

Control Number: 49311



Item Number: 33

Addendum StartPage: 0

**PUC DOCKET NO. 49311**

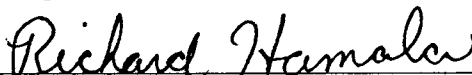
APPLICATION OF PARK WATER §  
COMPANY TO OBTAIN §  
CERTIFICATES OF CONVENIENCE §  
AND NECESSITY IN MIDLAND §  
COUNTY §

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**PARK WATER COMPANY'S RESPONSES TO COMMISSION STAFF'S  
FOURTH REQUEST FOR INFORMATION  
QUESTION NO. STAFF 4-1**

Pursuant to P.U.C. Substantive Rule 16 T.A.C. § 22.144, Park Water Company files its Response to Commission Staff's Fourth Request for Information, which was received on November 21, 2019 Pursuant to 16 T.A.C. § 22.144(c), Park Water Company's responses are timely filed within 20 days after receipt of the request. Park Water Company stipulates that these responses can be treated by all parties as if the answers were filed under oath.

Respectfully submitted,



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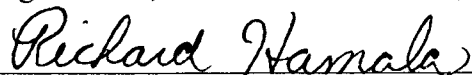
(512) 251-1920 (telephone)

(512) 251-8540 (facsimile)

ATTORNEYS FOR PARK WATER COMPANY

**CERTIFICATE OF SERVICE**

I certify that a copy of this document was served on all parties of record in this proceeding on December 5, 2019, by regular mail, facsimile transmission, or hand delivery.



Richard Hamala

**PUC DOCKET NO. 49311**

**COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION  
TO PARK WATER COMPANY QUESTION NO. STAFF 4-1**

**STAFF 4-1:** Please provide Park WC's depreciation schedule (Attachment 1) of the application in native excel format.

**RESPONSE:** Park Water Company's itemized and aggregate depreciation schedules, in native excel format, are being filed with this response and are shown on the following pages.

In the application, the estimated costs of the water distribution sytem and the wastewater collection system were shown as contributions in aid of construction and were depreciated using an average life of 33 years.

Prepared by: Cindy Bowers

Sponsored by: Bret Fenner, PE

**PARK WATER COMPANY - Fixed Assets and Depreciation**

Balance Sheet Account	Life (Yrs)	Annual Depreciation
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**Engineering Fees for Wastewater Treatment Total of \$350,000**

Item No	Description	Quantity	Unit	Unit Cost	Total			
1	Design of Wastewater Facilities	1	LS	\$320,000.00	\$320,000.00	371	25	12,800.00
2	TCEQ Report and Inspections 1 <sup>st</sup> and 2 <sup>nd</sup> Membrane Bioreactor Unit	2	LS per unit	\$15,000.00	\$30,000.00	371	25	1,200.00
				<b>Subtotal</b>	<b>\$350,000.00</b>			<b>14,000.00</b>

**Wastewater Treatment Facility Total of \$1,839,000.00**

Item No.	Description	Quantity	Unit	Unit Cost	Total			
3	Smith & Loveless Membrane Bioreactor (Phase I-0.065 MGD)	2	EA	\$617,000.00	\$1,234,000.00	371	25	49,360.00
4	Oncor Electric Extension & Drop	1	Job	\$50,000.00	\$50,000.00	371	25	2,000.00
5	Electrical Disconnect & Panel (sized for all phases)	1	LS	\$25,000.00	\$25,000.00	371	25	1,000.00
6	Fencing	3,000	FT	\$15.00	\$45,000.00	334	15	3,000.00
7	Flow Meters (influent and effluent)	1	EA	\$22,500.00	\$22,500.00	363	10	2,250.00
8	Wet Well 12-foot Diameter Fiberglass	1	LS	\$50,000.00	\$50,000.00	364	25	2,000.00
9	Main Lift Station (Smith & Loveless -revised 2 pump)	1	LS	\$48,000.00	\$48,000.00	364	25	1,920.00
10	UV Disinfection In-Line	1	LS	\$30,000.00	\$30,000.00	373	5	6,000.00
11	150K GST Reuse (Polytank Temporary)	150,000	Gal.	\$1.50	\$225,000.00	371	25	9,000.00
12	Wet Well Reuse Packaged Pumps Gicon (for movement to pressure tank for irrigation)	1	LS	\$50,000.00	\$50,000.00	364	25	2,000.00
13	In Plant Lift Station Force Main 6-Inch PVC (Lift Station to Inlet of Treatment Unit)	1,500	FT	\$15.00	\$22,500.00	364	25	900.00
14	Sludge Pump & Piping for Disposal	1	LS	\$15,000.00	\$15,000.00	368	10	1,500.00
15	10-Inch Piping to Discharge Point @ Draw	1,100	FT	\$22.00	\$22,000.00	380	50	440.00
				<b>Subtotal</b>	<b>\$1,839,000.00</b>			<b>81,370.00</b>

**Total Wastewater**
**2,189,000.00**
**23**
**95,370.00**

The asset classes may be adjusted further based on accountant's analysis. Depreciation lives may increase up to an average of 33 years.

**Engineering Fees for Water Treatment Total of \$90,000**

Item No	Description	Quantity	Unit	Unit Cost	Total			
1	Phasing Design Obtain TCEQ Approval	1	LS	\$25,000.00	\$25,000.00	307	30	833.33
2	Design of Water Facilities	1	LS	\$35,000.00	\$35,000.00	307	30	1,166.67
3	Inspections and TCEQ Reverse Osmosis Checklist Report	1	LS	\$30,000.00	\$30,000.00	307	30	1,000.00
				<b>Subtotal</b>	<b>\$90,000.00</b>			<b>3,000.00</b>

**Cost for Well Development Total of \$511,600**

Item No.	Description	Quantity	Unit	Unit Cost	Total			
4	Well Drilling (16-in bore, 10-in casing, stainless steel screen)	2	EA	\$100,000.00	\$200,000.00	307	30	6,666.67
5	Well Pumps (submersible)	2	EA	\$17,500.00	\$35,000.00	310	10	3,500.00
6	Discharge Ductile Iron Flange Fittings, Piping, Valves	2	EA	\$14,100.00	\$28,200.00	307	30	940.00
7	Flow Meter	2	EA	\$10,000.00	\$20,000.00	328	10	2,000.00
8	6-inch Well Discharge Piping to Header Line	600	FT	\$22.00	\$13,200.00	307	30	440.00
9	Well Fencing (chain link)	1,500	FT	\$15.00	\$22,500.00	334	15	1,500.00
10	Access Road to Wells (Strip-Paved Double Seal Coat)	-	-	-	-			
11	Access Road to Wells (Caliche Base)	1,000	CY	\$75.00	\$75,000.00	308	50	1,500.00
12	Oncor Electrical Drops from Power Company	2	EA	\$25,000.00	\$50,000.00	307	30	1,666.67
13	Electrical- Well Panels	2	EA	\$16,000.00	\$32,000.00	310	10	3,200.00
14	Chlorinated Gravel Pack	14	CY	\$550.00	\$7,700.00	308	50	154.00
15	Concrete Foundation Pad	2	LS	\$14,000.00	\$28,000.00	308	50	560.00
				<b>Subtotal</b>	<b>\$511,600.00</b>			<b>22,127.33</b>

**Water Treatment Facility Total of \$1,180,000**

Item No	Description	Quantity	Unit	Unit Cost	Total			
16	75k Ground Storage Tank (GST) – Black Poly NSF61 Raw Water Dosing Tank	75,000	Gal	\$1.25	\$93,750.00	322	50	1,875.00
17	250k GST – Treated Water Tank (welded steel)	250,000	Gal.	\$1.25	\$312,500.00	322	50	6,250.00
18	75K GST – Concentrate Water Tank (welded steel)	75,000	Gal.	\$1.25	\$93,750.00	322	50	1,875.00

**PARK WATER COMPANY - Fixed Assets and Depreciation**

						Balance Sheet Account	Life (Yrs)	Annual Depreciation
19	10k Hydropneumatics Pressure Tank & Air Compressor Controls	1	LS	\$35,300.00	\$35,300.00	320	30	1,176.67
20	Duplex Booster Pumps w/ Variable Frequency Drives (VFD) (feeding Hydro tank)	1	LS	\$32,000.00	\$32,000.00	314	30	1,066.67
21	Sch 80 PVC Reverse Osmosis piping, fittings, valves, static mixers, etc	1	Job	\$22,000.00	\$22,000.00	318	20	1,100.00
22	Uni-Strut Frame Piping Support & Brackets	1	Job	\$2,500.00	\$2,500.00	318	20	125.00
23	pH Inline Probe for Caustic Adjustment	1	LS	\$3,500.00	\$3,500.00	318	20	175.00
24	Flow Meter	2	EA	\$6,500.00	\$13,000.00	307	30	433.33
25	Oncor Electrical Extension & Drop	1	Job	\$50,000.00	\$50,000.00	314	30	1,666.67
26	Electrical Wiring	1	LS	\$30,000.00	\$30,000.00	314	30	1,000.00
27	Pump Control Valves	2	EA	\$3,500.00	\$7,000.00	314	30	233.33
28	Booster Pump Piping	1	LS	\$20,000.00	\$20,000.00	314	30	666.67
29	Building for Booster Station & Reverse Osmosis Treatment	1,200	SF	\$36.00	\$43,200.00	304	30	1,440.00
30	Tank Controls	2	EA	\$9,000.00	\$18,000.00	307	30	600.00
31	Standby Generator w/ Auto Switch	1	LS	\$30,000.00	\$30,000.00	307	30	1,000.00
32	Chlorine Cylinders (150lb bottles)	3	EA	\$1,000.00	\$3,000.00	315	5	600.00
33	Chlorine Gas System (Leak Detector, Pump, Switchover, Ejector Set-up)	1	LS	\$5,000.00	\$5,000.00	316	20	250.00
34	Fiberglass Chlorine Building	1	LS	\$16,000.00	\$16,000.00	304	30	533.33
35	JM Eagle Containment Pallet	3	EA	\$100.00	\$300.00	315	5	60.00
36	Grundfos Chemical Pump (Antiscalant & Caustic)	2	EA	\$3,500.00	\$7,000.00	318	20	350.00
37	55-Gallon Drum of Treatment Chemical (Antiscalant and Caustic)	2	EA	\$1,600.00	\$3,200.00	315	5	640.00
38	8-Inch Water Header Line into Treatment	1,500	FT	\$16.00	\$24,000.00	307	30	800.00
39	Treatment Facility Concrete Foundation Pad (Included in Bldg Cost)	-	LS	-	-			
40	SCADA Control System	1	LS	\$25,000.00	\$25,000.00	307	30	833.33
41	Reverse Osmosis Water Treatment Unit (200gpm) – Toray Membranes	2	EA	\$130,000.00	\$260,000.00	307	30	8,666.67
42	Plant Piping	1	Job	\$30,000.00	\$30,000.00	307	30	1,000.00
				<b>Subtotal</b>	<b>\$1,180,000.00</b>			<b>34,416.67</b>
<b>Total Water</b>				<b>\$1,781,600.00</b>		<b>30</b>		<b>\$59,544.00</b>

*The asset classes may be adjusted further based on accountant's analysis. Depreciation lives may increase up to an average of 33 years.*

PARK WATER COMPANY					
Aggregate Depreciation Schedule for Water Equipment					
Year	New Equipment	Cost/33 Years	Cumulative Equipment	Annual Depreciation	Cumulative Depreciation
Start Up	\$1,781,600	\$53,987.88	\$1,781,600	N/A	N/A
1	\$0	\$0.00	\$1,781,600	\$53,988	\$53,988
2	\$0	\$0.00	\$1,781,600	\$53,988	\$107,976
3	\$0	\$0.00	\$1,781,600	\$53,988	\$161,964
4	\$0	\$0.00	\$1,781,600	\$53,988	\$215,952
5	\$0	\$0.00	\$1,781,600	\$53,988	\$269,939
Aggregate Depreciation Schedule for Sewer Equipmnet					
Year	New Equipment	Cost/33 Years	Cumulative Equipment	Annual Depreciation	Cumulative Depreciation
Start Up	\$2,189,000	\$ 66,333.33	\$2,189,000	N/A	N/A
1	\$0	\$0.00	\$2,189,000	\$ 66,333	\$ 66,333
2	\$0	\$0.00	\$2,189,000	\$ 66,333	\$ 132,667
3	\$0	\$0.00	\$2,189,000	\$ 66,333	\$ 199,000
4	\$0	\$0.00	\$2,189,000	\$ 66,333	\$ 265,333
5	\$0	\$0.00	\$2,189,000	\$ 66,333	\$ 331,667

<b>PARK WATER COMPANY</b>					
<b>Depreciation Schedule for Water Contributions in Aid of Construction</b>					
Year	New CIAC	Cost/33 Years	Cumulative CIAC	Annual Depreciation	Cumulative Depreciation
Start Up	\$440,000	\$13,333.33	\$440,000	N/A	N/A
1	\$0	\$0.00	\$440,000	\$13,333	\$13,333
2	\$220,000	\$6,666.67	\$660,000	\$20,000	\$33,333
3	\$220,000	\$6,666.67	\$880,000	\$26,667	\$60,000
4	\$220,000	\$6,666.67	\$1,100,000	\$33,333	\$93,333
5	\$316,800	\$9,600.00	\$1,416,800	\$42,933	\$136,267
<b>Depreciation Schedule for Sewer Contributions in Aid of Construction</b>					
Year	New CIAC	Cost/33 Years	Cumulative CIAC	Annual Depreciation	Cumulative Depreciation
Start Up	\$550,000	\$ 16,666.67	\$550,000	N/A	N/A
1	\$0	\$0.00	\$550,000	\$ 16,667	\$ 16,667
2	\$275,000	\$ 8,333.33	\$825,000	\$ 25,000	\$ 41,667
3	\$275,000	\$ 8,333.33	\$1,100,000	\$ 33,333	\$ 75,000
4	275000	\$ 8,333.33	\$1,375,000	\$ 41,667	\$ 116,667
5	396000	\$ 12,000.00	\$1,771,000	\$ 53,667	\$ 170,333

# CD ATTACHED

TO VIEW PLEASE CONTACT  
CENTRAL RECORDS  
512-936-7180