



Control Number: 49178



Item Number: 10

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DOCKET NO. 49178

RECEIVED

APPLICANT'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION TO VINEYARD RIDGE, LLC AND VINEYARD RIDGE WATER
SUPPLY, LLC
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-5

10/11/27 4:10:58
FILING CLERK

Staff 1-1 Please provide documentation (loan approval documents, letters of credit, or firm capital commitments) indicating Vineyard Water Supply, LLC has the financial capability to fund the purchase of price of \$107,250. Specifically, please provide documentation which supports the Applicant's ability to fund the debt service of the note payable of \$107,250 on page 7 of 20 of the application.

Answer: Section 7.03 of the Utility Facilities Construction and Conveyance Agreement, submitted with this Application, states that Vineyard Ridge Water Supply, LLC (Utility) will paid Vineyard Ridge, LLC (Developer) \$750 of each tap fee for each new connection established after the agreement date for a ten-year period. No debt or loan is being created for payment of the purchase price. Nor would the Utility be required to pay unless new connections are established. The \$107,250 provided in the Application is the total amount that would be paid to the Developer by the Utility if the remaining estimated connections [(160 total connections - 17 existing connections = 143) x \$750 = \$170,250] were to be installed.

Witness: Bret W. Fenner, P.E. President B & D Environmental, Inc.

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Staff 1-2 Please provide a copy of the loan document and a loan payment amortization schedule including annual debt with detail on principal and interest.

Answer: Please see response provided to Staff 1-1. No loan documents exist for this transaction.

Witness: Bret W. Fenner, P.E. President B & D Environmental, Inc.

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- Staff 1-3** Please provide supporting documentation and the basis for the estimated increase in the number of connections resulting in tap fee revenue as reflected on the projected net income statement information on page 19 of 20 of the application as follows:
a) 2018, increase in number of connections to 17 for tap revenues of \$7,500;
b) 2019, increase in number of connections to 106 for tap revenues of \$66,750; and,
c) 2020, increase in number of connections to 160 for tap revenues of \$40,500.
- Answer:** The projected number of connections for each year in the projected net income statement are for the projections provided by the developer in its original Application for a CCN; Docket No. 46948.
- Witness:** Bret W. Fenner, P.E. President B & D Environmental, Inc.

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Staff 1-4 Please provide any other sources available to fund possible operations and maintenance expense cash deficits in the first five years of operations.

Answer: Vineyard Ridge Water Supply, LLC will supplement any cash deficits with revenues from other business and investment sources of the owner Brent Taylor.

Witness: Bret W. Fenner, P.E. President B & D Environmental, Inc.

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Staff 1-5 Please explain the relationship between Vineyard Ridge Water Supply, LLC and Vineyard Ridge, LLC.

Answer: The only relationship between Vineyard Ridge Water Supply, LLC (Utility) and Vineyard Ridge, LLC (Developer) is that the Utility is currently the independently contracted operator of the Vineyard Ridge water system. No affiliated interest exists between the parties.

Witness: Bret W. Fenner, P.E. President B & D Environmental, Inc.