



Staff recommendation: The project team recommends a policy that allows for the accumulation of minimal Bond Fund balances over a three year period of time.

3. Means of Curing Shortfall – The policy should outline a means in which any shortfall of the minimum Bond Fund Balance would be restored.

Staff recommendation: The project team recommends that the policy task the General Manager with the duty to report such shortfall to the Agency's Board of Directors at the time the shortfall is identified. The General Manager has the responsibility to develop and present to the Board a plan to correct the deficit prior to the adoption of the budget for the next fiscal year. The restoration period to achieve the targeted balance shall not exceed three years.

Debt Service Reserve Fund Balance

The Agency's existing bond covenants require maintenance of a Debt Service Reserve Fund equal to the average annual debt service payment for all outstanding Agency bonds. The bond covenants allow such reserves to be funded from bond proceeds, from available operating cash flow or with a qualifying surety policy. As previously noted, these funds exist only to provide additional security to Agency bondholders. These funds may not be used for any purpose except to pay debt service to the extent of any shortfall in the Bond Fund.

Since these funds are restricted funds as described in the Agency's bond covenants, there is no current need for policy direction regarding these monies.

Facilities Fund

A Facilities Fund is a separate fund aside from the General Operating Fund and the Debt Service Reserve Fund. The Facilities Fund could be utilized for capital projects (as defined within the Agency's capitalization policy), major system failures or other unforeseen circumstances that are not typically associated with cash-flow issues. The Facilities Fund is, however, "unrestricted" and can be utilized by the Agency for any lawful purpose. Having these funds available (and/or a plan to accumulate these funds) allows the Agency to plan, and pay for capital projects. To some extent, this utilizes cash accumulated from operating revenues as recovered by times coverage requirements rather than through the issuance of bonds. It also retains cash funds set aside for unforeseen capital expenditures not otherwise funded. The Agency's bond offering documents state:

"Facilities Fund. The PUA has created and agreed to maintain a separate and special fund or account known as the Facilities Fund. At the discretion of the Board of the PUA, amounts may be transferred from the Rate Stabilization Fund to the Facilities Fund from time to time for payment of capital additions and improvements to the System, including reimbursement of any Participant for payment of such costs, upon request of such Participant and at the discretion of the Board of the PUA. At the discretion of the Board of the PUA, amounts on deposit in the Facilities Fund may be transferred to the Rate Stabilization Fund from time to time and used for any lawful purpose."

Policy Elements:

1. Contributions to the Facilities Fund – The Board may designate/direct staff to budget annual contributions into the Facilities Fund. In so doing, these contributions allow the Agency to accumulate funds for capital projects. Staff would then prepare annual budgets for the Facilities



Fund which thereby designate specific projects which these monies may be utilized for. The Facilities Fund would allow for rate stabilization and cash-funding capital projects as well as accumulation of funds for unforeseen/emergency capital requirements.

Staff Recommendation: The project team recommends an annual contribution to the Facilities Fund to be equal to a minimum of \$1,000,000 per year until such a time that the Facilities Fund Balance is equivalent to 10% of the original booked cost of the Agency's assets.

2. Utilization of Facilities Fund – the Board may designate the items for which the Facilities Fund monies may be used, and/or prioritize the types of projects that these monies would go towards.

Staff Recommendation: The project team recommends that the Facilities Fund be utilized solely for capital projects, as described by the Agency's capitalization policy. Annual Facilities Fund contributions will most likely be accumulated through the Agency's times coverage requirements. As times coverage monies are recuperated through retail and wholesale customers, the project team recommends Facilities Fund contributions be utilized solely for regional projects that benefit wholesale customers, to the extent that contributions can be reasonably quantified. Contributions from retail customers may also be utilized for developer reimbursement requirements not otherwise funded by the Agency, as deemed appropriate by the Agency's Board of Directors.

Rate Stabilization Fund Balance

Due to the contractual arrangements of the Agency and the Agency's sponsoring entities, the Agency has an established "Rate Stabilization Fund." The Agency's Rate Stabilization Fund is monies that are swept from the Agency's General Operating Fund per the participant agreements. These are unrestricted funds that can be used by the Agency for any lawful purpose and are intended to be accumulated "rainy-day" funds, but with the primary goal of providing customer rate stability. The Agency's bond offering documents state:

"Rate Stabilization Fund. The PUA has agreed to maintain a separate and special fund or account known as the Rate Stabilization Fund. All funds deposited into the Rate Stabilization Fund may be used at the discretion of the PUA for any lawful purpose, including capital additions and improvements to the System and to enable the PUA to manage rates and charges recommended to the Participants pursuant to the Participant Agreement; provided, however, that such funds shall be used in the following order of priority:

- (a) First, for funding of operating and maintenance reserves, in accordance with Prudent Utility Practice, and payment of principal of and interest on the Senior Lien Obligations;
- (b) Second, for redemption or defeasance of outstanding Senior Lien Obligations, if economically advantageous in the discretion of the Board of the PUA;
- (c) Third, for transfer to the Facilities Fund for payment of costs of any capital additions and improvements to the System."

Staff recommendation: The project team recommends that the Agency designate fund contributions to the Rate Stabilization Fund only to the extent that the Agency's General Operating Fund and Bond Funds have been fully funded at the minimum required level, per the Agency's currently effective financial policies, and to the extent that the Agency does not require contributions to the Facilities Funds as deemed necessary by the Agency's Board of Directors. These monies are to be utilized in a manner as described in the Agency's bond offering documents.



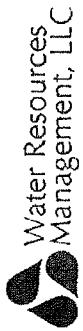
Utilization of Times Coverage

The bond rating agencies require collection, through rates and fees, of 25 points of coverage on annual debt service requirements. In other words, in order to ensure the marketability of the Agency's bonds, the Agency must collect through rates and fees, an amount equal to 25% times the annual debt service requirement for a given year. This is outside of the Agency's operations, and maintenance expenses, and debt requirements. The resulting impact of this requirement is that the Agency will necessarily show "retained earnings" for every year. Therefore, the Agency must establish a policy that outlines how such monies should be utilized in any given year. Through said policy, the Agency can ensure fairness and equity among customers; ensure cost-effective access to required financing; and can incorporate said funds into the Agency's overall financial plan.

Staff Recommendation: The project team recommends a policy that prioritizes and restricts the utilization of said funds, as follows:


- To the extent times coverage requirements are met through the collection of impact fees, said monies shall be utilized solely for purposes as outlined within Chapter 395 of the Local Government Code;
- Times coverage met through the collection of rates and fees other than impact fees, shall be used in the following order:
 1. To meet General Operating Fund minimum balance requirements;
 2. To meet Bond Fund minimum balance requirements;
 3. To meet Facilities Fund annual contribution requirements;
 4. To fund developer reimbursement requirements that are not otherwise funded through other rates, fees, charges, or other designated Agency Funds. Times coverage, funds collected from wholesale customers may not be used for this purpose.
 5. To cash-fund, capital projects or build additional reserve funds as deemed necessary by the Agency's Board of Directors.

In order to illustrate the means by which the Agency may accumulate said Fund Balances in the coming years, WRM has assembled the following illustration of annual contributions to the designated funds for the next three years. This illustration was assembled based upon the Agency's current Operating Fund balance, currently adopted FYE 2013 budget, and currently existing bonds. As the Agency proceeds with FYE 2014 fiscal planning, these amounts will likely change. However, the below analysis should demonstrate, at a high level, how the Agency is expected to meet these requirements in the coming years.

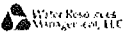
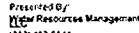


	Estimated Targeted Balance	Estimated Current Balance	March 31, 2013 Fund Transfer	FYE2013 Remaining Funding	FYE2014 Anticipated Funding	FYE2015 Anticipated Funding	Total Funded Amount
Operating Fund Balance	\$ 7,372,962	\$ 10,000,000	\$ (2,627,038)				\$ 7,372,962
Estimated Funds Available			\$ 2,627,038	\$ 3,715,518	\$ 8,036,665	\$ 8,608,876	
Bond Fund Contribution (I&S Fund) - 6 Months Interest	\$ 4,250,000	\$ -	\$ 2,125,000	\$ 2,125,000	\$ -	\$ -	\$ 4,250,000
Bond Fund Contribution (I&S Fund) - Annual Debt Payment					\$ 7,000,000	\$ 7,500,000	
Facilities Fund Contribution		\$ -	\$ 500,000	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000
Balance Transferred to Rate Stabilization Fund		\$ -	\$ 2,038	\$ 90,518	\$ 36,665	\$ 108,876	\$ 238,097


**Wholesale Customer
Committee**



**West Travis
County Public
Utility Agency**


 **March 26, 2013** 

Meeting Agenda:




- ◆ Outstanding Issues – Data Request
- ◆ Board Update:
 - ◆ 2 Additional Board Members
 - ◆ Adopted Financial Policies
 - ◆ Evaluating CIP, LUE Reservation Fees, Budgeting, etc. in April
- ◆ Minimum Bill Proposal
- ◆ Next Meeting

Minimum Bill – Goals:



- ◆ Consistent in Methodology and Application for Impact Fees, LUE Reservation Fees, and Wholesale Minimum Bill
- ◆ Based on the Agency's Actual Annual Costs for Used and Useful Regional Facilities
- ◆ Ensures Consistency Among all Customers – Current, Future, Wholesale and Retail
- ◆ Meets Goal of Requiring Growth to Pay for Itself to the Greatest Extent Possible
- ◆ Provides Predictability of Fees

Overall Concept:



• **Minimum Bill Recovers PUA's Cost of Debt for Capital**

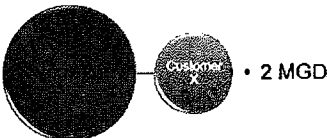
Step 1: Allocate Capital Costs to Wholesale Customers

Step 2: Structure Debt to Recover Allocated Capital Costs

Step 3: Adjust Debt for Impact Fees Credit and Times Coverage Requirements

Step 1: Allocate Capital Costs

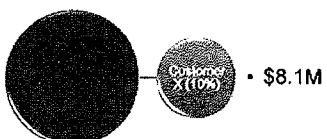
Wholesale System Capacity is Defined and Quantifiable
Known and Customers have Defined Capacity Reservations



Customer X Reserved Capacity of 2MGD / Total System Capacity of 20 MGD = Customer X has reserved 10% of Total System Capacity

Step 1: Allocate Capital Costs

Sanitary Intake, Chemical Building and Water Treatment Plant = \$81M



Customer X (10%) • \$8.1M

Step 2: Calculate Annual



- Annual payments to recover allocated capital costs.
- Actual PUA effective interest rate would be used.
- Payment plan can be adjusted to meet specific wholesale customer requirements (to accommodate growing versus built-out customers)

Customer X - Annual Debt payment for
\$8.1M at 5% for 30 Years = \$526,916

Step 3: Adjustments



- Times Coverage Adjustment = 25% of annual debt payment requirement, per bond requirements (per Board Policy, funds from wholesale customers are used for future Regional Projects ONLY)
- Impact Fee Adjustment = 50% reduction of annual debt payment requirement

Customer X Annual Minimum Bill = Annual
Debt payment \$526,916 + Times Coverage
\$131,729 - Impact Fee Credit \$263,458 =
\$395,187

Wholesale Minimum Bill: Impact Mitigation Plan



- Allocates Capital Cost to Wholesale Customer
- Allows Customer Input to Structure Debt Associated with their Capital Allocation
- Debt Structured to Fully Recover Capital Cost Associated with Customer

Wholesale Minimum Bill: Impact Mitigation Plan



- ‡ Recognizes Unique Characteristics of Individual Wholesale Customers
- ‡ Prevents Cross-Subsidization
- ‡ Ensures Recovery of the PUA's Costs
- ‡ Requires Customer to Assume Risk Associated with their Build-Out NOT the PUA
- ‡ Provides for Long-Term Predictability of Fees

Additional Information:



- ‡ This is a one-time opportunity for input into debt structure.
- ‡ In the future, if the Agency builds additional regional projects and uses funds other than times coverage (i.e. debt), these projects would be added to capital projects lists and each wholesale customer would be required to pay their pro rata share of costs.
- ‡ When the Agency builds facilities with capacity in excess of 20MGD, the calculation would be revised to appropriately allocate costs.

**West Travis County Public Utility Agency
FYE2014 Planning Fee Planning**

Schedule 1

Existing Projects, Before Interest Expense

Systemwide Projects	Actual Project Cost
Uplands WTP Chem Building	\$ 2,141,458
Uplands WTP Plant	40,249,533
Uplands Raw Water Intake Expansion	416,305
High Service Pump Station 8 MGD to 14 MGD	4,034,066
Uplands Clearwell #2	997,229
	<u>\$ 47,838,591</u>

SH 71 System Projects	Actual Project Cost
Lazy 9 SW 71 Transmission Main	\$ 3,090,461
Transmission Main from Uplands Plant to Bee Cave Pump Station	1,556,779
Wolf Mountain (Crystal Mountain) EST	1,917,518
Senna Hills By-Pass Line	559,677
Hamilton Pool Road 1280 Pump Station Water Line	330,552
Hamilton Pool Road Water Line	6,624,510
Home Depot Pump Station	392,792
Home Depot Ground Storage Tank	147,043
Bee Cave Ground Storage Tank, Pump Station, Piping (off Cuernavaca)	699,851
Bee Cave Water Line to Cuernavaca	990,492
	<u>\$ 16,309,675</u>

US 290 System Projects	Actual Project Cost
Countyline Pump Station Upgrade	
1800 gpm to 3450 gpm	\$ 1,684,429
290 Pipeline	
a) 24" SWPPS to County Line	12,841,593
b) 20" Countyline to 1420 HGL EST	3,411,212
20" Main Uplands to SW Parkway (Easements)	506,714
1420 Elevated storage	2,197,353
Sawyer Ranch Road Ph 1 20"	1,183,948
Sawyer RR Ph 1 (Darden Hill)	1,293,619
	<u>\$ 23,118,867</u>

Total **\$ 87,267,133**

DRAFT

West Travis County Public Utility Agency
FYE2014 Planning Fee Planning

Schedule 2
Future CIP Projects, Before Interest Expense

System Wide Projects	Year Scheduled	Future Cost
Surge Tank on Raw Water Line	2013	1,273,358
WTP Expansion	2018	25,451,225
Raw Water Pump Station Improvements	2018	2,545,122
20" Raw Water TM	2018	3,817,684
		\$ 33,087,389

US 290 Projects	Year Scheduled	Future Cost
SW Parkway PS 3567 to 5900 GPM (Ongoing)	2012	\$ 282,424
SW Parkway PS Upgrade 5900 - 7800 gpm	2015	698,744
SWPPS 20" TM	2013	4,149,391
1240 Pressure Plane Study and WL*	2014	1,571,609
1340 EST (0.6 MG), Pump Station Upgrade, WL	2015	7,569,730
FM 1826 Ph 4 - 16" TM	2013	1,042,836
FM 1826 Extension - 16" TM	2016	2,399,022
Heritage Line - 16" TM*	2016	1,439,413
1420 HGL Pump Station	2015	1,164,574
		\$ 20,317,744

SH 71 Projects	Year Scheduled	Future Cost
HPR 1420 Hydrotank Upgrade (add 750 gpm pump)	2014	\$ 291,143
Hwy 71 EST (0.35 MG)	2014	2,562,062
Bee Cave PS Upgrade 1500-3000 gpm firm	2014	628,870
Misc. Impacts for 1280 pressure plane	2015	1,164,574
		\$ 4,646,649

TOTAL **\$ 58,051,782**

**West Travis County Public Utility Agency
FYE2014 Planning Fee Planning**

Schedule 3

Total Existing and Future Regional Project Costs

	Total Project Cost	MGD Plant Capacity	Cost per Gallon Capacity
Systemwide			
Existing Project	\$ 47,838,591	20	\$ 2.39
Future CIP (2012-2015)	1,273,358	20	\$ 0.06
Future CIP (after 2015)	excluded		
	<u>\$ 49,111,949</u>		\$ 2.46
SH 71 System			
Existing Project	\$ 16,309,675	11	\$ 1.48
Future CIP (2012-2015)	4,646,649	11	\$ 0.42
Future CIP (after 2015)	excluded		
	<u>\$ 20,956,324</u>		\$ 1.91
US 290 System			
Existing Project	\$ 23,118,867	9	\$ 2.56
Future CIP (2012-2015)	16,479,308	9	\$ 1.83
Future CIP (after 2015)	excluded		
	<u>\$ 39,598,175</u>		\$ 4.39
Total	\$ 109,666,449		

**West Travis County Public Utility
Agency
FYE2014 Planning Fee Planning**

**Schedule 4
Summary of Total Cost per Gallon
Reserved**

SH 71 System Costs	Systemwide Projects Cost per Gallon	SH71 Projects Cost per Gallon	Total Cost per Gallon
Existing Project	\$ 2.39	\$ 1.48	\$ 3.88
Future CIP (2012-2015)	\$ 0.06	\$ 0.42	\$ 0.49
Future CIP (after 2015)	\$ -	\$ -	\$ -
	\$ 2.46	\$ 1.91	\$ 4.36

US 290 System Costs	Systemwide Projects Cost per Gallon	US290 Projects Cost per Gallon	Total Cost per Gallon
Existing Project	\$ 2.39	\$ 2.56	\$ 4.96
Future CIP (2012-2015)	\$ 0.06	\$ 1.83	\$ 1.89
Future CIP (after 2015)	\$ -	\$ -	\$ -
	\$ 2.46	\$ 4.39	\$ 6.85

West Travis County Public Utility Agency
FYE2014 Planning Fee Planning

Schedule 5
Capital Cost Allocation

SH 71 System	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
Barton Creek West	965,952	\$ 4.36	\$ 4,214,822
Senna Hills	907,000	\$ 4.36	\$ 3,957,591
Crystal Mountain	144,000	\$ 4.36	\$ 628,328
EISD	42,900	\$ 4.36	\$ 187,189
Lazy Nine	5,088,000	\$ 4.36	\$ 22,113,641
Deer Creek	576,000	\$ 4.36	\$ 2,513,310
Travis County MUD #12	2,073,600	\$ 4.36	\$ 9,047,917
Masonwood	538,272	\$ 4.36	\$ 2,348,689

US 290 System	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
Dripping Springs WSC	1,000,000	\$ 6.85	\$ 6,847,887
Bellerra - HOWCID #1*	1,512,576	\$ 6.85	\$ 10,357,949
Bellerra - HOWCID #2*	1,137,024	\$ 6.85	\$ 7,786,211
Hays Cty Reunion Ranch (Krasovek)*	553,000	\$ 6.85	\$ 3,786,881
City of Dripping Springs (Headwaters)*	1,612,800	\$ 6.85	\$ 11,044,271
City of Dripping Springs	1,460,000	\$ 6.85	\$ 9,997,914

*These agreements also include an LUE reservation fee paid by the developer. As such, LUE reservation revenues paid to the PUA would be credited against the wholesale minimum bill.

Jay Joyce

From: Joe DiQuinzio [jadco@austin.rr.com]
Sent: Tuesday, March 26, 2013 2:30 PM
To: 'Jay Joyce'; 'Allen Douthitt'
Cc: 'Sue Brooks Littlefield'
Subject: FW: WTCPUA - Wholesale Customer Meeting
Attachments: 20130326094406764.pdf

From: Don Rauschuber [mailto:generalmanager@wtcpua.org]
Sent: Tuesday, March 26, 2013 1:27 PM
To: manu@austin.rr.com; rbw@randallwilburnlaw.com; roger.durden@gmail.com; tphillips@hayswcid.org; dhoedebeck@eanesisd.net; dgernes@wcid17.org; slittlefield@abaustin.com; perrin@drippingspringswater.com; chetp@savansys.com; mslack@taylormorrison.com; tyler@masonwooddevelopment.com; mfischer@cityofdrippingsprings.com; 'J. Robert Long'; 'Linda Mclean'; 'Joe DiQuinzio'
Cc: mai.damianov@gmail.com; Nelisa Heddin; salbright@lglawfirm.com
Subject: WTCPUA - Wholesale Customer Meeting

All:

1. As a follow-up to yesterday's Wholesale Customer Meeting, attached are the following handouts we presented at the meeting:
 - a. Sign-In Sheet
 - b. February 21, 2013, Memo from WRM, Inc., to the WTCPUA
 - c. Hard Copy of Nelisa's Power Point Presentation
 - d. Draft Schedule Nos. 2 through 5
 - e. Example "Individual Capital Amortization Schedule"
2. Our next will be held commencing at 2:00 p.m. April 1, 2013, at the PUA offices.
3. At this meeting, we will focus on the method(s) for calculating each Wholesale Customer Minimum Monthly Bill.
4. We will attempt to forward any new materials to you prior to the next meeting.

If at all possible, please attend (or sent an alternate) the April 1, 2013, meeting.
If you have any questions concerning this matter, please do not hesitate to contact me.

Tks
don
263-0100

Jay Joyce

From: Nelisa Heddin [nheddin@wrmlp.com]
Sent: Wednesday, May 01, 2013 8:34 PM
To: 'Nelisa Heddin'; mfisher@cityofdrippingsprings.com; chetp@savansys.com; GPerrin@drippingspringswater.com; MSlack@taylormorrison.com; manu@austin.rr.com; mstoller@austin.rr.com; tyler@masonwooddevelopment.com; dhoedebeck@eanesisd.net; dgermes@wcid17.org; rbw@randallwilburnlaw.com; roger.durden@gmail.com; jjoyce@expergy.com; tphillips@hayswcid.org; 'Linda Mclean'
Cc: 'Don Rauschuber'; salbright@lglawfirm.com; lkalisek@lglawfirm.com
Subject: WTCPUA Wholesale Customer Committee Meeting Reminder


Committee Members,

Thank you so much for providing us with the data we need to complete the analysis – this has been quite helpful. I wanted to quickly remind everyone about the Wholesale Customer Committee Meeting on Monday, May 6th at 2:00 at the PUA offices. We will review the latest minimum bill numbers and then discuss the volumetric rates.

We are targeting to send out a proposed draft contract amendment to everyone by Friday. We will then ask for comment back by the end of next week on the proposed amendments.

We look forward to seeing each of you Monday!

Nelisa Heddin
Vice President

 Water Resources
Management, L.P.
ph: 512.420.9841
fx: 512.420.9237
cell: 512.589-1028

Jay Joyce

From: Nelisa Heddin [nheddin@wrmlp.com]
Sent: Friday, May 10, 2013 6:57 PM
To: jjoyce@expergy.com
Cc: 'Don Rauschuber'
Subject: comparison to current rates
Attachments: 2013 05 10 rough Hollow DRAFT comparison.pdf


Jay,

I hope you are doing well. To assist you with your evaluation of the proposed approach for determining rates for wholesale customers, I have run a comparison of the proposed analysis compared to current rates – the results of which you'll find attached.

This comparison isn't necessarily apples to apples as current rates are not fully recovering costs – however, it does give you a sense of where rates are expected to go in the future if we proceed with this approach. As you can see, overall, Rough Hollow should see a long-term cost savings as a result of this approach when compared to current rates.

Please let me know if you have any questions or need anything further.

*Nelisa Heddin
Vice President*

 Water Resources
Management, L.P.
*ph: 512.420.9841
fx: 512.420.9237
cell: 512.589-1028*

Jay Joyce

From: Nelisa Heddin [nheddin@wrmlp.com]
Sent: Friday, May 24, 2013 9:37 PM
To: 'Nelisa Heddin'; mfisher@cityofdrippingsprings.com; chetp@savansys.com; GPerrin@drippingspringswater.com; MSlack@taylormorrison.com; manu@austin.rr.com; mstoller@austin.rr.com; tyler@masonwooddevelopment.com; dhoedebeck@eanesisd.net; dgenes@wcid17.org; rbw@randallwilburnlaw.com; roger.durden@gmail.com; jjoyce@expergy.com; tphillips@hayswcid.org; 'Linda Mclean'; lsmith@leonardsmithlaw.com; 'Ray Whisenant'; 'bruce aupperle'; 'J. Robert Long'
Cc: 'Don Rauschuber'; salbright@lglawfirm.com; lkalisek@lglawfirm.com
Subject: RE: Draft Amendment
Attachments: 2013.05.23 draft form agreement for wholesale amendments (Final Edits).docx

Committee Members,


As previously discussed, attached, please find the revised draft amendments which incorporate suggested changes from committee members.

As a reminder, we are seeking executed amendments by the end of May. This will enable us to issue bonds to accommodate your individual payment plans.

If you have additional questions or comments or need additional information, please don't hesitate to let Don or I know.

Have a great weekend!

Nelisa Heddin
Vice President

 Water Resources
Management, L.P.
ph: 512.420.9841
fx: 512.420.9237
cell: 512.589-1028

Jay Joyce

From: Nelisa Heddin [nheddin@wrmlp.com]
Sent: Friday, May 17, 2013 1:10 PM
To: nheddin@wrmlp.com; mfischer@cityofdrippingsprings.com; chetp@savansys.com; GPerrin@drippingspringswater.com; MSlack@taylormorrison.com; manu@austin.rr.com; mstoller@austin.rr.com; tyler@masonwooddevelopment.com; dhoedebeck@eanesisd.net; dgernes@wcid17.org; rbw@randallwilburnlaw.com; roger.durden@gmail.com; jjoyce@expergy.com; tphillips@hayswcid.org; 'Linda Mclean'; lsmith@leonardsmithlaw.com; 'Ray Whisenant'; 'bruce aupperle'
Cc: 'Don Rauschuber'; salbright@lglawfirm.com; lkalisek@lglawfirm.com
Subject: RE: Draft Amendment

Committee Members,

Thank you for your continued participation in this process. I wanted to send a quick reminder that comments to the draft amendments are due by or before today, May 17, 2013 at 5:00 p.m.

Thanks again for all of your help.

From: Nelisa Heddin [mailto:nheddin@wrmlp.com]
Sent: Tuesday, May 14, 2013 7:53 PM
To: 'Nelisa Heddin'; mfischer@cityofdrippingsprings.com; chetp@savansys.com; GPerrin@drippingspringswater.com; MSlack@taylormorrison.com; manu@austin.rr.com; mstoller@austin.rr.com; tyler@masonwooddevelopment.com; dhoedebeck@eanesisd.net; dgernes@wcid17.org; rbw@randallwilburnlaw.com; roger.durden@gmail.com; jjoyce@expergy.com; tphillips@hayswcid.org; 'Linda Mclean'; lsmith@leonardsmithlaw.com; 'Ray Whisenant'; 'bruce aupperle'
Cc: 'Don Rauschuber'; salbright@lglawfirm.com; lkalisek@lglawfirm.com
Subject: Draft Amendment

Committee Members,


Once again, thank you for your continued time, input and assistance in working through wholesale rates.

Attached, please find the rough draft contract amendment for your consideration.

Please provide comments/red-line versions of the agreement back to myself, Stefanie or Don by or before 5:00 p.m. Friday, May, 17th.

Have a great afternoon!

Nelisa Heddin
Vice President

 Water Resources
Management, L.P.
ph: 512.420.9841
fx: 512.420.9237
cell: 512.589-1028

Jay Joyce

From: Nelisa Heddin [nheddin@wrmlp.com]
Sent: Friday, May 10, 2013 2:13 PM
To: 'Nelisa Heddin'; mfisher@cityofdrippingsprings.com; chetp@savansys.com; GPerrin@drippingspringswater.com; MSlack@taylormorrison.com; manu@austin.rr.com; mstoller@austin.rr.com; tyler@masonwooddevelopment.com; dhoedebeck@eanesisd.net; dgernes@wcid17.org; rbw@randallwilburnlaw.com; roger.durden@gmail.com; jjoyce@expergy.com; tphillips@hayswcid.org; 'Linda Mclean'; lsmith@leonardsmithlaw.com; 'Ray Whisenant'
Cc: 'Don Rauschuber'; salbright@lglawfirm.com; lkalisek@lglawfirm.com
Subject: RE: WTCPUA Wholesale Customer Committee Meeting Reminder
Attachments: 05 10 13 DRAFT Rate Study Model - Volumetric Rates.pdf

Committee Members,

Attached, please find DRAFT work-papers from the volumetric rate model – we had reviewed key schedules from this model during our meeting last week. Please note these are in draft format at this point – we are continuing to work through the model during our QA/QC process. Numbers highlighted in yellow are actively being evaluated and may change.


As we went through the most important schedules of this model during our last meeting, I do not intend to go through all of these during our next meeting – however, to the extent there are questions regarding any of this information, please don't hesitate to ask.

Please let me know if you have additional questions or need anything else.

I look forward to seeing everyone at the meeting next week – Tuesday, May 14th at 2:00 at the PUA offices.

Have a fantastic weekend!!!

Nelisa Heddin
Vice President

 Water Resources
Management, L.P.
ph: 512.420.9841
fx: 512.420.9237
cell: 512.589-1028

Jay Joyce

From: Nelisa Heddin [nheddin@wrmlp.com]
Sent: Friday, May 10, 2013 12:05 PM
To: 'Nelisa Heddin'; mfischer@cityofdrippingsprings.com; chetp@savansys.com; GPerrin@drippingspringswater.com; MSlack@taylormorrison.com; manu@austin.rr.com; mstoller@austin.rr.com; tyler@masonwooddevelopment.com; dhoedebeck@eanesisd.net; dgernes@wcid17.org; rbw@randallwilburnlaw.com; roger.durden@gmail.com; jjoyce@expergy.com; tphillips@hayswcid.org; 'Linda Mclean'; lsmith@leonardsmithlaw.com; 'Ray Whisenant'
Cc: 'Don Rauschuber'; salbright@lglawfirm.com; lkalisek@lglawfirm.com
Subject: WTCPUA Wholesale Customer Committee Meeting Reminder
Attachments: 04-01-12 - 02-28-13.xls.xlsx; WTCWater_Assets_thru03-11.xlsx; WTC_WW_Assets_thru03-11.xlsx; Draft amended agreement for wholesale customers.docx; M1 Manual Excerpts.pdf


Wholesale Committee members,

1. This is a reminder of our next scheduled committee meeting – Tuesday, May 14th at 2:00 p.m. at the PUA offices. This will be a Q/A style meeting, so please bring any additional questions you may have. I will be going through the process flow charts to talk about the big-picture for cost allocations and we may have a few administrative items to address. However, the majority of the meeting will be dedicated to answering your questions.
2. Attached, please find:
 - a. Excerpts from the AWWA M1 Manual which describes the Base/Extra Capacity methodology;
 - b. Asset inventory of water facilities transferred from LCRA (utilized for cost allocation purposes);
 - c. Asset inventory of wastewater facilities transferred from LCRA (utilized for cost allocation purposes);
 - d. 10-month Actual Operating P&L – please note, the repairs & maintenance expenses do not reflect a full 10-months – STES still hasn't submitted all invoices for these.
 - e. Draft Wholesale Amendment Agreements
3. We will provide a PDF of the volumetric rate model through a separate transmittal.
4. A process flow-chart will be provided during our meeting on Tuesday.

Please let me know if you have any questions or need additional information.

We look forward to seeing you all on Tuesday.

Nelisa Heddin
Vice President

 Water Resources
Management, L.P.
ph: 512.420.9841
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cell: 512.589-1028

QUESTION NO. 4-35

Please provide copies of Joyce's notes from all WTCPUA wholesale customer meetings held at the WTCPUA office on January 28, 2013 , March 25, 2013, April 1,2013, April 9, 2013, May 6, 2013, and May 14,2013.

TCMUD 12'S RESPONSE:

Mr. Joyce attended the attended WTCPUA wholesale customer meetings held at the WTCPUA office on April 9, 2013, May 6, 2013, and May 14, 2013. His notes are attached as Attachment TCMUD 12 RFI 4-35.

4/9/13 meeting at WTCPUA

+ 30 MM in retail-only assets

effective used for modeling -

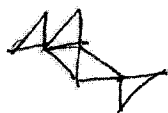
5% interest rate over 30 yrs

170 MM bond -

100 + repay LCRA +
refinance

(~~★~~ Adjust reservations
AND/OR Gallons per LUE)

Bond Rating



~~★~~ Impact Fees - what about those paid already -

6 week schedule:

~~2nd~~ 3rd Thurs of May (2nd May meeting)
at Bond

resolve 3 & 4

30 yr proforma by end of May

Amended budget - next Thursday -

3 ~~new~~ buckets →

will release then -

//// →

1 bucket for each MUD

Transmission lines

Wholesale already supplementing retail

Max Day rate?

Peak -?

Peak-based on
contract

Based on Peak -

Think big issue is impact fee -
raise to 60%?

→ reallocate 4MM impact fees

→

No. 937 R1E
Engrd's Commutation Fee

③ provide impact fee #1s by

_____ at
12/31/12

max day } based on contract

3 weeks →

27 MGD

① LUE buildout schedule (LUE
Amort)

② Do you want to charge capacity
reservations

← Board - 395 - assess at 50% or
60%

IFAC - Any works for retail developer

+ 2 retail reps

+ 1 development reps.

Wholesale customers need representation
on board →

~~Meeting~~

Meeting May 6th 2pm
Next meeting

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

DRAFT

Scenario 3

Scenario 3 adjusts capital costs to be equal to LCRA original cost of facilities as compared to the PUA original cost of facilities. The approximate \$4M differential between the LCRA purchase price and the PUA purchase price was spread on an average credit per LUE based on the current LUEs on the system as a capital credit adjustment.

**West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

Attachment B

Summary of PUA and LCRA Original Cost of Facilities

	PUA Actual Project Cost	LCRA Project Cost
Systemwide Projects		
Uplands WTP Chem Building	\$ 2,141,458	\$ 2,249,778
Uplands WTP Plant	40,249,533	42,285,437
Uplands Raw Water Intake Expansion	416,305	437,362
High Service Pump Station 8 MGD to 14 MGD	4,034,066	4,238,117
Uplands Clearwell #2	997,229	1,047,671
	<u>\$ 47,838,591</u>	<u>\$ 50,258,365</u>

	PUA Actual Project Cost	
SH 71 System Projects		
Lazy 9 SW 71 Transmission Main	\$ 3,090,461	\$ 3,246,783
Transmission Main from Uplands Plant to Bee Cave Pump Station	1,556,779	1,635,524
Wolf Mountain (Crystal Mountain) EST	1,917,518	2,014,510
Senna Hills By-Pass Line	559,677	587,987
Hamilton Pool Road 1280 Pump Station Water Line	330,552	347,272
Hamilton Pool Road Water Line	6,624,510	6,959,592
Home Depot Pump Station	392,792	412,660
Home Depot Ground Storage Tank	147,043	154,480
Bee Cave Ground Storage Tank, Pump Station, Piping (off Cuernavaca)	699,851	735,251
Bee Cave Water Line to Cuernavaca	990,492	1,040,593
	<u>\$ 16,309,675</u>	<u>\$ 17,134,651</u>

	Actual Project Cost	
US 290 System Projects		
Countyline Pump Station Upgrade		
1800 gpm to 3450 gpm	\$ 1,684,429	\$ 1,769,631
290 Pipeline		
a) 24" SWPPS to County Line	12,841,593	13,491,147
b) 20" Countyline to 1420 HGL EST	3,411,212	3,583,759
20" Main Uplands to SW Parkway (Easements)	506,714	532,344
1420 Elevated storage	2,197,353	2,308,499
Sawyer Ranch Road Ph 1 20"	1,183,948	1,243,834
Sawyer RR Ph 1 (Darden Hill)	1,293,619	1,359,053
	<u>\$ 23,118,867</u>	<u>\$ 24,288,267</u>

Total

\$ 87,267,133 \$ 91,681,283

**West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

Schedule 1

Existing Projects, Before Interest Expense

Systemwide Projects	Original Cost of Project
Uplands WTP Chem Building	\$ 2,249,778
Uplands WTP Plant	42,285,437
Uplands Raw Water Intake Expansion	437,362
High Service Pump Station 8 MGD to 14 MGD	4,238,117
Uplands Clearwell #2	1,047,671
	<u>\$ 50,258,365</u>

SH 71 System Projects	Original Cost of Project
Lazy 9 SW 71 Transmission Main	\$ 3,246,783
Transmission Main from Uplands Plant to Bee Cave Pump Station	1,635,524
Wolf Mountain (Crystal Mountain) EST	2,014,510
Senna Hills By-Pass Line	587,987
Hamilton Pool Road 1280 Pump Station Water Line	347,272
Hamilton Pool Road Water Line	6,959,592
Home Depot Pump Station	412,660
Home Depot Ground Storage Tank	154,480
Bee Cave Ground Storage Tank, Pump Station, Piping (off Cuernavaca)	735,251
Bee Cave Water Line to Cuernavaca	1,040,593
	<u>\$ 17,134,651</u>

US 290 System Projects	Original Cost of Project
Countyline Pump Station Upgrade	
1800 gpm to 3450 gpm	\$ 1,769,631
290 Pipeline	
a) 24" SWPPS to County Line	13,491,147
b) 20" Countyline to 1420 HGL EST	3,583,759
20" Main Uplands to SW Parkway (Easements)	532,344
1420 Elevated storage	2,308,499
Sawyer Ranch Road Ph 1 20"	1,243,834
Sawyer RR Ph 1 (Darden Hill)	1,359,053
	<u>\$ 24,288,267</u>

Total

\$ 91,681,283

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Schedule 2

Future CIP Projects, Before Interest Expense

System Wide Projects	Year Scheduled	Future Cost	Funded with Series 2013 Bonds
Surge Tank on Raw Water Line	2013	1,273,358	1,273,358
WTP Expansion	2018	25,451,225	
Raw Water Pump Station Improvements	2018	2,545,122	
20" Raw Water TM	2018	3,817,684	
		\$ 33,087,389	\$ 1,273,358

US 290 Projects	Year Scheduled	Future Cost	Funded with Series 2013 Bonds
SW Parkway PS 3567 to 5900 GPM (Ongoing)	2012	\$ 282,424	\$ 282,424
SW Parkway PS Upgrade 5900 - 7800 gpm	2015	698,744	698,744
SWPPS 20" TM	2013	4,149,391	4,149,391
1240 Pressure Plane Study and WL*	2014	1,571,609	1,571,609
1340 EST (0.6 MG), Pump Station Upgrade, WL	2015	7,569,730	7,569,730
FM 1826 Ph 4 - 16" TM	2013	1,042,836	1,042,836
FM 1826 Extension - 16" TM	2016	2,399,022	
Heritage Line - 16" TM*	2016	1,439,413	
1420 HGL Pump Station	2015	1,164,574	1,164,574
		\$ 20,317,744	\$ 16,479,308

SH 71 Projects	Year Scheduled	Future Cost	Funded with Series 2013 Bonds
HPR 1420 Hydrotank Upgrade (add 750 gpm pump)	2014	\$ 291,143	\$ 291,143
Hwy 71 EST (0.35 MG)	2014	2,562,062	2,562,062
Bee Cave PS Upgrade 1500-3000 gpm firm	2014	628,870	628,870
Misc. Impacts for 1280 pressure plane	2015	1,164,574	1,164,574
		\$ 4,646,649	\$ 4,646,649

TOTAL

\$ 58,051,782 \$ 22,399,316

**West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

**Schedule 3
Total Existing and Future Regional Project Costs**

	Total Project Cost	MGD Plant Capacity	Cost per Gallon Capacity
Systemwide			
Existing Project	\$ 50,258,365	27	\$ 1.86
Future CIP (2012-2015)	1,273,358	27	\$ 0.05
Future CIP (after 2015)	<u>excluded</u>		
	\$ 51,531,723		\$ 1.91
SH 71 System			
Existing Project	\$ 17,134,651	15	\$ 1.16
Future CIP (2012-2015)	4,646,649	15	\$ 0.31
Future CIP (after 2015)	<u>excluded</u>		
	\$ 21,781,301		\$ 1.47
US 290 System			
Existing Project	\$ 24,288,267	12	\$ 2.00
Future CIP (2012-2015)	16,479,308	12	\$ 1.35
Future CIP (after 2015)	<u>excluded</u>		
	\$ 40,767,575		\$ 3.35
Total	\$ 114,080,599		

**West Travis County Public Utility
Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

**Schedule 4
Summary of Total Cost per Gallon
Reserved**

SH 71 System Costs	Systemwide Projects Cost per Gallon	SH71 Projects Cost per Gallon	Total Cost per Gallon
Existing Project	\$ 1.86	\$ 1.16	\$ 3.02
Future CIP (2012-2015)	\$ 0.05	\$ 0.31	\$ 0.36
Future CIP (after 2015)	\$ -	\$ -	\$ -
	\$ 1.91	\$ 1.47	\$ 3.38

US 290 System Costs	Systemwide Projects Cost per Gallon	US290 Projects Cost per Gallon	Total Cost per Gallon
Existing Project	\$ 1.86	\$ 2.00	\$ 3.86
Future CIP (2012-2015)	\$ 0.05	\$ 1.35	\$ 1.40
Future CIP (after 2015)	\$ -	\$ -	\$ -
	\$ 1.91	\$ 3.35	\$ 5.26

**West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

**Schedule 5
Capital Cost Allocation**

SH 71 System	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
Barton Creek West	965,952	\$ 3.38	\$ 3,262,397
Senna Hills	907,000	\$ 3.38	3,063,294
Crystal Mountain	144,000	\$ 3.38	486,344
EISD	42,900	\$ 3.38	144,890
Lazy Nine	5,068,000	\$ 3.38	17,116,617
Deer Creek	576,000	\$ 3.38	1,945,377
Travis County MUD #12	2,073,600	\$ 3.38	7,003,358
Masonwood	538,272	\$ 3.38	1,817,955
Current Retail	3,124,483	\$ 3.38	10,552,601
Future	1,389,024	\$ 3.38	4,691,276
Sub-Total	14,829,231		\$ 50,084,109

US 290 System	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
Dripping Springs WSC	1,000,000	\$ 5.26	\$ 5,258,212
Belterra - HCWCID #1*	1,512,576	\$ 5.26	7,953,446
Belterra - HCWCID #2*	1,137,024	\$ 5.26	5,978,714
Hays Cty Reunion Ranch (Krasovek)*	553,000	\$ 5.26	2,907,791
City of Dripping Springs (Headwaters)*	1,612,800	\$ 5.26	8,480,445
City of Dripping Springs	1,460,000	\$ 5.26	7,676,990
Current Retail	4,034,707	\$ 5.26	21,215,348
Future	860,662	\$ 5.26	4,525,544
Sub-Total	12,170,769		\$ 63,996,490

TOTAL

27,000,000

**\$ 114,080,599
TRUE**

**West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

**Schedule 6
Determination of Capital Adjustment to Existing Customers**

Total Impact Fee Credit Available to Existing	\$	4,414,150
Total Existing Connections		9,155
Impact Fee Credit per Connection	\$	482

SH 71 System	Current Connections	Total Capital Credit to Existing
Barton Creek West	423	\$ 203,953
Senna Hills	450	216,971
Crystal Mountain	52	25,072
EISD	35	16,876
Lazy Nine	44	21,215
Deer Creek	469	226,132
Travis County MUD #12	93	44,841
Masonwood	-	-
Current Retail	2,523	1,216,483
Future	-	-
Sub-Total	4,089	\$ 1,971,541

US 290 System	Current Connections	Total Capital Credit to Existing
Dripping Springs WSC*	700	\$ 337,510
Belterra - HCWCID #1	798	384,762
Belterra - HCWCID #2	289	139,343
Hays Cty Reunion Ranch (Krasovek)	21	10,125
City of Dripping Springs (Headwaters)	-	-
City of Dripping Springs	-	-
Current Retail	3,258	1,570,869
Future	-	-
Sub-Total	5,066	\$ 2,442,609

TOTAL	9,155	\$	4,414,150
			TRUE

currently stated all as number of connections, NOT LUE

*Assumed impact fees collected from 50% of Dripping Springs WSC customers.

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Schedule 7
Determination of Adjusted Capital Allocation

SH 71 System	Capital Allocation	Less Capital Adjustment	Adjusted Capital Allocation
Barton Creek West	\$ 3,262,397	\$ (203,953)	\$ 3,058,445
Senna Hills	3,063,294	(216,971)	2,846,323
Crystal Mountain	486,344	(25,072)	461,272
EISD	144,890	(16,876)	128,015
Lazy Nine	17,116,617	(21,215)	17,095,402
Deer Creek	1,945,377	(226,132)	1,719,245
Travis County MUD #12	7,003,358	(44,841)	6,958,517
Masonwood	1,817,955	-	1,817,955
Current Retail	10,552,601	(1,216,483)	9,336,118
Future	4,691,276	-	4,691,276
Sub-Total	\$ 50,084,109	\$ (1,971,541)	\$ 48,112,567

US 290 System	Current LUEs	Capital Cost Allocated to Customer	
Dripping Springs WSC*	\$ 5,258,212	\$ (337,510)	\$ 4,920,702
Belterra - HCWCID #1	7,953,446	(384,762)	7,568,684
Belterra - HCWCID #2	5,978,714	(139,343)	5,839,370
Hays Cty Reunion Ranch (Krasovek)	2,907,791	(10,125)	2,897,666
City of Dripping Springs (Headwaters)	8,480,445	-	8,480,445
City of Dripping Springs	7,676,990	-	7,676,990
Current Retail	21,215,348	(1,570,869)	19,644,479
Future	4,525,544	-	4,525,544
Sub-Total	\$ 63,996,490	\$ (2,442,609)	\$ 61,553,881

TOTAL	\$ 114,080,599	\$ (4,414,150)	\$ 109,666,449
	TRUE	TRUE	TRUE

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Schedule 8

Determination of Minimum Bill Payment - Levelized Debt

30 yr @ 5%
25% coverage

SH 71 System	Adjusted Capital Allocation	Annual Levelized Debt Service Payment	Plus Times Coverage	Less Impact Fee Credit	Annual Levelized Minimum Bill
Barton Creek West	\$ 3,058,445	\$ 198,956	\$ 49,739	\$ (42,029)	\$ 206,666
Senna Hills	2,846,323	185,157	46,289	(39,114)	192,332
Crystal Mountain	461,272	30,006	7,502	(6,339)	31,169
EISD	128,015	8,328	2,082	(1,759)	8,650
Lazy Nine	17,095,402	1,112,080	278,020	(234,927)	1,155,174
Deer Creek	1,719,245	111,839	27,960	(23,626)	116,173
Travis County MUD #12	6,958,517	452,662	113,165	(95,625)	470,202
Masonwood	1,817,955	118,261	29,565	(24,983)	122,843
Current Retail	9,336,118	607,328	151,832	(128,298)	630,862
Future	4,691,276	305,174	76,294	(64,468)	317,000
Sub-Total	\$ 48,112,567	\$ 3,129,792	\$ 782,448	\$ (661,168)	\$ 3,251,072
Impact Fee Credit		21%			

US 290 System	Adjusted Capital Allocation	Annual Levelized Debt Service Payment	Plus Times Coverage	Less Impact Fee Credit	Annual Levelized Minimum Bill
Dripping Springs WSC*	\$ 4,920,702	\$ 320,099	\$ 80,025	\$ (67,621)	\$ 332,503
Belterra - HCWCID #1	7,568,684	492,354	123,088	(104,010)	511,433
Belterra - HCWCID #2	5,839,370	379,859	94,965	(80,245)	394,579
Hays Cty Reunion Ranch (Krasovek)	2,897,666	188,497	47,124	(39,820)	195,802
City of Dripping Springs (Headwaters)	8,480,445	551,665	137,916	(116,539)	573,042
City of Dripping Springs	7,676,990	499,399	124,850	(105,498)	518,751
Current Retail	19,644,479	1,277,902	319,475	(269,956)	1,327,421
Future	4,525,544	294,393	73,598	(62,190)	305,801
Sub-Total	\$ 61,553,881	\$ 4,004,168	\$ 1,001,042	\$ (845,880)	\$ 4,159,331
Impact Fee Credit		33%			

TOTAL \$ 109,666,449 \$ 7,133,960 \$ 1,783,490 \$ (1,507,047) \$ 7,410,402

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

DRAFT

Scenario 3 Sample Debt Amortization Schedules and Comparative Analysis

Scenario 3 adjusts capital costs to be equal to LCRA original cost of facilities as compared to the PUA original cost of facilities. The approximate \$4M differential between the LCRA purchase price and the PUA purchase price was spread on an average credit per LUE based on the current LUEs on the system as a capital credit adjustment.

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill AnalysisAttachment A
Summary of Wholesale Customer Capacity Reservations

check
Does that include
TC 17 as well?
Current Retail LUEs
3258 (290)
2523 (71)

SH 71 System	Contractual Commitment (gal/max day)	Build-Out LUEs	Max Day per LUE	Current LUEs
Barton Creek West	965,952	500	1,931.90	423
Senna Hills	907,000	485	1,870.10	450
Crystal Mountain	144,000	54	2,666.67	52
EISD	42,900	35	1,225.71	35
Lazy Nine	5,068,000	2,707	1,872.18	44
Deer Creek	576,000	700	822.86	469
Travis County MUD #12	2,073,600	2,125	975.81	93
Masonwood	538,272	400	1,345.68	-
TOTAL	10,315,724	7,006	1,472.41	1,566

Retail: 1209-1299 GPD/LUE

US 290 System	Contractual Commitment (gal/max day)	LUEs	Assumed Max Day per LUE	Current LUEs
Dripping Springs WSC	1,000,000	808	1,238.00	700
Belterra - HCWCID #1*	1,512,576	1,313	1,152.00	798
Belterra - HCWCID #2*	1,137,024	1,200	947.52	289
Hays Cty Reunion Ranch (Krasovek)*	553,000	480	1,152.08	21
City of Dripping Springs (Headwaters)*	1,612,800	1,400	1,152.00	-
City of Dripping Springs	1,460,000	1,267	1,152.00	-
TOTAL	7,275,400	6,468	1,124.81	1,808

Why not allocate on actual usage?

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Attachment B
Capital Cost Allocation
Scenario 3

SH 71 System	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
Barton Creek West	965,952	\$ 3.38	\$ 3,262,397
Senna Hills	907,000	\$ 3.38	3,063,294
Crystal Mountain	144,000	\$ 3.38	486,344
EISD	42,900	\$ 3.38	144,890
Lazy Nine	5,068,000	\$ 3.38	17,116,617
Deer Creek	576,000	\$ 3.38	1,945,377
Travis County MUD #12	2,073,600	\$ 3.38	7,003,358
Masonwood	538,272	\$ 3.38	1,817,955
Current Retail	3,124,483	\$ 3.38	10,552,601
Future	1,389,024	\$ 3.38	4,691,276
Sub-Total	14,829,231		\$ 50,084,109

US 290 System	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
Dripping Springs WSC	1,000,000	\$ 5.26	\$ 5,258,212
Belterra - HCWCID #1*	1,512,576	\$ 5.26	7,953,446
Belterra - HCWCID #2*	1,137,024	\$ 5.26	5,978,714
Hays Cty Reunion Ranch (Krasovek)*	553,000	\$ 5.26	2,907,791
City of Dripping Springs (Headwaters)*	1,612,800	\$ 5.26	8,480,445
City of Dripping Springs	1,460,000	\$ 5.26	7,676,990
Current Retail	4,034,707	\$ 5.26	21,215,348
Future	860,662	\$ 5.26	4,525,544
Sub-Total	12,170,769		\$ 63,996,490

TOTAL	27,000,000	\$ 114,080,599
		TRUE

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Sample: Individual Capital Amortization Schedule

Travis County MUD #12
Scenario 3 Capital Cost Allocation

Capital Cost Allocation \$ 7,003,358
Build-out LUEs 2,125
Current LUEs (January 2013) 93
Annual Payment per LUE \$ 290

30 yrs @ 57.

	Projected LUEs	Beginning Balance	Interest Expense	Subtotal	Total Annual Payment*	Ending Balance	Annual Payment per LUE	Annual Minimum Bill	Monthly Minimum per LUE
2014	200	\$ 7,003,358	\$ 350,168	\$ 7,353,526	\$ 58,041	\$ 7,295,485	\$ 290	\$ 60,289.91	\$ 25.12
2015	400	\$ 7,295,485	\$ 364,774	\$ 7,660,259	\$ 116,082	\$ 7,544,177	\$ 290	\$ 120,579.82	\$ 25.12
2016	600	\$ 7,544,177	\$ 377,209	\$ 7,921,386	\$ 174,122	\$ 7,747,264	\$ 290	\$ 180,869.72	\$ 25.12
2017	800	\$ 7,747,264	\$ 387,363	\$ 8,134,627	\$ 232,163	\$ 7,902,464	\$ 290	\$ 241,159.63	\$ 25.12
2018	1,000	\$ 7,902,464	\$ 395,123	\$ 8,297,587	\$ 290,204	\$ 8,007,383	\$ 290	\$ 301,449.54	\$ 25.12
2019	1,200	\$ 8,007,383	\$ 400,369	\$ 8,407,752	\$ 348,245	\$ 8,059,507	\$ 290	\$ 361,739.45	\$ 25.12
2020	1,400	\$ 8,059,507	\$ 402,975	\$ 8,462,483	\$ 406,286	\$ 8,056,197	\$ 290	\$ 422,029.35	\$ 25.12
2021	1,600	\$ 8,056,197	\$ 402,810	\$ 8,459,007	\$ 464,326	\$ 7,994,680	\$ 290	\$ 482,319.26	\$ 25.12
2022	1,800	\$ 7,994,680	\$ 399,734	\$ 8,394,414	\$ 522,367	\$ 7,872,047	\$ 290	\$ 542,609.17	\$ 25.12
2023	2,000	\$ 7,872,047	\$ 393,602	\$ 8,265,649	\$ 580,408	\$ 7,685,241	\$ 290	\$ 602,899.08	\$ 25.12
2024	2,125	\$ 7,685,241	\$ 384,262	\$ 8,069,503	\$ 616,684	\$ 7,452,820	\$ 290	\$ 640,580.27	\$ 25.12
2025	2,125	\$ 7,452,820	\$ 372,641	\$ 7,825,461	\$ 616,684	\$ 7,208,777	\$ 290	\$ 640,580.27	\$ 25.12
2026	2,125	\$ 7,208,777	\$ 360,439	\$ 7,569,216	\$ 616,684	\$ 6,952,532	\$ 290	\$ 640,580.27	\$ 25.12
2027	2,125	\$ 6,952,532	\$ 347,627	\$ 7,300,159	\$ 616,684	\$ 6,683,475	\$ 290	\$ 640,580.27	\$ 25.12
2028	2,125	\$ 6,683,475	\$ 334,174	\$ 7,017,649	\$ 616,684	\$ 6,400,965	\$ 290	\$ 640,580.27	\$ 25.12
2029	2,125	\$ 6,400,965	\$ 320,048	\$ 6,721,013	\$ 616,684	\$ 6,104,330	\$ 290	\$ 640,580.27	\$ 25.12
2030	2,125	\$ 6,104,330	\$ 305,216	\$ 6,409,546	\$ 616,684	\$ 5,792,863	\$ 290	\$ 640,580.27	\$ 25.12
2031	2,125	\$ 5,792,863	\$ 289,643	\$ 6,082,506	\$ 616,684	\$ 5,465,822	\$ 290	\$ 640,580.27	\$ 25.12
2032	2,125	\$ 5,465,822	\$ 273,291	\$ 5,739,113	\$ 616,684	\$ 5,122,430	\$ 290	\$ 640,580.27	\$ 25.12
2033	2,125	\$ 5,122,430	\$ 256,121	\$ 5,378,551	\$ 616,684	\$ 4,761,868	\$ 290	\$ 640,580.27	\$ 25.12
2034	2,125	\$ 4,761,868	\$ 238,093	\$ 4,999,961	\$ 616,684	\$ 4,383,277	\$ 290	\$ 640,580.27	\$ 25.12
2035	2,125	\$ 4,383,277	\$ 219,164	\$ 4,602,441	\$ 616,684	\$ 3,985,758	\$ 290	\$ 640,580.27	\$ 25.12
2036	2,125	\$ 3,985,758	\$ 199,288	\$ 4,185,045	\$ 616,684	\$ 3,568,362	\$ 290	\$ 640,580.27	\$ 25.12
2037	2,125	\$ 3,568,362	\$ 178,418	\$ 3,746,780	\$ 616,684	\$ 3,130,096	\$ 290	\$ 640,580.27	\$ 25.12
2038	2,125	\$ 3,130,096	\$ 156,505	\$ 3,286,601	\$ 616,684	\$ 2,669,917	\$ 290	\$ 640,580.27	\$ 25.12
2039	2,125	\$ 2,669,917	\$ 133,496	\$ 2,803,413	\$ 616,684	\$ 2,185,730	\$ 290	\$ 640,580.27	\$ 25.12
2040	2,125	\$ 2,185,730	\$ 109,336	\$ 2,296,066	\$ 616,684	\$ 1,679,382	\$ 290	\$ 640,580.27	\$ 25.12
2041	2,125	\$ 1,679,382	\$ 83,969	\$ 1,763,352	\$ 616,684	\$ 1,146,668	\$ 290	\$ 640,580.27	\$ 25.12
2042	2,125	\$ 1,146,668	\$ 57,333	\$ 1,204,001	\$ 616,684	\$ 587,318	\$ 290	\$ 640,580.27	\$ 25.12
2043	2,125	\$ 587,318	\$ 29,366	\$ 616,684	\$ 616,684	\$ 0	\$ 290	\$ 640,580.27	\$ 25.12

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment * 25% Times Coverage) - (Total Annual Payment * Impact Fee Credit)

Peaking Factor
Amort schedule

Includes
wvg
and
credit
Co-IF

volumetric
rate ↓ to approx \$ 2.30



West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

DRAFT

Scenario 2

Scenario 2 utilizes the PUA purchase price of facilities as a basis for capital cost allocation.

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Schedule 1

Existing Projects, Before Interest Expense

What PUA paid

	Actual Project Cost	Costs Allocated to 2012-2021 Growth*	Impact Fee Recovered Costs**	Remaining Balance
Systemwide Projects				
Uplands WTP Chem Building	\$ 2,141,458	\$ 749,510	\$ (374,755)	\$ 1,766,703
Uplands WTP Plant	40,249,533	14,087,337	(7,043,668)	33,205,865
Uplands Raw Water Intake Expansion	416,305	145,707	(72,853)	343,451
High Service Pump Station 8 MGD to 14 MGD	4,034,066	1,411,923	(705,962)	3,328,104
Uplands Clearwell #2	997,229	349,030	(174,515)	822,714
	\$ 47,838,591	\$ 16,743,507	\$ (8,371,753)	\$ 39,466,838

	Actual Project Cost	Costs Allocated to 2012-2021 Growth*	Impact Fee Recovered Costs**	Remaining Balance
SH 71 System Projects				
Lazy 9 SW 71 Transmission Main	\$ 3,090,461	\$ 1,081,661	\$ (540,831)	\$ 2,549,630
Transmission Main from Uplands Plant to Bee Cave Pump Station	1,556,779	544,872	(272,436)	1,284,342
Wolf Mountain (Crystal Mountain) EST	1,917,518	671,131	(335,566)	1,581,952
Senna Hills By-Pass Line	559,677	195,887	(97,944)	461,734
Hamilton Pool Road 1280 Pump Station Water Line	330,552	115,693	(57,847)	272,705
Hamilton Pool Road Water Line	6,624,510	2,318,579	(1,159,289)	5,465,221
Home Depot Pump Station	392,792	137,477	(68,739)	324,053
Home Depot Ground Storage Tank	147,043	51,465	(25,732)	121,310
Bee Cave Ground Storage Tank, Pump Station, Piping (off Cuernavaca)	699,851	244,948	(122,474)	577,377
Bee Cave Water Line to Cuernavaca	990,492	346,672	(173,336)	817,156
	\$ 16,309,675	\$ 5,708,386	\$ (2,854,193)	\$ 13,455,482

	Actual Project Cost	Costs Allocated to 2012-2021 Growth*	Impact Fee Recovered Costs**	Remaining Balance
US 290 System Projects				
Countyline Pump Station Upgrade				
1800 gpm to 3450 gpm	\$ 1,684,429	\$ 589,550	\$ (294,775)	\$ 1,389,654
290 Pipeline				
a) 24" SWPPS to County Line	12,841,593	4,494,557	(2,247,279)	10,594,314
b) 20" Countyline to 1420 HGL EST	3,411,212	1,193,924	(596,962)	2,814,250
20" Main Uplands to SW Parkway (Easements)	506,714	177,350	(88,675)	418,039
1420 Elevated storage	2,197,353	769,073	(384,537)	1,812,816
Sawyer Ranch Road Ph 1 20"	1,183,948	414,382	(207,191)	976,757
Sawyer RR Ph 1 (Darden Hill)	1,293,619	452,767	(226,383)	1,067,236
	\$ 23,118,867	\$ 8,091,603	\$ (4,045,802)	\$ 19,073,065

Total \$ 87,267,133 \$ 30,543,497 \$ (15,271,748) \$ 71,995,385

*Costs allocated to 2012-2021 Growth were as stated in 2012 Impact Fee Study.

**Impact fee recovered costs were assumed to be 50% of project cost allocated to 2012-2021 growth, based on board adopted impact fee.

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Future CIP Projects, Before Interest Expense

System Wide Projects	Year Scheduled	Future Cost	Funded with Series 2013 Bonds	Impact Fee Recovered Costs	Remaining Balance
Surge Tank on Raw Water Line	2013	1,273,358	1,273,358	(636,679)	636,679
WTP Expansion	2018	25,451,225		-	-
Raw Water Pump Station Improvements	2018	2,545,122		-	-
20" Raw Water TM	2018	3,817,684		-	-
		\$ 33,087,389	\$ 1,273,358	\$ (636,679)	\$ 636,679

US 290 Projects	Year Scheduled	Future Cost	Funded with Series 2013 Bonds	Impact Fee Recovered Costs	Remaining Balance
SW Parkway PS					
3567 to 5900 GPM (Ongoing)	2012	\$ 282,424	\$ 282,424	\$ (141,212)	\$ 141,212
SW Parkway PS Upgrade					
5900 - 7800 gpm	2015	698,744	698,744	(349,372)	349,372
SWPPS 20" TM	2013	4,149,391	4,149,391	(2,074,696)	2,074,696
1240 Pressure Plane Study and WL*	2014	1,571,609	1,571,609	(785,805)	785,805
1340 EST (0.6 MG), Pump Station Upgrade, WL	2015	7,569,730	7,569,730	(3,784,865)	3,784,865
FM 1826 Ph 4 - 16" TM	2013	1,042,836	1,042,836	(521,418)	521,418
FM 1826 Extension - 16" TM	2016	2,399,022		-	-
Heritage Line - 16" TM*	2016	1,439,413		-	-
1420 HGL Pump Station	2015	1,164,574	1,164,574	(582,287)	582,287
		\$ 20,317,744	\$ 16,479,308	\$ (8,239,654)	\$ 8,239,654

SH 71 Projects	Year Scheduled	Future Cost	Funded with Series 2013 Bonds	Impact Fee Recovered Costs	Remaining Balance
HPR 1420 Hydrotank Upgrade					
(add 750 gpm pump)	2014	\$ 291,143	\$ 291,143	\$ (145,572)	\$ 145,572
Hwy 71 EST (0.35 MG)	2014	2,562,062	2,562,062	(1,281,031)	1,281,031
Bee Cave PS Upgrade					
1500-3000 gpm firm	2014	628,870	628,870	(314,435)	314,435
Misc. Impacts for 1280 pressure plane	2015	1,164,574	1,164,574	(582,287)	582,287
		\$ 4,646,649	\$ 4,646,649	\$ (2,323,325)	\$ 2,323,325

TOTAL **\$ 58,051,782 \$ 22,399,316 \$ (11,199,658) \$ 11,199,658**

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Schedule 3

Determination of Effective Impact Fee Credit

Project Summary by System	Total Debt Funded Cost	Less Impact Fee Credit	Total Rate Funded Cost
System Wide			
Existing Projects	\$ 47,838,591	\$ (8,371,753)	\$ 39,466,838
Future Projects	1,273,358	(636,679)	\$ 636,679
Total System Wide Projects	\$ 49,111,949	\$ (9,008,433)	\$ 40,103,517
HWY 71			
Existing Projects	\$ 16,309,675	\$ (2,854,193)	\$ 13,455,482
Future Projects	4,646,649	(2,323,325)	\$ 2,323,325
Total System Wide Projects	\$ 20,956,324	\$ (5,177,518)	\$ 15,778,806
US 290			
Existing Projects	\$ 23,118,867	\$ (8,371,753)	\$ 14,747,114
Future Projects	16,479,308	(8,239,654)	\$ 8,239,654
Total System Wide Projects	\$ 39,598,175	\$ (16,611,408)	\$ 22,986,768
Total Projects Funded with Series 2013 Bonds	\$ 109,666,449	\$ (30,797,358)	\$ 78,869,091

Individual System Impact Fee Credit	Total Debt Funded Cost	Less Impact Fee Credit	Total Rate Funded Cost	Effective Impact Fee Credit
HWY 71				
System Wide Project Cost Allocation	\$ 26,973,794	\$ (4,947,708)	\$ 22,026,085	
HWY 71 System Project Cost	20,956,324	(5,177,518)	15,778,806	
	\$ 47,930,118	\$ (10,125,226)	\$ 37,804,892	21%
US 290				
System Wide Project Cost Allocation	\$ 22,138,156	\$ (4,060,724)	\$ 18,077,431	
HWY 71 System Project Cost	39,598,175	(16,611,408)	22,986,768	
	\$ 61,736,331	\$ (20,672,132)	\$ 41,064,199	33%

HWY 71 System Percent of Total Capacity

55%

US 290 System Percent of Total Capacity

45%

*Per Impact Fee Study Growth Assumptions

**West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

**Schedule 4
Total Existing and Future Regional Project Costs**

	Total Project Cost	MGD Plant Capacity	Cost per Gallon Capacity
Systemwide			
Existing Project	\$ 47,838,591	27	\$ 1.77
Future CIP (2012-2015)	1,273,358	27	\$ 0.05
Future CIP (after 2015)	<u>excluded</u>		
	\$ 49,111,949		\$ 1.82
 SH 71 System			
Existing Project	\$ 16,309,675	15	\$ 1.10
Future CIP (2012-2015)	4,646,649	15	\$ 0.31
Future CIP (after 2015)	<u>excluded</u>		
	\$ 20,956,324		\$ 1.41
 US 290 System			
Existing Project	\$ 23,118,867	12	\$ 1.90
Future CIP (2012-2015)	16,479,308	12	\$ 1.35
Future CIP (after 2015)	<u>excluded</u>		
	\$ 39,598,175		\$ 3.25
 Total	 \$ 109,666,449		

**West Travis County Public Utility
Agency
FYE2014 Wholesale Customer Minimum Bill Analysis**

**Schedule 5
Summary of Total Cost per Gallon
Reserved**

SH 71 System Costs	Systemwide Projects Cost per Gallon	SH71 Projects Cost per Gallon	Total Cost per Gallon
Existing Project	\$ 1.77	\$ 1.10	\$ 2.87
Future CIP (2012-2015)	\$ 0.05	\$ 0.31	\$ 0.36
Future CIP (after 2015)	\$ -	\$ -	\$ -
	\$ 1.82	\$ 1.41	\$ 3.23

US 290 System Costs	Systemwide Projects Cost per Gallon	US290 Projects Cost per Gallon	Total Cost per Gallon
Existing Project	\$ 1.77	\$ 1.90	\$ 3.67
Future CIP (2012-2015)	\$ 0.05	\$ 1.35	\$ 1.40
Future CIP (after 2015)	\$ -	\$ -	\$ -
	\$ 1.82	\$ 3.25	\$ 5.07

West Travis County Public Utility Agency
FYE2014 Wholesale Customer Minimum Bill Analysis

Schedule 6
Capital Cost Allocation

	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
SH 71 System			
Barton Creek West	965,952	\$ 3.23	\$ 3,122,090
Senna Hills	907,000	\$ 3.23	2,931,549
Crystal Mountain	144,000	\$ 3.23	465,428
EISD	42,900	\$ 3.23	138,659
Lazy Nine	5,068,000	\$ 3.23	16,380,475
Deer Creek	576,000	\$ 3.23	1,861,711
Travis County MUD #12	2,073,600	\$ 3.23	6,702,161
Masonwood	538,272	\$ 3.23	1,739,769
Current Retail	3,124,483	\$ 3.23	10,098,760
Future	1,389,024	\$ 3.23	4,489,516
Sub-Total	14,829,231		\$ 47,930,118

	Contractual Commitment (gal/max day)	Cost per Gallon	Capital Cost Allocated to Customer
US 290 System			
Dripping Springs WSC	1,000,000	\$ 5.07	\$ 5,072,509
Belterra - HCWCID #1*	1,512,576	\$ 5.07	7,672,555
Belterra - HCWCID #2*	1,137,024	\$ 5.07	5,767,564
Hays Cty Reunion Ranch (Krasovek)*	553,000	\$ 5.07	2,805,097
City of Dripping Springs (Headwaters)*	1,612,800	\$ 5.07	8,180,942
City of Dripping Springs	1,460,000	\$ 5.07	7,405,862
Current Retail	4,034,707	\$ 5.07	20,466,087
Future	860,662	\$ 5.07	4,365,716
Sub-Total	12,170,769		\$ 61,736,331


TOTAL	27,000,000	\$ 109,666,449
		TRUE

Impact Fee Credit	21%
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Impact Fee Credit	33%
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TOTAL	\$ 109,666,449	\$ 7,133,960	\$ 1,783,490	\$ (1,507,047)	\$ 7,410,402
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Wholesale Customer Committee



West Travis County Public Utility Agency

Presented By:
 Water Resources Management, LLC
 (512) 420-9841
 info@wrmp.com

April 4, 2013

Meeting Agenda:

- ◆ Overview of Approach
- ◆ Summary of Capacity Reservations
- ◆ Summary of Identified Scenarios
- ◆ Review of Comparison Tables
- ◆ Discussion
- ◆ Moving Forward

Overall Concept:

- ◆ **Minimum Bill Recovers PUA's Cost of Debt for Capital**
- Step 1: Allocate Capital Costs to Wholesale Customers
- Step 2: Structure Debt to Recover Allocated Capital Costs
- Step 3: Adjust Debt for Impact Fees Credit and Times Coverage Requirements

So how do we recognize contribution of older customers - IF, cash payments for the line, etc.

Problem area: LCRA paid 4 m off

Pd 123 by LCRA, bal 124 wh WTCPUA

work w/ each wholesale to structure recovery

Same for all wholesale customers

Capital Cost Allocation Goals:



- Equitably allocate costs to retail and wholesale customers which is reflective of reserved capacities on the system
- Fully allocates costs based upon end capacity of system (27 MGD)
- Retail is treated the "same" as wholesale customers in terms of treatment of cost allocations and application of cost allocation methodology
- Realizes that the "wrongs" of the past cannot be changed and attempts to equitably spread the burdens of past management among customers in equitable manner

may need to adjust
 reserve capacities

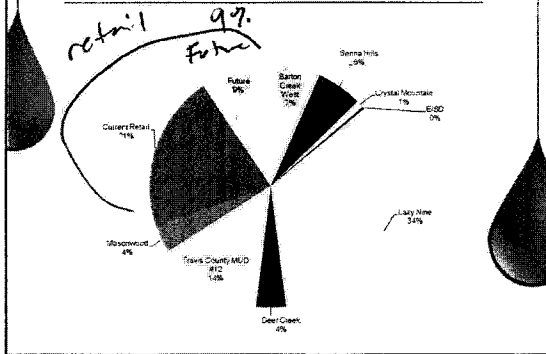
retail treated same way

must treat same

retail pays bill for until taken
 excess capacity

equally
 across the board

Capacity Reservations – Hwy 71



Capacity Reservations US 290

