



**Drax Hall Estate**  
St. Ann, Jamaica

5<sup>th</sup> July, 2011.

Mr. Ahmed Zia Mian,  
Director General,  
Office of Utilities Regulation,  
Trafalgar Road,  
Kingston 10.

Dear Mr. Mian,

Please find enclosed our tariff application in respect of connection fees for water, sewerage and electricity within Drax Hall Estate, together with our application for usage fees for the provision of water.

We look forward to hearing from you regarding our application in due course.

Yours sincerely,

Richard P. Salm  
Managing Director

**DRAX HALL LIMITED**

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**DRAX HALL UTILITIES LIMITED**

**TARIFF APPLICATION**

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**JULY, 2011**

## **DRAX HALL ESTATE DEVELOPMENT**



The Drax Hall Estate development consists of two components: the 800 acre Drax Hall Resort Development and the 1,400 acre Drax Hall Heights Residential Development. The master plan for the Drax Hall resort development includes a site suitable for a 350 room hotel plus an adjacent 220 room aparthotel, an 18-hole championship golf course and country club, plus a modern 100 slip marina and marina village. The marina village will offer accommodation, shopping, dining and recreational facilities. In addition there will be several villa lots and a number of condominium sites.



Drax Hall Estate, with its varied offering of amenities, will be Jamaica's first fully integrated, master planned, luxury resort/residential community. The major objective of the development strategy is to create an upscale, luxury resort, which enhances and protects the natural environment and is in harmony with the landscape, topography and the history of the estate.

All requisite permissions for the development have been granted. The infrastructure in the first phase of the development was done to an extremely high standard, and behind the imposing entrance gates are three miles of paved roads with ornamental street lights, underground electricity supply and conduits for telephone and cable TV, and a sewage disposal system with six acres of waste stabilization ponds. Rough grading of the first 9 holes of the golf course has been completed, and three lakes within the golf course created. The drainage system, which has been designed to be as environmentally friendly as possible, allows for all storm water to flow into the lakes, which also receive the grey water from the stabilization ponds and which will provide all the irrigation for the golf course. It has been designed to withstand a 25 year storm, with a siltation pond beside the St. Ann Great River to prevent anything except fresh water entering the sea and causing potential damage to the coral reefs.

Drax Hall Heights, being the land south of the main road from St. Ann's Bay to Ocho Rios, has been approved as a residential subdivision with a mixture of one-acre lots and cluster sites for multi-family development, with a commercial component bordering the main road.



## DRAX HALL UTILITIES LIMITED

Drax Hall Utilities Limited was formed in 2010 with the specific purpose of coordinating all the utility services within Drax Hall Estate.

At the present time there are only twelve villas occupied on the Resort Development, and in Drax Hall Heights there is one office complex, one villa and 52 dwellings in Village Green. However, a major apartment complex comprising 225 two- and three-bedroom apartments is currently under construction at the Marina Village, and it is anticipated that the rate of development will accelerate over the next few years.

Imminent plans for the Drax Hall Resort Development include not only further development of the marina and construction of an 18 hole golf course, but also a 500 room hotel on the beach to the west of the Estate, a 250 unit middle-income housing project set on 62 acres to the east of the Estate and a commercial shopping complex on the road frontage to the south of the Estate.

It is now imperative that all the utility services in Drax Hall Estate be available to residents and commercial interests alike within a proper legal framework. The water distribution system in the first phase of the development, being the western third of the Estate, is already in place. The sewage disposal system in this phase is also in place, but the waste stabilization ponds are currently in the process of being rehabilitated. All the conduits and manholes for the underground electricity supply are installed, as are most of the pad-mounted transformers, and the high-tension supply is available. However, the high-tension circuit needs to be completed and the low-tension supply installed. Conduits in respect of telephone and cable T.V. are all in place and ready for use.

## WATER

### DRAX HALL RESORT DEVELOPMENT

The cost to install the water distribution system in 1993 when it was put in was US\$819,377. After allowing for 12% related professional fees, this figure comes to US\$917,701. The cost of the same installation in 2010 was estimated to be US\$4,451,615. Drax Hall Limited has recovered part of the installation cost of the water distribution system from individual purchasers of residential lots within the development by charging a connection fee of US\$2,143.00 for each of the 147 lots in the first phase, making a total recovery of US\$315,021.

Drax Hall Utilities Ltd., as agent for Drax Hall Ltd., is now seeking permission from the Office of Utility Regulation to recover connection fees from purchasers of multi-family and commercial lots based on the unit entitlement assigned to each such lot. The residential lots each carry a unit entitlement of five units, with the exception of the marina lots, which carry a unit entitlement of ten. The multi-family, hotel and commercial lots, which support 40 habitable rooms per acre, carry a unit entitlement of thirty per acre. The connection fee for water in respect of these lots, therefore, is calculated at US\$12,700 per acre. This will bring in a further US\$876,300 by the time the first phase is built out.

- ② The National Water Commission has provided a bulk water meter for the Drax Hall Resort Development, which meter is located outside the main entrance gate to the resort. Drax Hall Utilities Ltd. is responsible for the maintenance and upkeep of the entire water distribution system within the resort, including the pressure reducing valves, the main 4" pressure pipes and all tee-offs, connections and meters for the residential, multi-family and commercial lots. Drax Hall Utilities Ltd. has been granted a licence to provide water to residents of Drax Hall Estate and to charge the approved fee therefor.

Drax Hall Utilities Ltd. is now seeking permission from the Office of Utility Regulation to charge its customers the same rate as it is currently being charged by the National Water Commission, being J\$1,044.55 per 1,000 Imperial Gallons, plus a service charge of 15% to cover the cost of maintaining the water distribution system, reading the individual meters and doing all the associated billing and accounting procedures.

## DRAX HALL HEIGHTS

Vista del Mar, a residential development of 350 lots to the south of the main road, has its own bulk water meter and is responsible directly to the National Water Commission.

Village Green, another residential development of 120 lots to the south of the main road, is comprised of a number of houses and bungalows, the owners of which are direct customers of the National Water Commission.

It is intended that the purchasers of the remaining residential lots in Drax Hall Heights will all become direct customers of the National Water Commission once the infrastructure is put in place.



## SEWERAGE

### DRAX HALL RESORT DEVELOPMENT

The cost to install the sewage disposal system in 1993/4 was US\$441,801. After allowing for 12% related professional fees, this figure comes to US\$494,817. The cost of the same installation in 2010 was estimated to be US\$2,372,067. Drax Hall Limited has recovered part of the installation cost of the sewage disposal system from individual purchasers of residential lots within the development by charging a connection fee of US\$1,786 for each of the 147 lots in the first phase, making a total recovery of US\$262,542.

The waste stabilization ponds, which form an integral part of the sewage disposal system, despite having been constructed to the approved specifications, have been found to be permeable, and as such needed to be rehabilitated. This rehabilitation process, which necessitates that the waterproof lining of the facultative pond and the first maturation pond, is currently in process, and is now estimated to cost a further US\$215,000. No licence can be issued to Drax Hall Utilities Ltd. for the disposal of sewage until such time as the work is completed and approved and licensed by N.E.P.A.

As and when the rehabilitation is completed, however, Drax Hall Utilities Ltd., as agent for Drax Hall Ltd., will be seeking permission from the Office of Utility Regulations to recover connection fees from purchasers of multi-family and commercial lots based on the unit entitlement assigned to each such lot. The residential lots each carry a unit entitlement of five units, with the exception of the marina lots, which carry a unit entitlement of ten. The multi-family, hotel and commercial lots, which support 40 habitable rooms per acre, carry a unit entitlement of thirty per acre. The connection fee for sewerage in respect of these lots, therefore, is calculated at US\$10,600 per acre. This will bring in a further US\$731,400 by the time the first phase is built out.

Drax Hall Utilities Ltd. is responsible for the maintenance and upkeep of the entire sewage disposal system within the resort, including the sewer pipes, the manholes, the lift-station and the pumps therein, the force main sewer line to the head-works at the waste stabilization ponds, the waste stabilization ponds themselves, with associated fencing and landscaping, and the ornamental lakes within the Estate which receive the treated effluent.

Drax Hall Utilities Ltd. is seeking permission from the Office of Utility Regulation, once the system has been approved by N.E.P.A. and the requisite licence to operate the sewage disposal system granted by the O.U.R., to charge the same rate as is being charged by the National Water Commission, being 100% of the water rate being charged.

## DRAX HALL HEIGHTS

Vista del Mar, a residential development of 350 lots to the south of the main road, is connected to the Drax Hall Estate sewage disposal system. As and when the requisite licence to operate the sewage system has been granted, therefore, Drax Hall Utilities Ltd. is requesting permission to charge customers in Vista del Mar the same rate as that approved for its customers in the Drax Hall Resort Development.

Village Green, another residential development of 120 lots to the south of the main road, is also connected to the Drax Hall Estate sewage disposal system. As and when the requisite licence to operate the sewage system has been granted, therefore, Drax Hall Utilities Ltd. is requesting permission to charge customers in Village Green the same rate as that approved for its customers in the Drax Hall Resort Development.

It is intended that the purchaser of the remaining residential lots in Drax Hall Heights, which have ample land space, will install their own individual sewage disposal systems as provided for in the subdivision approval.

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