your opinion, is there anything about the ratepayers' petition that calls into

question its validity?

23

- 1 A. Yes. There are numerous duplicate signatures and signatures of "non-customers" on the
 2 petition. The ratepayers' representative even acknowledged this on the petition, which
 3 was docketed by the PUC in this proceeding as Item Number 1. It is not clear which
 4 ratepayers signed the petition.
- 5 Q. Are you generally familiar with the components of the sewer system?
- A. Yes, based on my experiences with residential, commercial and industrial utility systems
 through my career and from reports from our contract Plant Operator.
- 8 Q. Explain which parts of the system, if any, will likely need repair or replacement in the near future.
 - A. Numerous pieces of equipment are past their intended life expectancy and need to be replaced in order to continue to provide reliable service to our community. Thanks to the District's recent rate increase, a few critical repairs and equipment upgrades were possible in 2017. Currently, the rate case expenses incurred as a result of this proceeding will also make it difficult to make future repairs, which will be extensive. For example, the District received a bid for repairs to the clarifier which is in need of repair. That bid came in for \$28,867.00 in April 2018 but the District has not accepted this bid due to the District's inability to afford this work. The District inspects this facility to ensure operation but it is aging and continued repairs are anticipated. The April 2018 clarifier bid is attached to my testimony as DISTRICT EXH. 4.

[DISTRICT OFFERS DISTRICT EXH. 4]

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1	Q.	You testified that repairs and upgrades were made in 2017. Would you please
2		explain, in your opinion, whether the expenses for those repairs and upgrades were
3		reasonable and necessary for the operation of the plant?
4	A.	In 2017, the District's most significant repairs were repairing the pump at the lift station
5		for \$8,256.00 (repaired in June 2017), and a drive and clarifier chain for \$\$3,924.00.
6		Expenses for these repairs and additional expenses for other repairs can be seen on
7		DISTRICT EXH. 16. Based on my experiences with water and sewer systems, the
8		expenses for all of the 2017 repairs were reasonable and the repairs were necessary to
9		continue to provide service to our community.
10	Q.	How many sewer customers do you have?
11	A.	We have an approximate monthly average of <u>295</u> active customer accounts.
12	Q.	Do you have opinion about whether the rates for the sewer system are necessary
13		for generating the revenue required to cover the District's operating and
14		maintenance costs?
15	A.	Yes.
16 17	Q.	Please state that opinion.
18 19	A.	The District's rates before the rate increase challenged in this proceeding were inadequate
20		to cover repairs essential to keep the sewer system operational. The Board increased the
21		rates last fall in order to generate revenue to operate the sewer system.
22	Q.	Do the rates charged by the District provide for a return on the District's investment
23		to provide service?
24	A.	No. The revenues recovered from the District's current rates cover only administrative
25		costs and operation and maintenance costs to keep the system functioning.

1 Q .	Did the rate increase raise n	nore revenue than the ut	lity needed to operate?
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- 2 A. No. The revenues from the rates in place in 2016 did not account for the maintenance and
- operating expenditures incurred in 2017. The rate increase covered those costs.
- 4 Q. Are the rates being challenged in this proceeding adequate to provide enough
- 5 revenue for the District to build reserves needed for future system improvements?
- 6 A. The rate increase the District implemented was very limited under the circumstances. It
- did not provide for an increase in reserves but was, instead, designed only to recover
- 8 known expenses. The rate increase is, therefore, essential simply for the District to
- 9 remain operational.
- 10 Q. Are the rates being challenged in this proceeding reasonable?
- 11 A. Yes.
- 12 Q. Please explain why you think the rates are reasonable.
- 13 A. The rates charged are based on expenditures that are necessary to operate the sewer plant
- and to continue to provide service to the customers. It was reasonable to adopt the
- 15 challenged rates because the District was existing on a month-to-month basis due to
- system expenses and low revenues.
- 17 Q. What do you foresee for your sewer system if the rates under question are cut back
- 18 to any significant degree?
- 19 A. If the Commission requires the District to lower its rates, the District will likely not be
- able to provide adequate service to its customers. Future repairs are needed and the
- District will not have sufficient funds to make those repairs and would be forced to seek
- 22 assistance from TCEQ either to provide the District with emergency funding, or to place

- the system in receivership. It is likely that the rates charged under a receivership would be well above the rates the District is currently charging.
- Q. Let's talk about how the rates are charged. Are the customers billed based on usage determined by a meter?
- A. No. The District charges customers based on a flat rate. The rate that applies to the customer depending on the type of connection and how many additional auxiliary connections they have.
- 8 Q. What do you mean by "type of connection"?
- 9 A. There are residential and commercial users on our system. There are different rates for residential and commercial use.
- 11 Q. What is a residential connection?
- A. A residence, or a dwelling as the District sometimes calls it, is one structure with a kitchen and/or personal hygiene facilities, such as a bathroom. Our rules and regulations attached as DISTRICT EXH. 5 explain the difference between residential and commercial connections.

[DISTRICT OFFERS DISTRICT EXH. 5]

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- 17 Q. Sometimes, is there more than one residential structure on one connection or tap?
- 18 A. Yes. In those cases, connections typically use more water and in turn use more capacity
 19 in our system. The District established the rate design after the Living Unit Equivalent
 20 (LUE) model—the charges are based on the typical flow produced by a small single
 21 family residence. One residential structure pays for 1 LUE, and an additional structure,
 22 typically a smaller structure like an RV, tiny home, or laundry room, pays for a 1/2 LUE.
 23 In our Rules and Regulations, it explains how the additional structures are charged.

- 1 Q. Did the District call the residential structures a "dwelling" in its notice of the rate
- 2 increase?
- 3 A. Yes, "dwelling" was used in the notice. "Dwelling" is the same as "residence" defined in
- 4 the Rules and Regulations.
- 5 Q. Are the rates fair for both 1 residence customers and additional residence
- 6 customers?
- 7 A. Yes. The rates are not discriminatory and are consistently applied to all customers in the
- 8 District. The cost to provide service to the connections with more than one structure are
- 9 greater. The rate is designed to allocate more costs to the customers that use more of the
- system. In addition, there are times that customers fail to disclose when they have an
- additional structure connected and producing effluent. The District has to frequently
- inventory all connections to ensure that those customers that should be paying for more
- than one residence are doing so. That is only fair to all of the customers in the system.
- 14 Q. Are DISTRICT EXS. 1 5 an accurate representation of what they purport to be?
- 15 A. Yes.
- 16 Q. Does this conclude your pre-filed direct testimony?
- 17 A. Yes, but I reserve the right to amend this testimony as needed prior to the hearing.

AFFIDAVIT

STATE OF TEXAS

COUNTY OF CALHOUN

I am the witness identified in the preceding testimony. I have read the testimony and the accompanying attachments and am familiar with their contents. Based upon my personal knowledge, the facts stated in the testimony are true and correct. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the testimony are true, valid and accurate.

Alan Gino Aguirre

SUBSCRIBED TO AND SWORN before me on this 18th day of June 2018.

RACHEL NICHOLS

RACHEL NICHOLS

Notary Public, State of Texas

Comm Expires 02-25-2020

Notary ID 128488965

Notary Public in and for The State of Texas

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on the following parties of record on June 18, 2018 via Email.

Windell Durant
555 La Lucia St.
Port Lavaca, Texas 77979
(817) 559-4802 Phone
wldurant76@gmail.com
DESIGNATED RATEPAYERS REPRESENTATIVE

Oshea Spencer
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3336
(512) 936-7289 Phone
(512) 936-7268 Fax
Oshea.Spencer@puc.texas.gov
PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION

VIA HAND DELIVERY TO

Judge Casey Bell Judge Steve Arnold, Mediator Judge Howard Seitzman, Mediator William P. Clements Building Room 504, 5th floor 300 West 15th Str., Austin, Texas

Natasha J. Martin

GINO AGUIRRE

92 N. Ocean Dr., Port Lavaca, TX. 77979 | C: 210-381-7551 | gino.aguirre@att.net

Professional Summary

Personable Project Controls Manager successful at building strong professional relationships. With more than 30 years of managing large and complex projects in all area of Industrial Services, while maintaining high team morale and energy. Skilled mentor and mediator who excels at bringing out the best in team members.

Core Qualifications

- Adherence to Safety Standards
- · Budgeting and forecasting
- Work flow planning
- Customer relations specialist
- Superb time management skills
- · Process improvement
- Troubleshooting

- Primavera P6 proficient
- Contract management
- Manpower loading
- Microsoft Office Suite proficient
- Detail-oriented
- Productivity improvement
- EPC scheduling

Experience

Sr. Estimator / Project Controls Manager Bilfinger Westcon, Inc.

07/2014 to Current Deer Park , TX

- Responsible for formulating all the estimates for routine maintenance, small capital projects and Turnaround bid packages.
- Responsible for attending project proposal meetings, Work Scope job walk and consult with the Client's
- engineering department
- Lead the Project Teams through all the upfront project processes and readiness reviews.
- Responsible for the management of the project budgets (P&L), schedules and reporting.
- Ensured the HR department is aware of the manpower needs.
- Implemented the Change Management process and monitored its progress throughout the projects.

Sr. Project Controls Manager Zachry Industrial, Inc. Project Planning:

01/2008 to 07/2014 San Antonio, TX

- Review field estimates to ensure standardization and divisional requirements are meet.
- Able to customize cost quantity tracking, scheduling and contract management systems.
- Contributes to the development of new strategies to improve performance based on historical data.
- Assisted Business Development in proposal creation.
- Responsible for the implementation of the Project Planning in all areas of project controls.

Quantity Management:

- Trained new and current employees in the operation of the quantity management system.
- Trained new and current employees in the execution of work package creation.
- Built interfaces to the quantity management system with inside and outside sources.
- Development and improvement of the Quantity Management processes and system across divisional boundaries.

Cost Management:

- Trained new and current employees in the operation of the cost management system.
- Identified systemic problems and provided resolutions to problems in the Cost Management process.
- Understand the relationships between cost management, accounting and purchasing.
- Provided analysis services for project cost forecasts and projections.
- Provided technical support to project cost staff.

Schedule Management:

- Ensures accurate relationship between the schedule and cost/quantity management systems.
- Troubleshoot schedule relationship issues between cost and quantity management systems.
- Review project estimates and cost reports to aid in resource loading of the project schedule.
- Provided expertise in advanced scheduling tools such as setting baselines, resource leveling, custom reporting

- and schedule analysis.
- Able to conduct meetings as a Subject Matter Expert (SME) for the Project Controls Team with Owner's or prospective clients.
- Maintain and share project schedule data with other support departments for use and research.
- Maintain an accurate and up to date backup of all projects' schedules.
- Trained and mentored new and experienced users of P6 in basic and/or more advanced skills.
- Provided technical support to project scheduling staff.

Change Management:

- Trained new and current employees on the Change Management process and procedures.
- Support project team with contract and sub-contract management functions.
- Assisted in creating reports and forms to share information with upper management and the client.
- Provides technical support to project staff.

Leadership:

- Developed relationships with Business Unit Managers, Project Teams, other Support Departments and Owner's Management Staff.
- Contributed to new process strategies that help align Controls functions across support departments.
- Developed and made presentations at the Project, Client and Corporate Division levels.
- Support and contributed to the Corporate Project Controls objectives and philosophy.
- Developed leadership skills in others.
- Ensured good communications flow from and to executive management.
- Provided on-site support for any project in the above areas if required

Senior Project Scheduler LyondellBasell Refining

01/2000 to 01/2008 Houston, TX.

- As the Senior Project Scheduler for the IUP (Infrastructure Upgrade Program) we were charged with managing eight (8) different Projects within a Multi-Year Program, with a yearly budget of \$35MM and a Program duration budget of \$450MM, for which I was responsible for the entire Planning/Scheduling activities as they relate to the IUP Projects.
- Duties include: Working closely with IUP Expense and Capital Personnel, Purchasing, HSE, Accounts Payable, Operations, Sub-Contractors and their designated representatives.
- Prepared project estimates, drawings and specifications to obtain an accurate scope of work for the planning & scheduling of the projects.
- Developed and maintain yearly project budgets in the \$35MM range, monitoring project expenditures, identifying variances and implementing corrective actions to control cost and schedule compliance
- Create SAP work orders, service and material requisitions for the entire IUP.
- Monitor work orders and requisitions for cost accuracy and compliance to the "scope of work".

Planner/Scheduler J.E. Merit Constructors, Inc.

01/1996 to 01/2000 Conroe, TX.

- Responsible for Capital Projects, Turnarounds & Engineering project controls and schedules.
- Duties include producing estimates, plans, schedules, assigning appropriate disciplines for pre, execution & post phases of projects.
- Other duties were tracking progress, materials, cost, updating schedules and reporting status to Project Managers.

Project Manager, Planner/Scheduler, Superintendent, General Foreman, Foreman J.E. Merit Constructors. Inc.

01/1984 to 01/1996 Houston, TX.

- Worked directly with clients such as Texaco, Exxon, Oxy-Chem, Lyondell-Citgo, Solvay and Global Octanes.
- My responsibilities included close client interaction, management of staff and manpower, adherence to company
 policies, budget control, manpower scheduling, material and equipment procurement, also maintained safety
 standards and followed through to project fulfillment.

Education

High School Diploma Kenedy High School May 1981 Kenedy,TX., USA

Bee County College Business May 1983 Beeville, TX., USA

Affiliations

Member of PMI (Project Management Institute)
PMP Training September 2013
Oracle Primavera Training
Version 5, 6, 7 & 8
SAP Experience
PM & MM modules

Volunteer Service

Treasurer - Magnolia Beach Volunteer Fire Department

President - South Central Calhoun County Water Control and Improvement District #1

* NOTICE OF RATE INCREASE *

SCCCWCID#1

P.O. Box 833 Port Lavaca, TX 77979 September 20, 2017

SCCCWCID#1 Customer

Dear SCCCWCID#1 Customer:

The SCCCWCID#1 has enjoyed servicing the Magnolia and Alamo Beach communities for numerous years. However, because of raising operating costs, utilities and materials we are proposing these new rate increases. These new rates will be implemented on <u>November 1, 2017</u>. For those of you that have paid for the entire year, prior to this letter, your rate will be grandfathered in until the last month of your yearly payment and then the new rates will be implemented. Below is the schedule of the new rates.

COMMERCIAL RATE INCREASE:

Commercial Business: \$50.00 for the main dwelling + \$25.00 for each additional dwelling. * Additional Dwelling = Any additional room, RV space, etc. whether occupied or not.

RESIDENTAL RATE INCREASE:

Residential Rate: \$40.00 for the main dwelling + \$20.00 for each additional dwelling.

* Additional Dwelling = Any additional room, RV space, etc. whether occupied or not.

Sincerely,

SCCCWCiD#1 Board of Directors

361-552-0160



PROCESS ENGINEERED EQUIPMENT COMPANY

438 MCBRIDE • P.O. BOX 9549 CORPUS CHRISTI, TEXAS 78469-9549

TBPE F-003760 - TCEQ OC-20018

PHONE (361) 289-8891
FAX (361) 289-7733
EMAIL mail@peeco.com
www.peeco.com

Over 50 Years In Texas

PROPOSAL

Proposal No.: 21-8881 Date: April 17, 2018

South Central Calhoun Co. WCID #1 PO Box 833

Port Lavaca, Texas 77979-0833 Attn: Buckland Atkinson

PROJECT: Magnolia Beach Wastewater Treatment Plant - Clarifier Repairs

PROCESS ENGINEERED EQUIPMENT COMPANY (PEECO) OFFERS TO SELLTHE FOLLOWING EQUIPMENT AND SERVICES IN ACCORDANCE WITH DESCRIPTIONS, TERMS, AND CONDITIONS INCLUDED HEREIN.

Install new metallic clarifier mechanism. Materials as listed and labor to install.

- #80 Drive Chain
- Drive Assembly
- Drive sprocket w/ clutch assembly
- Main shaft assembly
- idler & sprocket assembly
- Scraper Assembly

- #488 Chain w/ pins
- Flight Attachments, 14 required
- Flight wear shoes, 14 required
- Return rail & brackets
- Return rail wear strips

NOTE: Work to be done prior to arrival of PEECO crew. Not included in pricing.

• Provide potable water line for temporary use by PEECO crew

PRICE: \$28,867.00 (Twenty-eight Thousand, Eight Hundred Sixty-seven Dollars)

TAXES: None Included. An acceptable resale tax exemption certificate must be provided.

FREIGHT: None Included

TERMS OF PAYMENT: 100% NET 30 days after invoice date.

DELIVERY: 10 – 12 weeks after receipt of Order **WARRANTY:** Manufacturers' standard warranty

THIS PROPOSAL SHALL REMAIN IN EFFECT FOR *THIRTY (30)* DAYS UNLESS CHANGED IN WRITING BY PEECO AND SHALL BECOME A CONTRACT OF SALE AND PURCHASE WHEN A SIGNED COPY IS RETURNED AND SAME IS ACCEPTED BY PEECO.

PROCESS ENGINEERED EQUIPMENT CO.

Company

Submitted By: Steve Koehl

Accepted By:

Title

Date

21-8881 MagBeach Pro.docx

Page 1 of 1

klk

SOUTH CENTRAL CALHOUN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT #1 P.O. Box 833 Port Lavaca, TX77979

RULES AND REGULATIONS GOVERNING SEWER LINES AND SEWER CONNECTIONS

The following Rules and Regulations are to govern the installation of all sanitary sewer connections with SOUTH CENTRAL CALHOUN COUNTY WCID#1.

I. GENERAL:

- Only one (1) residence may be serviced by each tap. Residence is defined as a structure with any of the following, kitchen facilities and/or personal hygiene facilities.
- 2. Residence with more than one permanent or temporary family use connection to the original sewer service, such as an apartment, RV, cabin, condominium or out building will incur additional service charges. Each additional connection, whether in use or not, will be invoiced at ½ of the Current Residential Monthly Rate. In order to satisfy the WCID#1, homeowners can excavate any additional tap(s) 12" below grade, cut the riser, glue on a PVC cap and backfill excavation. A WCID#1 Board Member must inspect and approve. (Contact the WCID#1 office for current rates).
- 3. Commercial Businesses such as motels, hotels and recreation vehicle parks that require multi-unit use sewer facilities will be charged the Current Commercial Business Rate. A fee of ½ the Current Commercial Business Rate will be assessed to each <u>available</u> dwelling and/or RV space, whether occupied or not. No dump stations for recreational vehicles will be allowed to be connected to the WCID#1 sewer collection system. In order to satisfy the WCID#1, commercial property owners can excavate any additional tap(s) 12" below grade, cut the riser, glue on a PVC cap and backfill excavation. A WCID#1 Board Member must inspect and approve. (*The WCID#1 Board Members reserve the right to determine which properties are deemed "Commercial Business").
- 4. Property owners are responsible for all service lines on their property and on public easements up to and including the sewer tap connection and cleanout. Property owners are responsible for the above ground air-tight mechanical plug for the cleanout pipe and must replace any plugs that have become damaged or are missing. The WCID#1 will notify the property owner in writing if a plug is damaged or missing. The property owner will then have thirty (30) calendar days to replace the plug.
- 5. An "Application for Sanitary Sewer Service" must be obtained from the WCID#1 Board of Directors and it must be approved before a connection may be made to the WCID#1 sewer system.

Exhibit 5

- 6. Property owners will be assessed a Membership Fee of \$1,500.00 for a new connection tap(s) and incur ALL the additional cost for the connection to the WCID main and to their dwelling by a licensed plumbing company. The WCID#1 MUST be contacted prior to connecting to the main line to confirm that the connection complies to the WCID#1 Rules & Regulations.
- 7. A monthly fee will be charged by the WCID#1 for sewer service. Rates and service fees will be established by the District Board of Directors. New customers will be required to pay the same sewer connection charges and monthly rates for sewer service as paid by other users. (Contact the WCID#1 office for current rates).
- 8. Each property owner with a sewer service connection will be billed by the WCID#1 and will be responsible for payment. WCID#1 will not bill renters of the property. The bill will be mailed on or about the 21st of each month for the following month. (Example: July 21st billing for the month of August service.) All bills are due by the 20th of the month. A late charge will be charged for all bills not paid by the 20th of the month with no exceptions
- 9. The Board of Directors, at its discretion, may vote to suspend the monthly service fee for a customer and/or waive late charges if that customer is deemed worthy of such action.

II. CONNECTION PERMIT:

- 1. WCID#1 has the discretion of accepting or rejecting applications for new or additional taps based on projected plant capacity, the distance the property is from the sewer collection lines and the elevation of the applicant's property. Only gravity flow service lines will be permitted. No service lines with pressure pumps will be approved. The horizontal distance to the WCID#1 public sewer collection line cannot exceed one hundred (100) feet. If the elevation of the applicant's property is too low to allow for proper gravity flow, and if the applicant will not fill in the property to raise the elevation to the accepted height, then the application will be denied. If the elevation is questionable, or the distance of the service line would exceed 100 feet, then WCID#1 can require the applicant to have an elevation survey and engineering drawings completed, at the applicant's expense, and present the results, along with the engineer's drawings, to the Board of Directors at their monthly meeting for the Board's consideration.
- 2. The application for sewer service must be completed and submitted to the District prior to construction of the service line. The connection fee should accompany the application. Information regarding the required connection fee may be obtained from the District Board of Directors. Construction must not begin until authorized by the District Board of Directors. (*Additional charges may be incurred depending on the complexity of the new tap installation).
- 3. When the service line is completed and prior to backfilling the pipe trench, the applicant for sewer service shall request and inspection of the installation. Request for inspections shall be made to the District's Inspector twenty-four (24) hours in advance of the inspection. (*Contact the WCID#1 at 361-552-0160).
- 4. Backfilling of service lines trench must be accomplished within twenty-four (24) hours of inspection and approval. No debris will be permitted in the trench.
- 5. A Connection Permit will be granted after inspection confirms that all

requirements of these Rules and Regulations have been met. (*See bottom of Application for Inspector Sign Off).

III. SERVICE LINES:

- 1. Service line is defined as the sewer line from the foundation of the house or commercial building to the sewer line owned by the District.
- 2. Only one (1) sewer service line connection to the District's sanitary sewage collection system is permitted for each lot, as defined by the Calhoun County Appraisal District or commercial building.
- Only the following types of pipe and fitting materials are approved for construction service lines. Pipe and fittings in each individual service line will be of identical material.
 - a. Poly-vinyl-chloride PSM (PVC) pipe conforming to ASTM Specification D3034, and installed according to ASTM D2321.
- 4. Minimum sizes of service lines shall be as follows:
 - a. Residential: 3 inches in diameter.
 - b. Commercial: 6 inches in diameter.
- 5. Minimum grades for service lines shall be as follows:
 - a. 4-inchpipe: Twelve (12) inches drop per hundred feet (1%).
 - b. 6-inch pipe: Six (6) inches drop per hundred feet (0.5%).
 - c. 8-inch pipe: Four (4) inches drop per hundred feet (0.35%).
- 6. Maximum grades for service lines shall be as follows:
 - a. 4-inch pipe: Thirty (30) inch drop per hundred feet (2.5%).
 - b. 6-inch pipe: Eighteen (18) inch drop per hundred feet (1.5%)
 - c. 8-inch pipe: Twelve (12) inch drop per hundred feet (1.0%)
- 7. Construct service lines to true alignment and grade. Warped and sagging lines will not be permitted. The entire length of the service line is to be embedded in sand.

IV. CONNECTION OF BUILDING SEWER OUTLET TO SERVICE LINES:

1. Building tie-on connection will be made directly to the stub-out from the building plumbing at the foundation on all waste outlets.

- 2. Water-tight adapters, of a type compatible with the materials being joined, will be used at the point of connection of the service line to the building plumbing. No cement grout materials are permitted.
- 3. Existing "WYE" and stack connections must be utilized for connection of the service line to the sewer main, unless an exception is permitted by the District's Inspector.

V. FITTINGS AND CLEANOUTS:

- 1. No bends or turns at any point will be greater than 45 degrees
- 2. Each horizontal service line will be provided with a clean out at its upper terminal; and, each such run of piping, which is more than ninety (90) feet in length, will be provided with a clean out for each ninety (90) feet or fraction thereof in the length of such piping.
- 3. Each cleanout will be installed so that it opens in a direction opposite to the flow of the waste and, except in the case of "WYE" branch and end-of-the-line cleanouts, will be installed vertically above the flow line of the pipe.
- 4. Cleanout will be made with air-tight mechanical plug.

VI. EXCLUDED FLOW AND WASTE:

- No waste material which is not biologically degradable will be permitted to discharge into the District's sewage facilities, including mud and debris accumulated during service line installation.
- 2. No downspouts, yard or street drains, or gutters will be permitted to be connected into the District's sanitary sewer facilities
- 3. Swimming pool connections will not be made to the District's sewer system unless approved by the Board.
- 4. A grease interceptor (Grease Entrapment Tank) is required for all business customers that use cooking oil or cooking fats in their business establishments. This requirement is necessary to prevent excessive oil or fats from entering the Sewer System. The tank will have accessible clean-out openings so that the tank can be purged of waste on a regular basis. A drawing giving capacity, construction, size and plumbing suggestion is attached. Tanks may be acquired from any manufacturer available, but will follow the capacity, construction, size and plumbing requirement set forth on the attached sample drawing.

VII. Failure to adhere to the proceeding construction regulations will result in a fine appropriate to the violation as authorized by the Texas Water Code, to be paid by the contractor or private installer to the District.

Sewer service will not be provided by the District until the requirements herein have been met and written permit has been granted.

If any provision of these Rules and Regulations is held invalid, the validity of the remainder of these Rules and Regulations shall not be affected.

These Rules and Regulations were passed and adopted on April 6, 1992, with amendments and/or revisions being passed and made effective April 6, 1992, February 1, 1998, March 5, 2007 and April 2, 2007 and the latest on August 11, 2017.

Board of Directors WCID#1 August 11, 2017

President

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Board Member

Board Member

Board Mambar

Date