Schedule 28
Total Wastewater Costs - 2014

	WW ONLY	System-Wide Costs Allocated to WW	Total	Notes
16331 · Inventory Purchases Not Funded	0	0	0	
16332 · Leak Detection Program	0	0	0	
16333 · SCADA Control System Maintenance	0	0	0	
16335 · Tools & Shop Supplies	0	0	0	Composite of direct expenses, excluding commodities
16336 · Computer Maintenance & Repair	0	3,646	3,646	Composite of direct expenses, excluding commodities
16338 · Janitor/Contract Labor	0	0	0	Composite of direct expenses, excluding commodities
16339 · Office Data & Supplies	1,739	2,399	4,138	Composite of direct expenses, excluding commodities
16340 · Membership & Dues	1,014	1,399	2,414	Composite of direct expenses, excluding commodities
16341 · Utilities - Office & Outside Fa	152	210	362	Composite of direct expenses, excluding commodities
16342 · Conservation Education & Enforc	0	0	0	
16343 · Insurance - General	8,660	23,936	32,596	Based on assets
16344 · Bank Charges	43	59	102	Composite of direct expenses, excluding commodities
16345 · Misc. Operating Expense	270	372	642	Composite of direct expenses, excluding commodities
16347 · Lease Expense	3,907	5,390	9,297	Composite of direct expenses, excluding commodities
16410 · Salaries	29,807	41,128	70,935	Composite of direct expenses, excluding commodities
16420 · FICA and Benefits	10,204	14,080	24,285	Composite of direct expenses, excluding commodities
16560 · Miscellaneous Expense	5,928	8,180	14,108	Composite of direct expenses, excluding commodities
17110 · Capital Outlay	0	0	0	
Total O&M Expense	447,510	890,142	1,337,652	
Annual Debt Service				
Wholesale Customer Debt Service and Times Coverage	0	0	0	
Wholesale Customer Debt Service and Times Coverage	0	0	0	
Effluent Debt Service and Times Coverage	0	0	0	
Retail Customer Debt Service and Times Coverage - W	0	0	0	
Retail Customer Debt Service and Times Coverage - W	953,291	0	953,291	
	953,291	0	953,291	
TOTAL ANNUAL EXPENSE	1,400,802	890,142	2,290,944	
Income				
(1) Water Department - Revenue				
14100 · Retail Revenues - Water				
14101 · Minimum Bill Revenues (W)	0	0	0	
14102 · Volumetric Revenues (W)	0	0	0	
14103 · Application Fee (W)	20,160	0	20,160	Customer Count
14104 · Tap Fees (W)	0	0	0	
14105 · Late Fee (W)	53,300	0	53,300	Expense Composite
14106 · Return Check Fee (W)	462	0	462	Expense Composite
14107 · Inspection Fee (W)	365	0	365	Expense Composite

Schedule 28
Total Wastewater Costs - 2014

	WW ONLY	System-Wide Costs Allocated to WW	Total	Notes
14108 · Inquiry Fee	782	0	782	Expense Composite
14110 · Wholesale Revenues - (WSW)	0	0	0	
14111 · Minimum Bill Revenues (WSW)	0	0	0	
14112 · Volumetric Revenues (WSW)	0	0	0	
14120 · Other Revenues (W)	0	0	0	
14121 · LUE Reservation Fees (W)	0	0	0	
LUE Reservation Fees Retail	0	0	0	
LUE Reservation Fees system wide	0	0	0	
14122 · Irrigation Customer Sales (W)	0	0	0	
14123 · Meter Set Fee (W)	0	0	0	Customer Count
14124 · Connection Fees	0	0	0	Customer Count
14125 · Billing Services (W)	7,400	0	7,400	Customer Count
14126 · Drainage Fees	0	0	0	
(2) Wastewater Department - Rev	0	0	0	
14200 · Retail & Wholesale Revenues (WW	0	0	0	
14201 · Minimum Bill/Volumetric Rev (WW	0	0	0	
Wholesale Minimum Bill	0	0	0	
Wholesale Volumetric Rate	0	0	0	
Application Fees	0	0	0	
14204 · Tap Fee (WW)	175,450	0	175,450	
SER Revenues	2,964	4,090	7,054	
Late Fees	0	0	0	
Returned Check Fees	0	0	0	
14207 · Inspection Fee (WW)	0	85	85	
14220 · Other Revenues (WW)	0	0	0	
14221 · Grinder Pump Surcharge (WW)	15,475	0	15,475	Customer Count
14222 · Billing Services (WW)	12,300	0	12,300	Customer Count
(3) Shared Department - Revenue	0	0	0	
14300 · Shared Department	0	0	0	
14304 · Interest Earned on Checking	0	0	0	Expense Composite
Total Income	288,658	4,175	292,834	
TOTAL REVENUE REQUIREMENT	**$ 1,112,144**	**$ 885,967**	**$ 1,998,110** TRUE	

West Travis county Public Utility Agency
FYE2014 Rate Study

Schedule 29
Wastewater Retail and System-Wide Cost Allocation - 2014

	2014	% System -Wide	% Retail ONLY	System -Wide Costs	Retail ONLY	Notes
Expense						
(1) Water Department - Expense						
16100 · LCRA Raw Water Reservation Fees						
16101 · LCRA - Raw Water Used (W)	0			0	0	
16102 · LCRA - Raw Water Reservation(W)	0			0	0	
16110 · Contract Operations - Water	0			0	0	
16111 · Base Fee for Services (W)	0			0	0	
16112 · Maintenance & Repairs (W)	0			0	0	
System Wide	0			0	0	
Distribution System	0			0	0	
Preventative Maintenance - Plant	0			0	0	
Preventative Maintenance - Distribution System	0			0	0	
16113 · Customer Service (W)	0			0	0	
16114 · Engineering/ Const Fees (W)	0			0	0	
16120 · Material & Supplies (W)	0			0	0	
16130 · Chemicals (W)	0			0	0	
Sludge Removal	0			0	0	
16150 · Outside Services (W)	0			0	0	
16160 · Utilities - Electric (W)	0			0	0	
16170 · Utilities - Telephone (W)	0			0	0	
16180 · Environmental Regulatory Fee(W)	0			0	0	
16190 · Other Expenses (W)	0			0	0	
(2) Wastewater Department - Exp	0			0	0	
16200 · Contract Operations-Wastewater	0			0	0	
16201 · Base Fee for Services (WW)	120,656	100%		120,656	0	
16202 · Maintenance & Repairs (WW)	0	100%		0	0	
Lakepoint WWTP	133,547	100%		133,547	0	
Bohl's WWTP	8,472	100%		8,472	0	
Lift Station #14	44,243	100%		44,243	0	
Other Lift Stations	54,898	100%		54,898	0	
Collection System Maintenance	4,179		100%	0	4,179	
Preventative Maintenance - Plant	12,314	100%		12,314	0	
Preventative Maintenance - Collection System	15,000		100%	0	15,000	
I&I Study and Maintenance	100,000		100%	0	100,000	
Industrial Pre Treatment Program	40,000		100%	0	40,000	
16203 · Customer Services (WW)	38,160		100%	0	38,160	
16210 · Materials & Supplies (WW)	0	100%		0	0	
16214 · Engineering/ Const Fees (W)	13,053	100%		13,053	0	
Bohl's Irrigation	2,217	100%		2,217	0	
16220 · Chemicals (WW)	77,209	100%		77,209	0	
16230 · Sludge Disposal (WW)	179,816	100%		179,816	0	
16240 · Utilities - Electric (WW)	0	100%		0	0	
Lakepointe WWTP	94,975	100%		94,975	0	
Lift Station #14	15,467	100%		15,467	0	
Remaining WW Electric	32,175	100%		32,175	0	
16250 · Utilities - Telephone (WW)	2,887	100%		2,887	0	
16260 · Environmental Regulatory Fe(WW)	0	100%		0	0	
16270 · Other Expense (WW)	1,890	100%		1,890	0	
16280 · Utilities - Gas (WW)	309	100%		309	0	
16330 · Special Programs	0		100%	0	0	
(3) Shared Department - Expense	0			0	0	
16300 · Professional Services	0			0	0	
General Operating	0			0	0	
16311 · General Counsel - Operating	68,963	73%	27%	50,433	18,530	Composite of direct expenses, excluding commodities
16312 · Engineering - Operating	71,340	73%	27%	52,172	19,169	Composite of direct expenses, excluding commodities
16313 · General Manager - Operating	0			0	0	Composite of direct expenses, excluding commodities
16314 · Bookkeeping - Operating	12,430	73%	27%	9,090	3,340	Composite of direct expenses, excluding commodities
16315 · Financial Manager - Operating	16,446	73%	27%	12,027	4,419	Composite of direct expenses, excluding commodities
16316 · Auditor - Operating	6,207	73%	27%	4,539	1,668	Composite of direct expenses, excluding commodities
16317 · General Counsel-Litigation	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
Special Contract Services	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16322 · Rate Study - Special Contract	6,896	73%	27%	5,043	1,853	Composite of direct expenses, excluding commodities

Schedule 29
Wastewater Retail and System-Wide Cost Allocation - 2014

	2014	% System -Wide	% Retail ONLY	System -Wide Costs	Retail ONLY	Notes
16323 · Inspections/Plan Review-Special	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16323 · Inspections/Plan Review-Special - Other	0		100%	0	0	Composite of direct expenses, excluding commodities
16324 · Other Engineering Analyses-Spec	1,379	73%	27%	1,009	371	Composite of direct expenses, excluding commodities
Transitional Support Services	0			0	0	Composite of direct expenses, excluding commodities
16301 · General Counsel - Transitional	0			0	0	Composite of direct expenses, excluding commodities
16302 · Engineering - Transitional	0			0	0	Composite of direct expenses, excluding commodities
630201 · Task 22 - SER Activities	0			0	0	Composite of direct expenses, excluding commodities
16302 · Engineering - Transitional - Other	0			0	0	Composite of direct expenses, excluding commodities
16303 · General Manager - Transitional	0			0	0	Composite of direct expenses, excluding commodities
16304 · Bookkeeping - Transitional	0			0	0	Composite of direct expenses, excluding commodities
16305 · Financial Manager -Transitional	0			0	0	Composite of direct expenses, excluding commodities
16306 · Misc - Transitional	0			0	0	Composite of direct expenses, excluding commodities
16307 · Auditor	0			0	0	Composite of direct expenses, excluding commodities
16331 · Inventory Purchases Not Funded	0		100%	0	0	
16332 · Leak Detection Program	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16333 · SCADA Control System Maintenance	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16335 · Tools & Shop Supplies	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16336 · Computer Maintenance & Repair	3,646	73%	27%	2,666	980	Composite of direct expenses, excluding commodities
16338 · Janitor/Contract Labor	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16339 · Office Data & Supplies	4,138	73%	27%	3,026	1,112	Composite of direct expenses, excluding commodities
16340 · Membership & Dues	2,414	73%	27%	1,765	649	Composite of direct expenses, excluding commodities
16341 · Utilities - Office & Outside Fa	362	73%	27%	265	97	Composite of direct expenses, excluding commodities
16342 · Conservation Education & Enforc	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
16343 · Insurance - General	32,596	73%	27%	23,838	8,758	Composite of direct expenses, excluding commodities
16344 · Bank Charges	102	73%	27%	74	27	Composite of direct expenses, excluding commodities
16345 · Misc. Operating Expense	642	73%	27%	469	172	Composite of direct expenses, excluding commodities
16347 · Lease Expense	9,297	73%	27%	6,799	2,498	Composite of direct expenses, excluding commodities
16410 · Salaries	70,935	73%	27%	51,875	19,060	Composite of direct expenses, excluding commodities
16420 · FICA and Benefits	24,285	73%	27%	17,760	6,525	Composite of direct expenses, excluding commodities
16560 · Miscellaneous Expense	14,108	73%	27%	10,318	3,791	Composite of direct expenses, excluding commodities
17110 · Capital Outlay	0	73%	27%	0	0	Composite of direct expenses, excluding commodities
Total O&M Expense	1,337,652			1,047,296	290,356	
Annual Debt Service						
Wholesale Customer Debt Service and Times Coverage - Water	0	100%		0	0	
Wholesale Customer Debt Service and Times Coverage - Wastewater	0	100%		0	0	
Effluent Debt Service and Times Coverage	0	100%		0	0	
Retail Customer Debt Service and Times Coverage - Water	0		100%	0	0	
Retail Customer Debt Service and Times Coverage - Wastewater	953,291		100%	0	953,291	
	953,291			0	953,291	
TOTAL ANNUAL EXPENSE	2,290,944			1,047,296	1,243,648	

Schedule 29
Wastewater Retail and System-Wide Cost Allocation - 2014

	2014	% System -Wide	% Retail ONLY	System -Wide Costs	Retail ONLY	Notes
Income						
(1) Water Department - Revenue						
14100 · Retail Revenues - Water						
14101 · Minimum Bill Revenues (W)	0	100%		0	0	
14102 · Volumetric Revenues (W)	0	100%		0	0	
14103 · Application Fee (W)	20,160		100%	0	20,160	
14104 · Tap Fees (W)	0		100%	0	0	
14105 · Late Fee (W)	53,300		100%	0	53,300	
14106 · Return Check Fee (W)	462		100%	0	462	
14107 · Inspection Fee (W)	365		100%	0	365	
14108 · Inquiry Fee	782		100%	0	782	
14110 · Wholesale Revenues - (WSW)	0			0	0	
14111 · Minimum Bill Revenues (WSW)	0			0	0	
14112 · Volumetric Revenues (WSW)	0			0	0	
14120 · Other Revenues (W)	0			0	0	
14121 · LUE Reservation Fees (W)	0			0	0	
LUE Retail	0			0	0	
LUE system wide	0			0	0	
14122 · Irrigation Customer Sales (W)	0			0	0	
14123 · Meter Set Fee (W)	0		100%	0	0	
14124 · Connection Fees	0		100%	0	0	
14125 · Billing Services (W)	7,400		100%	0	7,400	
14126 · Drainage Fees	0	100%		0	0	
(2) Wastewater Department - Rev	0			0	0	
14200 · Retail & Wholesale Revenues (WW	0	100%		0	0	
14201 · Minimum Bill/Volumetric Rev (WW	0	100%		0	0	
wholesale minimum	0			0	0	
wholesale volumetric	0			0	0	
application fees	0			0	0	
14204 · Tap Fee (WW)	175,450		100%	0	175,450	
SER Fees	7,054	73%	27%	5,159	1,895	Allocated on same basis as salaries
late Fees	0			0	0	
Returned Check Fees	0			0	0	
Inspection Fees	85		100%	0	85	
14220 · Other Revenues (WW)	0	100%		0	0	
14221 · Grinder Pump Surcharge (WW)	15,475		100%	0	15,475	Customer Count
14222 · Billing Services (WW)	12,300		100%	0	12,300	Customer Count
(3) Shared Department - Revenue	0			0	0	
14300 · Shared Department	0	100%		0	0	
14304 · Interest Earned on Checking	0	46%	54%	0	0	Expense Composite
Total Income	292,834			5,159	287,675	
TOTAL REVENUE REQUIREMENT	**$ 1,998,110**			**$ 1,042,137**	**$ 955,973**	
	TRUE			TRUE		
Direct	991,466			794,128	197,339	
Less Commodities	(257,025)			(257,025)	-	
	734,442			537,103	197,339	
				73%	27%	
Total Expense Composite				46%	54%	
System Wide Wastewater Assets	27,025,197	63%	37%			
Retail Only Assets	15,698,024					
	42,723,222					

West Travis county Public Utility Agency
FYE2014 Rate Study

Schedule 30
Summary of Wastewater Cost Allocations

		2014
Effluent Costs	$	996,188
System-Wide Wastewater Costs		1,042,137
Retail Only Wastewater Costs		955,973
	$	2,994,298
		TRUE
	$	2,994,298

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 31
Wastewater Customer Cost Allocation

Total Revenue Requirements	2014
System-Wide Costs excluding electric and R&M	$ 646,046
WWTP Electric	94,975
LS#14 Electric	15,467
Other Electric	32,175
Lakepoint WWTP Maintenance	133,547
Bohl's WWTP Maintenance	8,472
Lift Station #14 Maintenance	44,243
Other Lift Station Maintenance	54,898
Collection System Maintenance	-
Preventative Maintenance - Plant	12,314
Preventative Maintenance - Collection System	
I&I Study and Maintenance	-
Industrial Pre Treatment Program	
Wastewater Treatment Plant Use of Treated Water	7,735
Effluent Costs	996,188
Retail-Only Costs	955,973
	$ 3,002,033
	TRUE

Projected Consumption	2014
Retail	233,748,000
Masonwood	1,533,000
WCID#17	24,980,800
	260,261,800

Percent of Total Flows	2014
Retail	90%
Masonwood	1%
WCID#17	10%
	100%

System-Wide Cost Allocation	2014
Retail	$ 587,178
Masonwood	3,851
WCID#17	62,752
	$ 653,781

WWTP Electric Cost Allocation	2014
Retail	$ 85,300
Masonwood	559
WCID#17	9,116
	$ 94,975

LS#14 Electric Cost Allocation	2014
Retail	$ 13,891
Masonwood	91
WCID#17	1,485
	$ 15,467

Other Electric Cost Allocation	2014
Retail	$ 31,965
Masonwood	210
WCID#17	-
	$ 32,175

Lakepoint WWTP and LS #14 Maintenance	2014
Retail	$ 170,738
Masonwood	1,120
WCID#17	18,247
	$ 190,104

Bohl's WWTP and Other Maintenance	2014
Retail	$ 62,957
Masonwood	413
WCID#17	-
	$ 63,370

Retail-Only Cost Allocation	2014
Retail	$ 955,973
Masonwood	-
WCID#17	-
	$ 955,973

Total Cost Allocation	2014
Retail	$ 1,908,602
Effluent	996,188
Masonwood	6,244
WCID#17	91,599
	$ 3,002,033
	TRUE

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 32
Historical Wastewater Data

	4/1/2012	3/1/2013	% Actual Growt h
Retail Connection Count	1,641	1,794	9%

Read	Apt Swr	Bldr Swr	Comm Swr	Total Comm	Comm Irrig Swr	Disp Fac Swr	Multi Swr	Res Swr	Total Multi	Res Spk Swr	Temp Swr	Total Consumption	Total Retail Count	Avg Use
7/25/12	508	57	3,966	4,023	-	-	1,700	12,580	2,208	---	-	18,811	1,699	11.07
8/24/12	586	134	4,491	4,625	-	-	2,073	13,037	2,659	---	-	20,321	1,700	11.95
9/21/12	570	136	4,262	4,398	-	-	1,971	12,802	2,541	---	-	19,741	1,715	11.51
10/22/12	637	116	3,963	4,079	-	-	2,000	12,092	2,637	---	-	18,808	1,732	10.86
11/20/12	586	249	3,917	4,166	-	-	1,925	11,942	2,511	---	-	18,619	1,753	10.62
12/21/12	523	331	3,616	3,947	-	-	1,913	11,364	2,436	---	-	17,747	1,785	9.94
Total	3,410	1,023	24,215	25,238	-	-	11,582	73,817	14,992	-	-	114,047	10,384	65.96
Annual Total LUE Count				2,176				9,607						
Average Use per LUE				11.60				7.68	32.53					

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 33
Wastewater LUE Determination

Commercial	Connection Count	LUE's per Connection	LUE Count
5/8"	26	1.00	26
3/4"	9	1.10	10
1"	32	1.40	45
1 1/2"	31	1.80	56
2"	15	2.90	44
3"	9	11.00	99
4"	-	14.00	-
	122		279

Multi-Family	Connection Count	LUE's per Connection	LUE Count
5/8"	-	1.00	-
3/4"	2	1.10	2
1"	10	1.40	14
1 1/2"	13	1.80	23
2"	8	2.90	23
3"	-	11.00	-
4"	-	14.00	-
	33		63

Residential	Connection Count	LUE's per Connection	LUE Count
5/8"	1,256	1.00	1,256
3/4"	8	1.10	9
1"	239	1.40	335
1 1/2"	1	1.80	2
2"	-	2.90	-
3"	-	11.00	-
4"	-	14.00	-
	1,504		1,601

Schedule 33
Wastewater LUE Determination

Builder	Connection Count	LUE's per Connection	LUE Count
5/8"	22	1.00	22
3/4"	56	1.10	62
1"	-	1.40	-
1 1/2"	-	1.80	-
2"	-	2.90	-
3"	-	11.00	-
4"	-	14.00	-
	78		84

Apartment	Connection Count	LUE's per Connection	LUE Count
5/8"	-	1.00	-
3/4"	-	1.10	-
1"	-	1.40	-
1 1/2"	-	1.80	-
2"	-	2.90	-
3"	-	11.00	-
4"	1	14.00	14
	1		14

TOTAL	1,738	2,041
FYE2011 Average count	1,610	
August, 2012	1,893	
June, 2013	1,858	

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 34
Wastewater Count and Consumption Projection - Retail

Mid Year LUE Count	6/1/2013	FYE2014	FYE2015	% Growth
Retail Customer Count				
Residential	1,713	1,833	1,962	7%
Commercial	388	392	396	1%
Multi-Family	82	82	82	
Total Count	2,183	2,307	2,439	

Billing Assumption	6-Month Actual	Test Year Actual	2014	2015
Retail Consumption				
Residential	73,817,000	143,990,000	154,069,300	164,854,151
Commercial	25,238,000	46,010,000	49,230,700	52,676,849
Multi-Family	14,992,000	30,448,000	30,448,000	30,448,000
Projected Consumption	114,047,000	220,448,000	233,748,000	247,979,000

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 35
Wastewater Wholesale Volumetric Rates

Masonwood	Current	2014
Total Revenue Requirement		$ 6,244
Total Gallons Billed		1,533,000
Volumetric Rate (per thousand gallons)	$ 3.25	$ 4.07

WCID#17	Current	2014

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 36
Effluent Water Rates

	Current	2014
Total Revenue Requirement		$ 996,188
Total Gallons Billed		242,377,751
Volumetric Rate (per thousand gallons)	$ 3.14	$ 4.11

West Travis County Public Utility Agency
FYE 2013 Budget Planning

Schedule 37
Retail Wastewater Cost Allocation

	2014
Total Revenue Requirement	$ 1,908,002
Flow Projection	
Residential	154,069,300
Commercial	49,230,700
Multi-Family	30,448,000
Projected Consumption	233,748,000
Unit Cost	$ 0.00816
Cost Allocation	
Residential	$ 1,257,613
Commercial	401,853
Multi-Family	248,536
Total Cost Allocation	$ 1,908,002

EXHIBIT F

SOAH DOCKET NO. 473-14-5144
PUC DOCKET NO. 42866

PETITION OF TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12 APPEALING CHANGE OF WHOLESALE WATER RATES IMPLEMENTED BY WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY; CITY OF BEE CAVE, TEXAS; HAYS COUNTY, TEXAS; AND WEST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 5	§	**BEFORE THE STATE OFFICE**
	§	**OF**
	§	**ADMINISTRATIVE HEARINGS**

SOAH ORDER NO. 9
RULING ON MOTIONS TO DETERMINE SUFFICIENCY AND COMPEL

On October 10, 2014, West Travis County Public Utility Agency (PUA) filed a motion to determine the sufficiency of responses by Travis County Municipal Utility District No. 12 (District 12) to some of the PUA's requests for admission (RFAs). On November 3, 2014, District 12 filed a response to the PUA's motion. The Administrative Law Judge (ALJ) rules as follows:

RFA	RULING
1-1	Response is insufficient. RFA is deemed admitted.
1-2	Response is insufficient. RFA is deemed admitted.
1-3	Response is insufficient. RFA is deemed admitted.
1-4	Response is insufficient. RFA is deemed admitted.
1-17	Response is sufficient.
1-46	Response is insufficient. RFA is deemed admitted.
1-64	Response is insufficient. RFA is deemed admitted.
1-65	Response is insufficient. RFA is deemed admitted.

On October 24, 2014, District 12 filed a motion to compel the PUA to respond to District 12's request for information (RFI) 4-4(d). On October 31, 2014, the PUA filed a response to the motion. The motion to compel is denied. RFI 4-4(d) is duplicative to the extent it seeks documents that are also responsive to RFIs 1-13 or 4-4(a) or (b). To the extent RFI 4-4(d) seeks additional documents, such as drafts, it seeks information that is not relevant

EXHIBIT F

and not reasonably calculated to lead to relevant evidence. The ALJ need not reach the privilege objections.

SIGNED November 4, 2014.

William G Newchurch

WILLIAM G. NEWCHURCH
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

EXHIBIT F

STATE OFFICE OF ADMINISTRATIVE HEARINGS

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SERVICE LIST

AGENCY: **Public Utility Commission of Texas (PUC)**

STYLE/CASE: **WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY**

SOAH DOCKET NUMBER: **473-14-5144**

REFERRING AGENCY CASE:

STATE OFFICE OF ADMINISTRATIVE HEARINGS	**ADMINISTRATIVE LAW JUDGE** **ALJ WILLIAM G. NEWCHURCH**
REPRESENTATIVE / ADDRESS	**PARTIES**
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EXHIBIT F

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PUBLIC UTILITY COMMISSION OF TEXAS

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY'S RESPONSES TO TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12'S SECOND REQUESTS FOR PRODUCTION ("RFP")

RFP 2-1. Provide a true and correct copy of the final study used to set the FY 13 wholesale rates by the PUA.

RESPONSE: Responsive, nonprivileged documents are attached hereto as Exhibit A.

RFP 2-2. Provide a true and correct copy of the final analysis used to set the FY 14 minimum bill for TCMUD 12 by the PUA.

RESPONSE: Responsive, nonprivileged documents are attached hereto as Exhibit B.

RFP 2-3 Provide a true and correct copy of the final analysis used to set the FY 14 volumetric rate for TCMUD 12 by the PUA.

RESPONSE: Initially, the PUA intended to object to this RFP 2-3 on the basis that this discovery request is duplicative. After consultation with the counsel for TCMUD 12, said counsel indicated that providing the Bates numbers for the PUA's previously produced documents that are responsive to this request is an acceptable method to respond to this discovery request. Accordingly, responsive, nonprivileged documents that are responsive to this RFP 2-3 are labeled as WTCPUA00009451-WTCPUA00009525.

RFP 2-4. Provide a true and correct copy of the PUA's FYE 2014 Cost of Service and Rate Design Study – Wholesale Customer – Minimum Bill Analysis for Rough Hollow.

RESPONSE: Initially, the PUA intended to object to this RFP 2-4 on the basis that this discovery request is duplicative. After consultation with the counsel for TCMUD 12, said counsel indicated that providing the Bates numbers for the PUA's previously produced documents that are responsive to this request is an acceptable method to respond to this discovery request. Accordingly, responsive, nonprivileged documents that are responsive to this RFP 2-4 are labeled as WTCPUA00005430-WTCPUA00005444; WTCPUA00005467-WTCPUA00005469; and WTCPUA00005491.

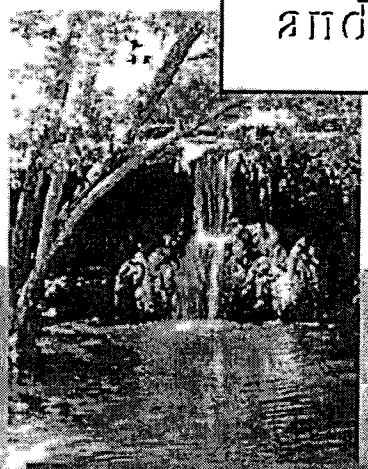
RFP 2-5. Provide a true and correct copy of the Agreement Regarding Transfer of Operations of the West Travis County Water System from the Lower Colorado River Authority, to the West Travis County Public Utility Agency entered into by and between the LCRA, TCMUD 12 and the WTCPUA.

October 11, 2012
Prepared for:

West Travis County Public Utility Agency

Final Report

Wholesale Cost of Service and Rate Design Study



Prepared by

Water Resources Management, LLC

8705 Shoal Creek Blvd., Suite 101, Austin, TX 78757

Phone (512) 420-9841 Fax (512) 420-9237

Water Resources Management, LLC

October 11, 2012

Mr. Larry Fox
President
West Travis County Public Utility Agency
12117 Bee Cave Road, Building 3, Suite 120
Bee Cave, Texas 78738

Dear Mr. Fox,

Water Resources Management. LLC (WRM) is please to present our findings and recommendations for the Wholesale Cost of Service and Rate Design Study that we have conducted on behalf of the West Travis County Public Utility Agency (Agency). The project team has reviewed available data and interviewed Agency staff. From this review, we were able to develop a recommended rate design.

The enclosed report details the methodology utilized by WRM during the course of our analysis and describes our findings.

It has been a pleasure working with the Agency. Your staff has been very efficient in answering our questions and filling data requests. Please feel free to contact our office with any questions or comments regarding this report at (512) 420-9841.

Sincerely,

Nelisa Heddin

VP Business & Financial Services

8705 Shoal Creek Blvd. Suite 101 Austin, Texas 78756 Phone 512-420-9841 Fax 512-420-9237

TABLE OF CONTENTS

Section 1.0 Understanding Project Goals

Water Resources Management, LLC

Goals and Objectives

Water Resources Management, LLC (WRM) is pleased to present to the West Travis County Public Utility Agency (Agency) the results of a wholesale cost of service and rate design study for the Agency's Water and Wastewater Utility. The project team had four critical goals in the performance of this task:

1) Isolate revenue requirements for the water and wastewater utility;
2) Functionalize costs;
3) Allocate costs to retail and wholesale customers;
4) Design wholesale rates that recover wholesale customer costs of service.

Water Resources Management, LLC

Background on Water Rates

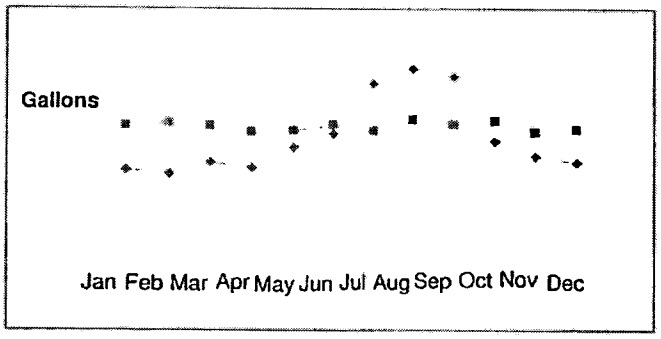
Rate Setting Theory:

The American Water Works Association (AWWA) sets forth a methodology for rate setting based on cost of service principles. The premise of this methodology is to require users to pay the cost incurred by the utility to provide that user with water service.

Water utility infrastructure is constructed to meet times of peak demand. Although on an annual basis, the average usage of water is at a lower level, the system must be constructed to meet times of peak usage, such as irrigation in summer months or early mornings when residents are showering, doing laundry, and washing dishes. Chapter 290 of the Texas Administrative Code outlines strict guidelines that the water utility must follow while providing retail water services. These guidelines outline specific requirements for items such as minimal system capacities, to meet these times of peak usage. Thus, the water utility must maintain the infrastructure to meet these requirements. Infrastructure capacity requirements are determined by the number of connections that the system serves, and the size of each connection as well as the usage patterns of those customers. As a result, water utilities are designed to handle times of peak usage. Therefore, even though the utility may have average usage at a certain level, it must have the capacity to serve customers at a level that is much greater, in order to meet peaking demands.

Different customer classes utilize water in different manners, and, thus, put different strains on the utility. Utilizing a cost of service methodology recommended by the AWWA, a particular utility's customer classes are examined to determine usage patterns for each class. Figure 1 demonstrates different usage patterns for two different types of customers.

Figure 1: Usage Patterns



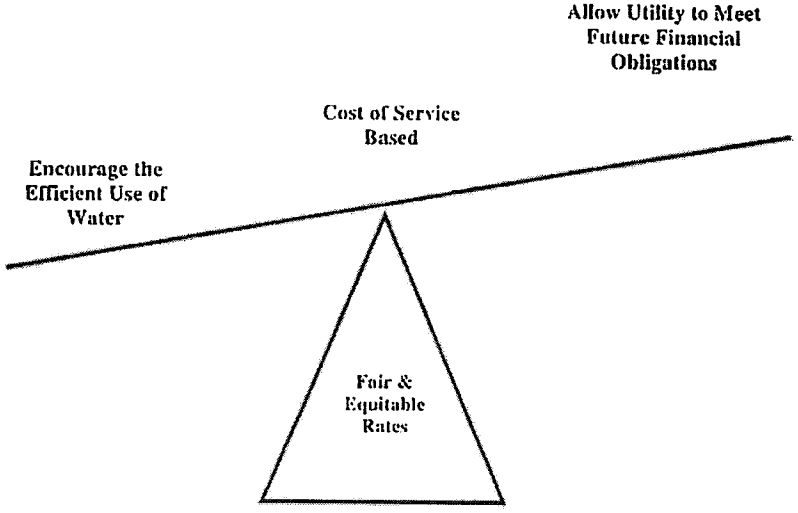
The customers represented by the blue line in Figure 1 show a dramatic peaking pattern in summer months. This peak pattern commonly occurs with customers who, for example, irrigate during the summer. The customers represented by the pink line show very little deviation in their month-to-month usage. An example of a customer using water in this manner may be a commercial customer who uses water in a consistent pattern year round.

Water Resources Management, LLC

According to the AWWA, "a water utility is required to supply water in total amounts and at such rates of use desired by the customer. A utility incurs costs in relationship to the various expenditure requirements caused by meeting those customer demands. Since the needs for total volume of supply and peak rates of use vary among customers, the costs to the utility of providing service also vary among customers or classes of customers."[1] In other words, there are significant cost implications to the ability a utility system must have to meet peaking patterns.

The blue-line customer in Figure 1 has a higher peak to average ratio of water usage. Whereas the pink-line customer has a lower peak to average ratio even though the total volume used is greater for this customer class. In this example, the utility has to maintain a total system capacity to serve the maximum (or peak) usage of all customers, even though the blue-line customer uses a peak amount of water for three months out of the year. There is a significant cost implication to this irregular usage pattern. The rates charged to customers should reflect this cost differential.

Rate Design General Considerations:



During rate analysis, the primary consideration is to determine rates that are fair and equitable among all customers. Rates should recover the cost associated with providing service to each customer from that particular customer. Determining rates that fully achieve this goal would involve a detailed analysis of each individual customer's consumption pattern. Since this is an impractical feat for most utility systems, rates are typically designed to fit average conditions for groups of customers having similar service requirements. Customers are grouped into customer classes that utilize water in a similar pattern (such as residential, commercial, apartments and irrigation). Historical usage patterns are then analyzed for each customer grouping and costs assigned accordingly.

[1] American Water Works Association M1 Manual, Water Rates, Fourth Edition, 1991.

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The AWWA emphasizes, "departure from rates based on cost of service is generally a decision made for political, legal, or other reasons. Consideration of rates deviating from cost of service, therefore, is made by politicians, not the rate designer."[2] In addition, the AWWA states that "when a deviation from cost-related rates is made, the reason for such modification should be explicitly understood so that the responsibility for such deviation is placed on legal and policy-making factors, and the public is not misled into believing that the resulting rates are fully cost-related when they are not."[3]

It is important to understand that while the goal is to get as close as possible to cost of service based rates: every utility has its own political environment that must be considered when designing and implementing a new rate structure.

Rate Components:

Typically, water services are billed in a structure that consists of a minimum bill and a volumetric component. The minimum bill is intended to recover the basic costs associated with providing service to the customer, regardless of the volume of the water utilized. The bill usually recovers a high percentage of the utility's fixed costs, and is structured to ensure the utility some degree of revenue stability. Minimum bills are a fixed monthly fee. The second component of the rates is a volumetric charge. This charge is based on the amount of water utilized by the customer, and may fluctuate based on actual usage.

[2] AWWA M1 page 33.
[3] AWWA M1 page 32.

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Water Utility Background

Water Production

As a result of the transition of operations of the water utility to the Agency in March 2012; FYE 2011 pumpage data was not available, and FYE 2012 data maintained by the Agency was only a partial year of data. As such, the project team has examined FYE 2008, FYE 2009, and FYE 2010 pumpage data. Total production for 2008 through 2010 is listed in the table below.

Table 1: Historical Water Production (Million Gallons)

	2008	2009	2010
Total Production	1,797	2,039	1,724
Average Daily Demand	4.92	5.59	4.72
Peak Day Demand	10.8	9.9	11.2
Peak to Average Ratio	2.19	1.77	2.37

As emphasized in the previous section, there is a direct correlation between a system's production and peaking patterns and the system's costs. The Agency's peak to average ratio, as determined by dividing maximum daily production by the average daily production, was 2.37:1 for 2010.

Water Consumption

As of July 2012, the Agency provides water service to 5,335 retail, potable water customers. The Agency also has contracts to supply water to approximately 17 wholesale customers, 12 of which are currently utilizing water. The Agency meters all active potable water connections. Annual metered water consumption was approximately 1.76 billion gallons in 2011 (Table 2).

Table 2: Total Metered Consumption

	Consumption
2009	1,740,757,079
2010	1,419,778,450
2011	1,757,334,009

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Wastewater Utility Background

Wastewater Collection and Treatment

The Agency operates and maintains its wastewater collection and treatment system.

Wastewater Customers and Billing Units

As of August 2012, the Agency had 1,699 wastewater connections. FYE 2011 billed wastewater consumption was approximately 194,739,027 gallons.

Water Resources Management, LLC

Project Work Plan

WRM has met the goals and objectives of this study by utilizing the following work-plan:

- Determine the Agency's current and future revenue requirements for the five-year study period for the Water and Wastewater Utility;
- Isolate Retail only costs of service and remove from analysis;
- Functionalize costs to cost categories (base costs, extra-capacity costs, and customer costs) based on the function related to that particular cost category;
- Allocate those costs to customer classifications based on the customers' historical usage patterns;
- Project customer growth and billing units into the five-year study period;
- Design rates that fully recover the Agency's costs associated with providing service.

Each stage of the project work-plan is further described, and the results of the analysis are presented in Sections 2.0 and 3.0, Methodology and Findings. Section 4.0 presents various supporting schedules.

Section 2.0 Water – Methodology and Findings

Water Resources Management, LLC

Revenue Requirement

Development of Base Year Retail Revenue Requirement

Water/Wastewater Fund

The Agency has an Operating Fund that consists of three departments: Water, Wastewater, and Shared, to account for the water and wastewater utility operations. Water departmental costs are those costs that are solely associated with providing water utility services to customers. Wastewater departmental costs are generally those costs that are solely associated with providing wastewater services to the Agency's customers. Shared departmental costs are costs that are generally associated with providing both water and wastewater utility services.

FYE 2013 Budget

The Agency began operating the systems in March 2012; prior to that date, the Lower Colorado River Authority (LCRA) operated the systems. As the Agency's operating costs are vastly different than that of the LCRA, the Agency's actual six-months of operating costs was the basis for the development of the FYE 2013 budget. In developing the FYE 2013 budget, FYE 2012 actual expenditures were closely examined; adjustments were made as appropriate to reflect known and measurable changes and anticipated full-year operating costs. The Agency's FYE 2013 budget has been presented as Schedule 1.

FYE 2013 Revenue Requirements

Revenue requirements may be simply defined as the revenues that the Agency needs to recover through its rate structure. The Agency's future revenue requirements were determined by first developing a base-year estimate of costs, one that is reflective of the normal operation of the systems, and adjusting that data for known and measurable changes into the future. WRM used the Agency adopted FYE 2013 budget as the starting point for development of the Agency's revenue requirements. The Agency is still in a period of transition of operations; as such, the FYE 2013 budget has certain transitional operating costs that are not associated with "normal" operations of the system. For ratemaking purposes, the revenue requirements should be reflective of normal operating costs. This prevents the utility from over-collecting from customers for many years when the cost is one-time in nature. WRM adjusted the FYE 2013 budgetary expenses to reflect such one-time and transitional costs.

WRM identified that the Agency provides services to customers beyond potable water service and wastewater service. The Agency also provides raw water/effluent water irrigation service. In order to assure that the revenue requirements reflect solely potable water and wastewater costs of service, the costs of providing irrigation water were also removed from the analysis.

Revenue Offsets

In order to isolate the revenues that need to be collected by rates from all customers, it was necessary to capture all revenue offsets and remove the corresponding dollar amount from the total system expenditures to determine the net revenue requirement. Revenue offsets may be defined as items such as late fees and tap fees that offset the Agency's expense.

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Base Year Revenue Requirement

The base year total revenue requirement determined by the project team for the water and wastewater utility for FYE 2013 was $13,935,691. Schedule 2 provides the development of the FYE 2013 Revenue Requirements and further describes the adjustments that were made to the FYE 2013 budget for the development of the Revenue Requirements.

Water/Wastewater Split

The next phase of the analysis is to isolate the revenue that should be recovered by the water utility. For the base year, the water revenue requirement was determined to be $10,962,457 and the wastewater revenue requirement was determined to be $2,973,235, Schedule 3.

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Cost Functionalization - Water

Background on Cost Functionalization

The base-extra capacity method of functionalization, allocating costs to service functions and distributing costs to customer classes, is commonly used in the water utility industry. The AWWA and the Texas Commission on Environmental Quality (TCEQ) have accepted this methodology. This method recognizes the differences in the cost of providing service due to variations in average rate of use and peak rate of use by a customer class. The method also recognizes the effects of system diversity on costs. Costs are generally divided into three components:

- Base Costs
- Extra-Capacity Costs
- Customer Billing Costs

Base costs fluctuate with the total amount of water taken under average operating conditions. Extra-capacity costs are those costs incurred that are above the average operating conditions and are necessary to support peaking conditions. Customer billing costs are those costs associated with serving customers, such as meter reading and billing.

WRM has relied upon this methodology for the performance of this analysis, as it is a widely accepted means of distributing costs to customer classes based upon the individual customer classes' usage characteristics.

Removal of Retail Only Costs

Prior to the performance of the Base-Extra Capacity analysis, the project team had to first recognize that certain costs are solely associated with providing services to retail customers. Retail only costs were isolated and removed from the analysis. Retail only costs that were identified include:

- Raw Water Costs - Most of the Agency's wholesale customers have their own raw water contracts with the LCRA. As such, raw water costs were removed from the costs, which were allocated to wholesale customers. These costs are then added into the costs for the Agency's wholesale customers who do not have their own raw water at a later point in time in the analysis.
- Repairs and Maintenance Costs – The Agency has a contract service provider who operates and maintains the Agency's facilities. The Agency is billed a base-fee for general operational services. The Agency is also billed an additional fee for services for repairs and maintenance of facilities which are above and beyond the Agency's general contract services. These services are invoiced separately based on the time, equipment, and materials necessary to perform individual repairs. Repairs and maintenance services include anything from repairing a motor at a pump station to repairing a leak on a distribution line. Given the limited sample of work-orders available to quantify the fees associated with repairs and maintenance to regional facilities (which serve all of the Agency's customers) versus non-regional facilities (such as distribution line maintenance), the entirety of these costs have been removed as a "retail only" cost.[4]

[4] It must be noted that in future years, when adequate data is available, the Agency may re-evaluate this line item and determine that a portion of the costs should also be recovered from wholesale customers.

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- Debt Service for Non-Regional Facilities – The Agency has an installment payment liability with the LCRA as well as Agency issued bonds for which annual debt service must be paid. The Agency's assets were closely examined to determine facilities that were regional in nature (that serves both retail and wholesale customers) and those facilities that were non-regional in nature (that service retail only customers). The debt obligation attributable to retail-only customers (such as internal facilities in subdivisions) was removed from the analysis.

Cost Functionalization Analysis

The project team thoroughly analyzed the Agency's cost structure and functionalized the costs into appropriate categories. The result of the cost functionalization analysis is presented below:

Table 3: Cost Functionalization[5]

	2013
Base Costs	$ 4,383,629
Extra-Capacity Costs	3,608,507
Customer Costs	(437,660)
	$ 7,554,476

[5] Cost functionalization presented for system-wide costs only and do not reflect retail only costs, that are also included in retail customer cost allocations.

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Cost Allocation to Customer Classes – Water

Customer Cost Allocation Background

The first step in the Customer Cost Allocation analysis is to identify appropriate customer classifications. The establishment of customer classes is important in setting equitable rates for utility service. A customer class should include only those customers who (a) are in similar location in relation to the utility (b) use the same or similar facilities of the utility, (c) receive similar service from the utility, and (d) place similar demands on the utility. The objective of the distribution of costs to customer groups is to avoid cross-subsidization (inequities between customer classes). It is important, with this objective in mind, that differences in service commitment and service requirement be given full consideration in determining customer classes. In being consistent with LCRA's previous philosophy, wholesale customers have been established as an individual customer classification.

Once appropriate customer classifications have been determined, the next step is to analyze usage patterns for each customer class. Usage analysis includes evaluating the average and peak usage for each customer class. Finally, costs are allocated to customer classes based on their relative usage patterns.

Customer Cost Allocation Analysis

The final step in this phase of analysis is to allocate the Base, Extra-Capacity, and Customer Costs to customer classifications, based on their usage patterns. Through the performance of this analysis, WRM determined the revenue requirements for wholesale customers, before raw water, was $3,340,366 for FYE 2013.

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Customer Growth and Billing Units - Water

Customer Growth

Population projections for the Agency can vary depending on the assumptions used in developing the projections. In estimating future growth patterns, projections are typically based on historical information and recent growth trends. Population projections are necessary because the projected water and wastewater volumes are directly tied to the existing number of customers and the projected growth in new customer accounts. It is important to recognize in forward-looking rate making that the system is anticipated to growth. As such, it is appropriate to assume some system growth in the coming year.

In reviewing historical growth for the Agency, the project team made assumptions as to future growth on the system, as outlined on Table 4.

Table 4: Projected Customer Count

	FYE 2013
Total Residential	5,048
Total Commercial	260
Total Irrigation	113
Total Multi-Family	34
Total Construction	12
Total Wholesale, without raw water	8
Total Wholesale, raw water purchase	2
	5,477

Billing Unit Projection

Billing units, otherwise known as water consumption, are projected by analyzing historical usage for each customer classification. Billing units are projected by establishing a "normalized" average usage per connection per month and applying that usage to the projected customer count to establish a projection of consumption for each customer class.

The project team reviewed historical water consumption data for each customer class for the prior three years and compared the average usage per connection for each year. In developing projections of future demands, WRM attempts to "normalize" the data. Ideally, projections should be made for "normal" operating conditions. The projected water consumption for FYE 2013 is presented below:

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Table 5: Projected Water Consumption (Thousand Gallons)

	2013
Total Residential	794,887,329
Total Commercial	99,683,570
Total Irrigation	75,147,560
Total Multi-Family	29,795,870
Total Construction	30,172,950
Total Wholesale, without raw water	586,130,000
Total Wholesale, raw water purchase	141,476,000
	1,757,293,279

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By comparing the Agency's projected revenue recovery at currently effective rates to the revenue requirements for wholesale customers, WRM determined that the Agency is projected to under-recover from wholesale customers by 31%, as outlined on Table 6.

Table 6: Summary of Wholesale Revenue Recovery at Current Rates

	Cost of Service	Projected Revenues at Current Rates	Projected Over/(Under)	Percent Over/ (under) Recovery
Total Wholesale	$ 3,340,366	$ 2,549,898	$ (790,468)	31%

Minimum Bill

In order to achieve full cost recovery from wholesale water customers, a 31% increase to both the minimum charge and the volumetric charge for the Agency's wholesale customers is necessary. Table 7 outlines the recommended minimum bill for each wholesale customer.

Table 7: Recommended Minimum Bill

Minimum Bill	Current	FYE 2013
CRYSTAL MOUNTAIN HOA, INC.	$ 655.00	$ 858.05
DEER CREEK RANCH WATER CO., LLC	$ 2,500.00	$ 3,275.00
DRIPPING SPRINGS WSC	$ 4,548.00	$ 5,957.88
EANES ISD	$ 175.00	$ 229.25
HAYS COUNTY WCID #1	$ 7,450.00	$ 9,759.50
REUNION RANCH WCID	$ 3,190.00	$ 4,178.90
SENNA HILLS MUD #1	$ 3,730.00	$ 4,886.30
BARTON CREEK WEST WSC	$ 2,167.00	$ 2,838.77
HAYS COUNTY WCID #2	$ 6,515.00	$ 8,534.65
CITY OF DRIPPING SPRINGS	$ 7,000.00	$ 9,170.00
LAZY NINE MUD #1A	$ 10,200.00	$ 13,362.00
TRAVIS COUNTY MUD #12	$ 9,430.00	$ 12,353.30

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Volumetric Rate

Table 8 below outlines the required volumetric rates for the Agency's wholesale water customers to meet full cost recovery.

Table 8: Recommended Volumetric Rate

Volumetric Rate	Current	FYE 2013
Customers With own Raw Water	$ 2.40	$ 3.14
Customers Using PUA Raw Water	$ 2.86	$ 3.75

Section 3.0 Wastewater - Methodology and Findings

Water Resources Management, LLC

Customer Growth and Billing Units - Wastewater

Customer Growth

Current retail wastewater connections on the system as of August 2012 were 2,717 LUEs. The project team projected an annual average of 2,792 retail wastewater LUEs for FYE 2013. The Agency also has one wholesale wastewater connection.

Billing Unit Projection

Billing unit determination for the wastewater utility was determined by reviewing the historical water usage for the FYE 2011 and FYE 2012 through March 2012. Each year had a similar average usage per connection, so the entire period was considered in formulating an accurate projection of future use. In developing projections of future demands, WRM attempts to "normalize" the data. Ideally, projections should be made for "normal" operating conditions. The projected wastewater usage for FYE 2013 is illustrated on Table 9.

Table 9: Projected Wastewater Usage (Gallons)

Estimated Flows, by Customer Class	FYE 2013
Residential	153,199,376
Commercial	74,059,971
Wholesale	19,178,400
Multi-Family	25,986,750
	272,424,498

Removal of Retail Only Costs

Similar to the analysis for the water utility, the project team had to recognize that certain costs are solely associated with providing services to retail customers. Retail only costs were isolated and removed from the analysis. Retail only ***costs that were identified*** are:

- **Repairs and Maintenance Costs** – The Agency has a contract service provider who operates and maintains the Agency's facilities. The Agency is billed a base-fee for general operational services. The Agency is also billed an additional fee for services for repairs and maintenance of facilities that are above and beyond the Agency's general contract services. The Agency is billed based on time, equipment, and materials for the actual services provided. Repairs and maintenance services include anything from repairing a motor at a lift station to repairing a leak on a collection line. Given the limited sample of work-orders available to quantify the fees associated with repairs and maintenance to regional facilities (that serve all of the Agency's

Water Resources Management, LLC

customers) versus non-regional facilities (such as small collection line maintenance), the entirety of these costs have been removed as a "retail only" cost.[6]

- **Commercial Pre Treatment Program –** Costs associated with management of the Agency's pre-treatment program for commercial customers was removed, as this cost is associated with the Agency's commercial retail customers and not the Agency's wholesale customer.
- **Debt Service for Non-Regional Facilities –** The Agency has an installment payment liability with the LCRA as well as Agency issued bonds for which annual debt service must be paid. The Agency's assets were closely examined to determine facilities that were regional in nature (that serves both retail and wholesale customers) and those facilities that were non-regional in nature (that service retail only customers). The debt obligation attributable to retail-only customers (such as internal facilities in subdivisions) was removed from the analysis.

Cost Allocation

After retail only costs have been removed from the analysis, system-wide costs are then allocated to each classification of customer based upon the projected flows of that customer class. The results of this analysis are presented on Table 10.

Table 10: Summary of Cost Allocations

Customer Cost Allocation – Total Revenue Requirement	FYE 2013
Residential Customer Cost Allocation	$ 1,596,625
Commercial Customer Cost Allocation	1,276,092
Wholesale Customer Cost Allocation	100,518
	$ 2,973,235

[6] It must be noted that in future years, when adequate data is available, the Agency may re-evaluate this line item and determine that a portion of the costs should also be recovered from wholesale customers.

Water Resources Management, LLC

Wastewater Rate Design

By comparing the Agency's projected revenue recovery at currently effective rates to the revenue requirements for wholesale customers, WRM determined that the Agency is projected to under-recover from wholesale customers by 18%, as outlined on Table 11.

Table 11: Summary of Wholesale Wastewater Revenue Recovery at Current Rates

	Cost of Service	Projected Revenues at Current Rates	Projected Over/(Under)	Percent Over /(Under)
Total Wholesale	$ 100,518	$ 82,741	($ 17,777)	-18%

Minimum Bill

WRM has not recommended a change to the Agency's wholesale wastewater customer's minimum bill.

Volumetric Rate

Table 12 below outlines the required volumetric rates for the Agency's wholesale wastewater customer to meet full cost recovery.

Table 12: Recommended Wholesale Wastewater Rates

	Current	FYE 2013
Minimum Bill	$ 2,500	$ 2,500
Volumetric Rate	$ 2.75	$ 3.68

Section 4.0 Schedules

Schedule 1 – FYE 2013 Amended Budget

Schedule 2 – FYE 2013 Revenue Requirement

Schedule 3 – Water / Wastewater Split

Schedule 4 – Base-Extra Capacity Cost Functionalization

West Travis County Public Utility Agency

Schedule 1
FYE 2013 Amended Budget
Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	Notes
Ordinary Income/Expense				
Income				
(1) Water Department - Revenue				
14100 · Retail Revenues - Water				
14101 · Minimum Bill Revenues (W)	1,496,573	1,589,365	3,085,937	Determined by Rate Study
14102 · Volumetric Revenues (W)	2,766,734	2,845,509	5,612,242	Determined by Rate Study
14103 · Application Fee (W)	31,515	31,515	63,030	Annualized FYE2012 for 12 Months Operations
14104 · Tap Fees (W)	291,225	291,225	582,450	Annualized FYE2012 for 12 Months Operations
14105 · Late Fee (W)	97,100	97,100	194,199	Annualized FYE2012 for 12 Months Operations
14106 · Return Check Fee (W)	305	305	609	Annualized FYE2012 for 12 Months Operations
14107 · Inspection Fee (W)	300	300	600	Annualized FYE2012 for 12 Months Operations
14108 · Inquiry Fee	2,385	2,385	4,770	Annualized FYE2012 for 12 Months Operations
Total 14100 · Retail Revenues - Water	4,686,135	4,857,703	9,543,838	
14110 · Wholesale Revenues - (WSW)				
14111 · Minimum Bill Revenues (WSW)	372,582	470,596	877,475	Determined by Rate Study, Implementation on January 1, 2013
14112 · Volumetric Revenues (WSW)	1,068,623	1,060,232	2,251,137	Determined by Rate Study, Implementation on January 1, 2013
Total 14110 · Wholesale Revenues - (WSW)	1,441,205	1,530,828	3,128,612	
14120 · Other Revenues (W)				
14121 · LUE Reservation Fees (W)	16,900	16,900	33,800	Annualized FYE2012 for 12 Months Operations
14122 · Irrigation Customer Sales (W)	499,958	84,760	584,718	Determined by Rate Study, Implementation on January 1, 2013
14123 · Meter Set Fee (W)	54,261	54,261	108,522	Annualized FYE2012 for 12 Months Operations
14124 · Connection Fees	300	300	600	Annualized FYE2012 for 12 Months Operations
14125 · Billing Services (W)	3,225	3,225	6,450	Annualized FYE2012 for 12 Months Operations
14126 · Drainage Fees	(1,543)	1,543	0	Removed from Future Revenues
Total 14120 · Other Revenues (W)	572,999	160,891	733,890	
Total (1) Water Department - Revenue	6,700,338	6,549,422	13,406,339	
(2) Wastewater Department - Rev				
14200 · Retail & Wholesale Revenues (WW				

West Travis County Public Utility Agency

Schedule 1
FYE 2013 Amended Budget
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	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	N
14201 · Minimum Bill/Volumetric Rev (WW	1,128,707	1,928,409	2,858,581	Determined by Rate Study
14203 · Application Fee (WW)	0	0	0	Annualized FYE2012 for 12 f
14204 · Tap Fee (WW)	97,950	97,950	195,900	Annualized FYE2012 for 12 f
14205 · Late Fees (WW)	0	0	0	Annualized FYE2012 for 12 f
14206 · Return Check Fee (WW)	0	0	0	Annualized FYE2012 for 12 f
14207 · Inspection Fee (WW)	0	0	0	Annualized FYE2012 for 12 f
Total 14200 · Retail & Wholesale Revenues (WW	1,226,657	2,026,359	3,054,481	
14220 · Other Revenues (WW)				
14221 · Grinder Pump Surcharge (WW)	5,625	5,625	11,250	Annualized FYE2012 for 12 f
14222 · Billing Services (WW)	5,363	5,363	10,725	Annualized FYE2012 for 12 f
Total 14220 · Other Revenues (WW)	10,988	10,988	21,975	
Total (2) Wastewater Department - Rev	1,237,644	2,037,347	3,076,456	
(3) Shared Department - Revenue				
14300 · Shared Department				
14301 · Inspection Fees & Plan Review				
14302 · Legal Review Fees				
14303 · Vehicle Lease	0	0	0	Annualized FYE2012 for 12 f
14304 · Interest Earned on Checking	377	377	753	Annualized FYE2012 for 12 f
Total 14300 · Shared Department	377	377	753	
Total (3) Shared Department - Revenue	377	377	753	
Total Income	7,938,359	8,587,145	16,483,548	
Expense				
(1) Water Department - Expense				
16100 · LCRA Raw Water Reservation Fees				
16101 · LCRA - Raw Water Used (W)	103,928	254,936	668,864	Variable cost analysis
16102 · LCRA - Raw Water Reservation(W)	209,230	174,270	383,500	Variable cost analysis
Total 16100 · LCRA Raw Water Reservation Fees	623,158	429,206	1,052,364	
16110 · Contract Operations - Water				
16111 · Base Fee for Services (W)	516,712	361,598	881,310	Base fee for services.

West Travis County Public Utility Agency

Schedule 1
FYE 2013 Amended Budget
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	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	Notes
16112 · Maintenance & Repairs (W)	252,000	276,000	528,000	Estimated at $60,000 per month at 65%, plus $60,000 preventative maintenance
16113 · Customer Service (W)	181,950	116,739	297,789	
16114 · Engineering/ Const Fees (W)	0	0	0	Included in special projects below
Total 16110 · Contract Operations - Water	949,762	757,337	1,707,099	
16120 · Material & Supplies (W)	0	10,000	10,000	
16130 · Chemicals (W)	95,987	124,163	220,150	Per DGR analysis
16140 · Transportation (W)	0	0	0	Included below
16150 · Outside Services (W)	0	13,900	13,900	Includes Carpro contract, janitorial services for the plant, plus other misc services
16160 · Utilities - Electric (W)	682,389	727,611	1,410,000	Per DGR analysis
16170 · Utilities - Telephone (W)	8,737	6,241	14,978	Annualized FYE2012 for 12 Months Operations
16180 · Environmental Regulatory Fee(W)	0	10,000	10,000	
16190 · Other Expenses (W)	0	250,000	250,000	
Total (1) Water Department - Expense	2,360,034	2,328,457	4,688,491	
(2) Wastewater Department - Exp				
16200 · Contract Operations-Wastewater				
16201 · Base Fee for Services (WW)	110,152	83,306	193,458	Base fee for services.
16202 · Maintenance & Repairs (WW)	168,000	124,000	292,000	Estimated at $60,000 per month at 35%, plus $40,000 preventative maintenance
16203 · Customer Services (WW)	65,923	19,810	85,733	
16204 · Engineering/ Const Fees (WW)				Included in special projects below
Total 16200 · Contract Operations-Wastewater	344,075	227,117	571,192	
16210 · Materials & Supplies (WW)	0	10,000	10,000	
16220 · Chemicals (WW)	25,988	41,012	67,000	Per DGR analysis
16230 · Sludge Disposal (WW)	175,000	155,000	330,000	Per DGR analysis
16240 · Utilities - Electric (WW)	128,381	241,619	370,000	Per DGR analysis
16250 · Utilities - Telephone (WW)	3,609	2,578	6,187	Annualized FYE2012 for 12 Months Operations
16260 · Environmental Regulatory Fe(WW)	0	10,000	10,000	

West Travis County Public Utility Agency

Schedule 1
FYE 2013 Amended Budget
Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	N
Special Programs		333,418	333,418	Pre Treatment and I&I Progr Maintenance (water and w:
16270 · Other Expense (WW)	0	29,000	29,000	Includes Siemens contract p
16280 · Utilities - Gas (WW)	232	166	398	Annualized FYE2012 for 12 f
Total (2) Wastewater Department - Exp	677,286	1,049,909	1,727,195	
(3) Shared Department - Expense				
16300 · Professional Services				
General Operating				
16311 · General Counsel - Operating	382,304	(22,304)	360,000	Per General Counsel Detail
16312 · Engineering - Operating	143,975	(79,975)	64,000	Six Months Estimated Billing
16313 · General Manager - Operating	123,889	11,111	135,000	Six Months estimated billing
16314 · Bookkeeping - Operating	32,098	5,402	37,500	Six Months Estimated Billing
16315 · Financial Manager - Operating	35,279	24,721	60,000	Six Months Estimated Billing
Auditor		15,000		Per consultant estimate
16316 · General Counsel - Legislative	11,665	(11,665)	0	Removed, included in Transi
Total General Operating	729,208	(27,708)	656,500	
Special Contract Services				
16321 · General Counsel - Special Contr	0	0	0	Included in operating and tr
16322 · Rate Study - Special Contract	50,000	0	50,000	Per consultant estimate
16323 · Inspections/Plan Review-Special	0	50,000	50,000	Annualized FYE2012 costs, e PUA funded. Balance to be f
16324 · Other Engineering Analyses-Spec	0	437,000	437,000	Per Engineering Detail
Total Special Contract Services	50,000	487,000	537,000	
Transitional Support Services				
16301 · General Counsel - Transitional	394,853	(187,853)	207,000	Per General Counsel Detail
16302 · Engineering - Transitional				
630201 · Task 22 - SER Activities	58,761	13,239	72,000	Estimated 12 SERs left from

West Travis County Public Utility Agency

Schedule 1
FYE 2013 Amended Budget
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	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	Notes
16302 · Engineering - Transitional - Other	255,640	(235,640)	20,000	Estimated 2 months, duplicative billing
Total 16302 · Engineering - Transitional	314,401	(222,401)	92,000	
16303 · General Manager - Transitional	98,629	(44,629)	54,000	Estimated 2 months of billing, duplicative for transitional period.
16304 · Bookkeeping - Transitional	7,442	5,058	12,500	Estimated 2 months of billing, duplicative for transitional period.
16305 · Financial Manager -Transitional	9,179	5,821	15,000	Estimated 2 months of billing, duplicative for transitional period.
Auditor		5,000	5,000	Per consultant estimate
16306 · Misc - Transitional	1,176		1,176	
Total Transitional Support Services	825,680	(439,004)	386,676	
Total 16300 · Professional Services	1,604,808	20,288	1,580,176	
Personnel Expenses				
Salaries		300,399	300,399	Per Salary Work Paper
FICA and Benefits		90,120	90,120	Estimated at 30% of Salaries
Total· Personnel Services	0	390,519	390,519	
16331 · Inventory Purchases Not Funded	0	100,000	100,000	Meters
Memberships and Dues	0	17,500	17,500	
Vehicle Supplies and fuel	0		0	
16332 · Leak Detection Program	0	35,000	35,000	
16333 · SCADA Control System Maintenance	0	50,000	50,000	
16334 · Mapping/GIS Program	4,718	(4,718)	0	Included in Other Engineering Services
16335 · Tools & Shop Supplies	0	20,000	20,000	
16336 · Computer Maintenance & Repair	10,000	3,640	13,640	Photocopier, misc computer repairs
16337 · Furniture	0		0	Inlcuded in Office Lease
16338 · Janitor/Contract Labor	0		0	
16339 · Office Data & Supplies	559	20,000	20,559	Computer licenses and software
16341 · Utilities - Office & Outside Pa	1,645	1,175	2,820	Annualized FYE2012 for 12 months.
16342 · Conservation Education & Enfore	0	20,000	20,000	
16343 · Insurance - General	62,766	44,833	107,599	
16344 · Bank Charges	1,051	751	1,802	

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