



Control Number: 51382



Item Number: 3

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B & D ENVIRONMENTAL, INC.

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GEORGETOWN, TEXAS 78633
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EMAIL: bretfenner@yahoo.com

October 27, 2020

Public Utility Commission
Central Records
1701 N. Congress P.O. Box 13326
Austin, Texas 78711-3326

Re: Docket No. 51382 - Application of Dogwood Estates Water Company and
Lakeshore Utility Company For Sale, Transferor Merger of Facilities and Certificate
Rights in Henderson County

Enclosed please find the following adjustments to the application:

1. Revised pages 6 and 7 of the application to adjust the information in question 11 A and 14.
2. A revised list of assets transferred to include all assets being transferred in this application. These amended amounts totals were included in the revised answer to question 11 A and 14.

Should you have any further questions concerning this application, please do not hesitate to contact me at (512) 917-7541.

Sincerely,



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

Enclosure

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ 1,012,000.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ 1,118,655.00

Accumulated Depreciation: \$ 589,140.00

Net Book Value: \$ 529,515.00

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: \$
Accumulated Amortization: \$

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: \$
Accumulated Amortization: \$

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

Lakeshore Utility Company is a wholly owned subsidiary of Sentry Title Company, Inc.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$	1,118,655.00	
Accumulated Depreciation of Plant:	\$	589,140.00	
Cash:	\$	350,000.00	
Notes Payable:	\$	662,000.00	
Mortgage Payable:	\$	0.00	
(Proposed) Acquisition Adjustment*:	\$	482,485.00	Positive Adjustment

* Acquisition Adjustments will be subject to review under 16 TAC § 24 41(d) and (e)

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

None

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

N/A

List of Assets to be Transferred

Dogwood Estates Water, Co.

Test Period Ends:		31-Dec-19					
Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
PLANT & EQUIPMENT							
Well #1 - Depth: 495 Ft.	15-May-70	\$4,509	50	0	\$90	\$4,491	\$18
Well #1 - Depth: 495 Ft.	23-Jul-73	\$5,207	50	3	\$104	\$4,853	\$354
Well #2 - Depth: 508 Ft.	11-Jun-74	\$16,653	50	4	\$333	\$15,225	\$1,428
Rebuilt Booster Pump	28-Jul-10	\$1,190	10	1	\$119	\$1,126	\$64
Chlorination Equip. - Plant #1	7-Jun-10	\$1,964	20	10	\$98	\$943	\$1,021
20,000 Gal. GST - Plant #1	1-Oct-70	\$2,896	50	1	\$58	\$2,862	\$34
20,000 Gal. GST - Plant #1	1-Oct-82	\$8,547	50	13	\$171	\$6,389	\$2,158
65,800 Gal. GST - Plant #2	27-Sep-93	\$17,256	50	24	\$345	\$9,094	\$8,162
20,000 Gal. GST - Plant #3	15-May-70	\$4,509	50	0	\$90	\$4,491	\$18
66,000 Gal. GST - Plant #2	19-Apr-85	\$128,892	50	15	\$2,578	\$89,757	\$39,135
50,000 Gal. GST - Plant #4	1-Jul-00	\$18,469	50	30	\$369	\$7,227	\$11,242
PST - 2400 Gal. Plant #1	1-Oct-70	\$1,952	50	1	\$39	\$1,929	\$23
PST - 3000 Gal. Plant #2	1-Oct-74	\$3,093	50	5	\$62	\$2,809	\$284
PST - 5000 Gal. Plant #4	1-Jul-00	\$13,133	50	30	\$263	\$5,139	\$7,994
DISTRIBUTION SYSTEM							
6" PVC Water Lines	1-Jul-93	\$94,977	50	23	\$1,900	\$50,510	\$44,467
4" PVC Water Lines	1-Jul-93	\$15,391	50	23	\$308	\$8,185	\$7,206
3" PVC Water Lines	1-Jul-93	\$524,534	50	23	\$10,491	\$278,954	\$245,580
2" PVC Water Lines	1-Jul-93	\$76,713	50	23	\$1,534	\$40,797	\$35,916
Bear Woods 3" Line Installed	23-Aug-07	\$2,939	50	38	\$59	\$729	\$2,210
Redbud Ct. 4" Line Installed	21-Feb-08	\$5,680	50	38	\$114	\$1,352	\$4,328
Rebuilt Booster Pump	25-Jul-15	\$1,916	30	26	\$64	\$284	\$1,632
Booster Pump - 15 HP, Plant #2	23-May-16	\$1,226	30	26	\$41	\$148	\$1,078
Booster Pump - 7.5 HP, Plant #1	26-Oct-11	\$1,323	30	22	\$44	\$362	\$961
200 amp Switch & Fuse	11-Jul-16	\$1,179	10	7	\$118	\$411	\$768
SCADA System	2-May-16	\$74,864	20	16	\$3,743	\$13,759	\$61,105
Chlorine System	2-May-16	\$9,555	20	16	\$478	\$1,756	\$7,799
SCADA System Software	2-May-16	\$2,995	20	16	\$150	\$550	\$2,445
SCADA System Site Equipment	2-May-16	\$4,500	20	16	\$225	\$827	\$3,673
100 kW Generator	2-May-16	\$38,187	15	11	\$2,546	\$9,358	\$28,829
Auxiliary Generator	2-May-16	\$10,500	15	11	\$700	\$2,573	\$7,927
2009 Kubota Backhoe	12-May-15	\$23,906	5	0	\$4,781	\$22,251	\$1,655
Totals - Utility Water Plant:		\$1,118,655			\$32,014	\$589,140	\$529,515