

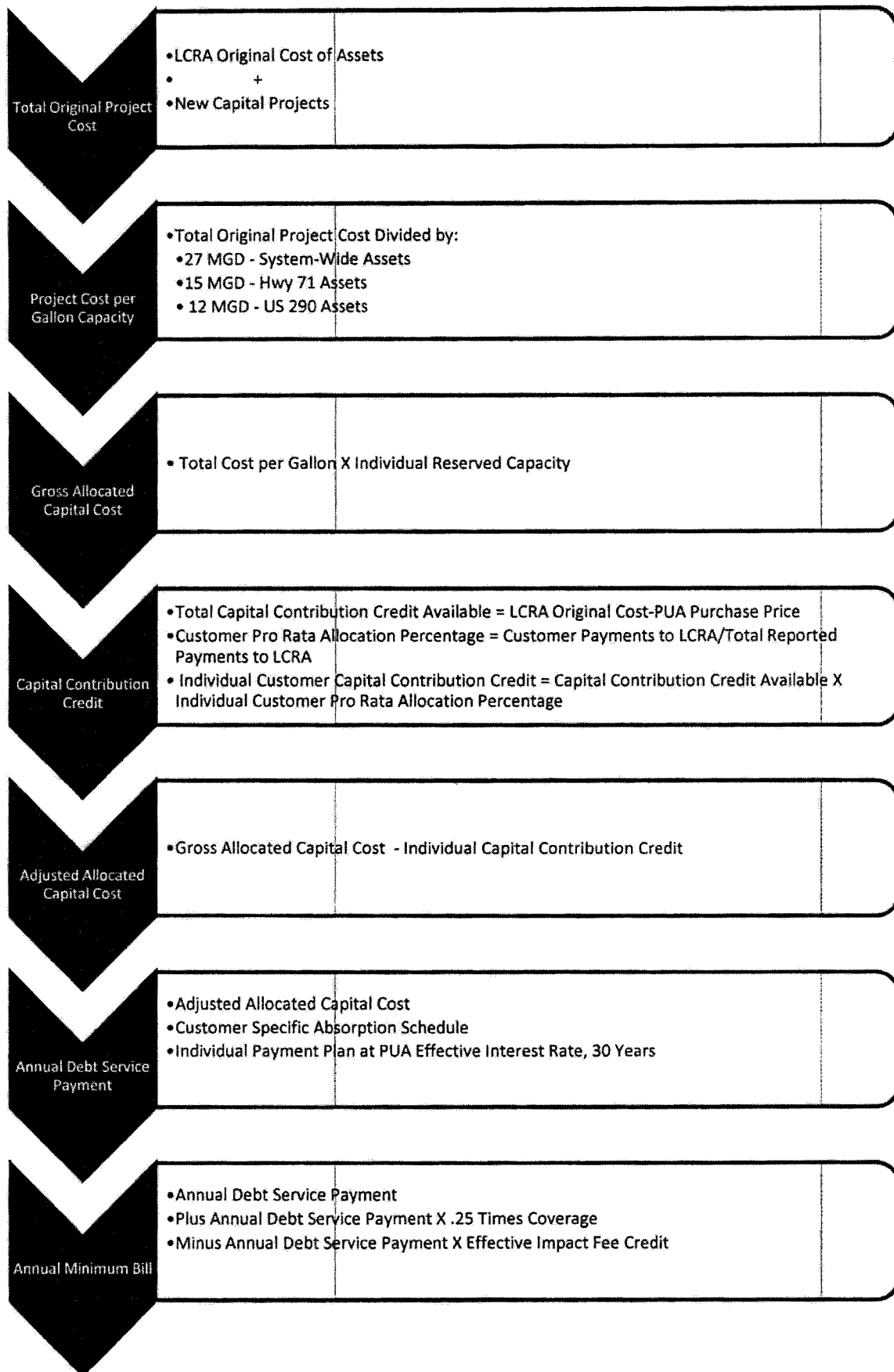
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## West Travis County Public Utility Agency

## Wholesale Minimum Bill

## Computation Flow Chart



*Wastewater*

16110 • Contract Operations - Water	
16111 • Base Fee for Services (W)	
16112 • Maintenance & Repairs (W)	
16113 • Customer Service (W)	
16114 • Engineering/ Const Fees (W)	
611401 • Trident Filters 1, 2 & 3 Repl(W)	
611402 • Upland Trident Invest (W)	
611403 • 24" WL Hwy 71 TXDOT(W)	
611404 • 1280 Pressure Plane Analysis(W)	
Total 16114 • Engineering/ Const Fees (W)	
Total 16110 • Contract Operations - Water	
16120 • Material & Supplies (W)	
16130 • Chemicals (W)	
16140 • Transportation (W)	
16150 • Outside Services (W)	
16160 • Utilities - Electric (W)	
16170 • Utilities - Telephone (W)	
16180 • Environmental Regulatory Fee(W)	
16190 • Other Expenses (W)	
Total (1) Water Department - Expense (excl Raw Water)	
(2) Wastewater Department - Exp	
16200 • Contract Operations-Wastewater	
16201 • Base Fee for Services (WW)	
16202 • Maintenance & Repairs (WW)	
16203 • Customer Services (WW)	
16204 • Engineering/ Const Fees (WW)	
620401 • Effluent FM Analysis/Repair(WW)	
620402 • Task - 20 WWTP/LS/PER(WW)	
620403 • Task - 35 WTP Sludge Handl(WW)	

*Robert*

Apr '12 - Feb 13	Annualized
774,033	844,400
603,402	658,257
0	0
0	0
18,282	19,944
0	0
0	0
18,282	19,944
1,395,717	1,522,600
0	0
204,045	222,595
0	0
0	0
1,049,398	1,144,798
18,097	19,742
11,242	12,264
415	453
2,678,914	2,922,452
0	0
199,549	217,690
239,551	261,328
0	0
435	475
1,875	2,045
(3,745)	(4,085)

FYE 2014 Revenue Requirements	% Change
881,310	4%
728,000	11%
325,493	
1,968,803	29%
10,000	
295,430	33% V&S, public
13,900	
1,519,388	33% V&S, public
14,978	
10,000	
250,000	55121%
4,082,499	40%
222,625	
542,000	
135,684	

*2 contract*

*contract*

	Apr '12 - Feb 13	Annualized	FYE 2014 Revenue Requirements	% Change
Total 16204 · Engineering/ Const Fees (WW)	(1,435)	(1,565)	26,500	
Total 16200 · Contract Operations-Wastewater	437,665	477,453	926,809	
16210 · Materials & Supplies (WW)	0	0	10,000	
16220 · Chemicals (WW)	69,708	76,045	69,980	
16230 · Sludge Disposal (WW)	294,552	321,329	360,132	
16240 · Utilities - Electric (WW)	143,621	156,677	156,276	
16250 · Utilities - Telephone (WW)	5,624	6,135	6,187	
16260 · Environmental Regulatory Fe(WW)	1,250	1,364	10,000	
16270 · Other Expense (WW)	2,695	2,940	30,600	
16280 · Utilities - Gas (WW)	620	676	600	
16330 · Special Programs	73,140	79,789	333,418	- new programs
Total (2) Wastewater Department - Exp	1,028,875	1,122,409	1,904,002	↳ sewer lines
(3) Shared Department - Expense				
16300 · Professional Services		0		
General Operating		0		
16311 · General Counsel - Operating	656,229	715,886	680,202	-5%
16312 · Engineering - Operating	278,508	303,827	348,400	15%
16313 · General Manager - Operating	295,511	322,376	-	
16314 · Bookkeeping - Operating	77,587	84,640	98,961	17%
16315 · Financial Manager - Operating	87,726	95,701	102,789	7%
16316 · Auditor - Operating			45,000	
16317 · General Counsel-Litigation	10,475	11,427	-	
Total General Operating	1,406,036	1,533,857	1,275,352	-17%
Special Contract Services		0		
16321 · General Counsel - Special Contr	16,664	18,179		
16322 · Rate Study - Special Contract	48,893	53,338	50,000	
16323 · Inspections/Plan Review-Special		0		
632302 · SER - Kwik Kar Lube Hwy 71	0	0		

	Apr '12 - Feb 13	Annualized	FYE 2014 Revenue Requirements	% Change
632303 · SER - Groves @ Falconhead	7,152	7,802		
632304 · SER - Rocky Creek	3,882	4,235		
632305 · SER - Lone Star Bank	0	0		
632307 · SER - FM 1826 Nutty Brown Subd	0	0		
632308 · SER - Ladera	10,878	11,867		
632309 · SER - Galena Trace	1,584	1,728		
632310 · SER - ORM Music Studio	800	873		
632311 · SER - Plant Earth	0	0		
632312 · SER - Loan Oak Motors	900	982		
632313 · SER - Shops @ Galleria Bldg Z	0	0		
632314 · SER - Lakehills Montessori	0	0		
632315 · SER - Parkside in Bee Cave	1,285	1,402		
632316 · SER - Hill Country Galleria	0	0		
632317 · SER - Spanish Oaks Office Park	0	0		
632318 · SER - Hill Cnty Golf & Guitar	0	0		
632319 · SER - Masonwood 71 (Grumbles)	0	0		
632320 · SER - Presbyterian Church LT	0	0		
632321 · SER - Hill Country Indoor	0	0		
632322 · SER - Morningside Subdivision	0	0		
632323 · SER - Reunion Ranch Mst Meter	0	0		
632324 · SER - HighPointe Ph 5 Sec 2	0	0		
632325 · SER - Cedar Valley Village	1,284	1,401		
632326 · SER - Belvedere Meter Request	0	0		
632327 · SER - Key Ranch	500	545		
16323 · Inspections/Plan Review-Special - Other	0	0	36,000	
Total 16323 · Inspections/Plan Review-Special	28,265	30,835	36,000	17%
16324 · Other Engineering Analyses-Spec		0		
623406 · Hwy 290 Travis County Improv	426	465		
632401 · Bohl's Pond	0	0		
632402 · Bee Cave Ph3B Util Reloc Insp	2,128	2,321		
632403 · Hydrotank Air Issues	3,305	3,605		

	Apr '12 - Feb 13	Annualized	FYE 2014 Revenue Requirements	% Change	
632404 · SW Pkwy Pump St Constr Ad/Insp	0	0			
632405 · FM 1826 & Reunion Ranch WL Relc	2,922	3,188			
16324 · Other Engineering Analyses-Spec - Other	61,784	67,401			
Total 16324 · Other Engineering Analyses-Spec	70,565	76,980	10,000		
Total Special Contract Services	164,387	179,331	96,000	reduction	
Transitional Support Services					
16301 · General Counsel - Transitional	43,646	47,614	-		
16302 · Engineering - Transitional		0	-		
630201 · Task 22 - SER Activities	42,863	46,760	-		
16302 · Engineering - Transitional - Other	2,400	2,618	-		
Total 16302 · Engineering - Transitional	45,263	49,378	-		
16303 · General Manager - Transitional	877	957	-		
16304 · Bookkeeping - Transitional	525	573	-		
16305 · Financial Manager -Transitional	40,155	43,805	-		
16306 · Misc - Transitional	0	0	-		
16307 · Auditor	31,500	34,364	-		
Total Transitional Support Services	161,966	176,690	0	reduction	
Total 16300 · Professional Services	1,732,389	1,889,879	1,371,352	-27%	total
16331 · Inventory Purchases Not Funded	0	0	100,000	- major cap'nd	
16332 · Leak Detection Program	0	0	35,000		
16333 · SCADA Control System Maintenance	0	0	180,000	- new program -	
16334 · Mapping/GIS Program	3,370	3,676		proposed	
16335 · Tools & Shop Supplies	0	0	20,000	new program	
16336 · Computer Maintenance & Repair	0	0	33,600		
16337 · Furniture	0	0		support to new	
16338 · Janitor/Contract Labor	1,187	1,295	2,100	staff	
16339 · Office Data & Supplies	10,970	11,967	30,000		

16340 · Membership & Dues	1,532
16341 · Utilities - Office & Outside Fa	2,717
16342 · Conservation Education & Enforc	0
16343 · Insurance - General	130,690
16344 · Bank Charges	747
16345 · Misc. Operating Expense	7,495
16346 · Developer Reimburse Int	(11,027)
16347 · Lease Expense	46,251
16410 · Salaries	2,060
16420 · FICA and Benefits	0
16560 · Miscellaneous Expense	93,000
Total (3) Shared Department - Expense	2,021,381
17110 · Capital Outlay	194,132
Total Expense	5,923,302
LCRA Raw Water	

Apr '12 - Feb 13	Annualized
1,532	1,671
2,717	2,964
0	0
130,690	142,571
747	815
7,495	8,176
(11,027)	(12,029)
46,251	50,456
2,060	2,247
0	0
93,000	101,455
2,021,381	2,205,143
194,132	211,780
5,923,302	6,461,784

FYE 2014 Revenue Requirements	% Change
17,500	
3,240	
130,000	
95,180	
1,802	
22,344	
67,406 - contract	
603,200	
211,120	
100,000	
3,023,844	37%
-	
9,010,345	39%
1,149,766	
10,160,111	

Salaries p.k.v

<b>COMPARE BUDGETS TO EST ACTUAL</b>		<u><b>Amount</b></u>	<u><b>% Change</b></u>
<b>1</b>	Original 2013 Budgeted Amount	\$9,163,948	
<b>2</b>	Amended 2013 Budget	\$9,379,938	2.36%
<b>3</b>	2014 Budget Used in 5/10 Study	\$10,160,021	8.32%
<b>4</b>	Estimated 12 months 3/31/2013 ACTUAL	\$7,738,085	-23.84%

**ESTIMATE 12 MONTHS ENDED 3/31/2013 ACTUAL**

<b>5</b>	Total 11 Months to date	\$7,034,623
<b>6</b>	Total Number of Months	11
<b>7</b>	Total Divided by 11 Months	\$639,511
<b>8</b>	110% of Monthly Average	<u>\$703,462</u>
<b>9</b>	Estimated ACTUAL 12 Months 3/2013	\$7,738,085

**NORMALIZE RATE STUDY O&M COSTS WITH KNOWN/MEASURABLE CHANGES**

<b>10</b>	Remove Transition Costs	(161,966)
<b>11</b>	Add Salary Benefits	\$814,320
<b>12</b>	Add 10% of YTD Actual	<u>\$703,462</u>
<b>13</b>	Normalized Amount	\$9,093,902

**REASONABLE ESTIMATE OF EXCESS**

<b>14</b>	Budget Amount Used in Study	\$10,160,021
<b>15</b>	Estimated Excess (Lines 14 - 13)	\$1,066,119

*From Roger*



**WTCPUA RESOLUTION NO. \_\_\_\_\_**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST TRAVIS COUNTY**  
**PUBLIC UTILITY AGENCY SUPPORTING THE CREATION OF AN DECLARING**  
**ITS MEMBERSHIP IN A COALITION OF LCRA WATER SUPPLY CONTRACT**  
**CUSTOMERS**

WHEREAS, the Lower Colorado River Authority ("LCRA") is the owner of Permit No. 5838 and Certificates of Adjudication Nos. 13-5478 and 14-5482 issued by the Texas Commission on Environmental Quality ("TCEQ") (or its predecessor state agency) pertaining to surface water rights in the Colorado River Basin;

WHEREAS, West Travis County Public Utility Agency (WTCPUA) and LCRA are parties to a water supply contract pursuant to which the WTCPUA is entitled to receive a firm supply of water from LCRA;

WHEREAS, the WTCPUA recognizes the importance of preserving a safe, firm, and reliable water supply and maintaining excellent water quality to the health, economic, and recreational interests of the [District's] customers;

WHEREAS, recently, LCRA has applied to the TCEQ to amend its Water Management Plan, which is LCRA's plan for operating Lakes Buchanan and Travis to meet water needs throughout the Colorado River Basin;

WHEREAS, LCRA has also recently applied to the TCEQ for emergency relief from the requirements of the current Water Management Plan and filed applications for temporary permits related to the continued ability to be relieved of the requirements of the current Water Management Plan;

WHEREAS, the WTCPUA desires to participate in the Water Management Plan approval process and in the emergency/temporary processes relating to the current Water Management Plan and in order to fully protect all of the interests of the WTCPUA and the WTCPUA's customers;

WHEREAS, the WTCPUA believes that from time to time LCRA may take other actions may affect water supply and/or water quality interests and the WTCPUA desires to participate in all actions that LCRA may take that potentially affect the interest of the WTCPUA in water supply and water quality matters;

WHEREAS, the WTCPUA acknowledges that the WTCPUA'S interests in preserving a safe, firm, and reliable water supply are shared with many other entities that also have water supply contracts with LCRA;

WHEREAS, the WTCPUA supports the creation of a coalition of LCRA water supply customers for the purposes of participating in proceedings involving the LCRA Water Management Plan and in other matters related to the preservation of a safe, firm and reliable water supply in the Colorado River Basin.

NOW THEREFORE, it is resolved by the Board of Directors of the West Travis County Public Utility Agency as follows:

SECTION 1. The foregoing recitals are all true and correct and are incorporated herein by reference as if set forth in full.

SECTION 2. The Board of Directors of the West Travis County Public Utility Agency hereby commits to support the creation of and agrees to be an active member in a coalition of LCRA water supply customers formed for the purposes described in this Resolution. The Board of Directors further designates Donald G. Rauschuber, General Manager, as its duly authorized representative at all meetings of the coalition.

SECTION 3. The WTCPUA's] General Manager and General Counsel (Lloyd Gosselink, Attorneys at Law, Austin, Texas) are hereby authorized and directed to take the following actions: (1) prepare the documents necessary to create a legal entity to represent the interests of all members of the coalition; (2) prepare a draft budget for the estimated costs of the coalition's activities including each coalition member's financial contribution to the coalition's efforts, and (3) prepare such other documents as may be necessary in order to give full force and effect to the activities of the coalition. The Board of Directors of the WTCPUA further directs that the necessary documents be presented to the Board of Directors for consideration and approval as soon as possible.

PASSED AND APPROVED on the \_\_\_\_ day of \_\_\_\_\_, 2012.

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

By: \_\_\_\_\_  
Larry Fox, Ph.D., President of the Board of Directors  
of West Travis County Public Utility Agency

ATTEST:

\_\_\_\_\_  
Ray Whisenant, Secretary of the Board of Directors  
of West Travis County Public Utility Agency

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY SUPPORTING THE DETERMINATION OF THE STEERING COMMITTEE OF THE HIGHLAND LAKES FIRM WATER CUSTOMERS COOPERATIVE TO SEEK PARTY STATUS, AND REQUEST A CONTESTED CASE HEARING IF NECESSARY ON THE APPLICATION OF THE LOWER COLORADO RIVER AUTHORITY TO AMEND ITS WATER MANAGEMENT PLAN; AUTHORIZING PARTICIPATION IN PROCEEDINGS RELATED TO THE LCRA WATER MANAGEMENT PLAN THROUGH THE HIGHLAND LAKES FIRM WATER CUSTOMERS COOPERATIVE; MAKING OTHER FINDINGS AND DETERMINATIONS RELATING THERETO; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the Lower Colorado River Authority ("LCRA") is the owner of Permit No. 5838 and Certificates of Adjudication Nos. 14-5478 and 14-5482 issued by the Texas Water Commission (now known as the Texas Commission on Environmental Quality ("TCEQ")) pertaining to surface water rights in the Highland Lakes in the Colorado River Basin;

**WHEREAS**, on or about March 12, 2012, LCRA filed a permit application with the TCEQ seeking to amend its water rights permit and certificates of adjudication by amending the Water Management Plan (the "WMP");

**WHEREAS**, the WMP is required by LCRA's permits and certificates of adjudication and governs the amount of stored water released from the Highland Lakes; therefore, the WMP's provisions materially and substantially affect the rights of LCRA's firm water customers whose water supply comes from the Highland Lakes;

**WHEREAS**, the West Travis County Public Utility Agency (the "PUA") and LCRA are parties to a firm water supply contract pursuant to which the PUA obtains its municipal water supply from the Highland Lakes; accordingly, the PUA is a "firm water customer" of LCRA;

**WHEREAS**, the PUA is a party to that certain "Interlocal Cooperation Agreement Regarding the Creation of the Highland Lakes Firm Water Customers Cooperative," dated to be effective on or about March 13, 2013 (the "Interlocal Agreement") and is a member of the Highland Lakes Firm Water Customers Cooperative (the "Cooperative") created pursuant to the Interlocal Agreement;

**WHEREAS**, the Cooperative's Steering Committee has determined that it is in the best interest of the Cooperative's member entities to participate through the Cooperative to the fullest extent allowed by law in the proceedings before the TCEQ (and subsequent legal proceedings, if necessary) involving the LCRA WMP application, including seeking party status, and requesting a contested case hearing on LCRA's WMP

application if necessary, in order to ensure that the PUA, through the Cooperative, can protect its interests as a firm water customer; and

**WHEREAS**, the PUA concurs with the Steering Committee's recommendations and desires to support the Cooperative's efforts to seek party status, and request a contested case hearing on the LCRA's WMP if necessary in order to fully protect the interests of the PUA and other members of the Cooperative.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY THAT:**

**Section 1.** The statements set out in the preamble to this resolution are hereby found to be true and correct and are approved and adopted.

**Section 2.** The PUA concurs with the determination of the Steering Committee of the Highland Lakes Firm Water Customer Cooperative to seek party status, and request a contested case hearing on LCRA's permit application, if necessary, to ensure representation of the Cooperative's member entities in any contested case hearing that may be held on the WMP.

**Section 3.** The PUA consents to representation of its interests by and through the Steering Committee of the Highland Lakes Firm Water Customer Cooperative in all proceedings before the State Office of Administrative Hearings and the Texas Commission on Environmental Quality related to the LCRA Water Management Plan.

**Section 3.** The PUA's Authorized Representative (defined in the Interlocal Agreement) and other staff are authorized and directed to support the efforts of the Cooperative consistent with this Resolution, as the Steering Committee may request.

**Section 4.** The meeting at which this resolution was approved was conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

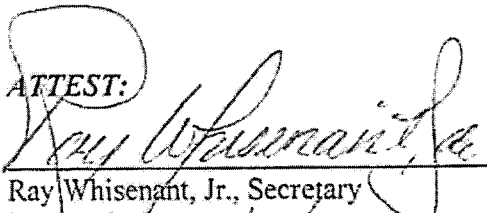
**Section 5.** This resolution is effective immediately upon its adoption.

**ADOPTED:** 2 May, 2013.

**WEST TRAVIS COUNTY PUBLIC  
UTILITY AGENCY**

Larry Fox  
Larry Fox, President  
Board of Directors  
Date: 2 May 2013

ATTEST:

  
Ray Whisenant, Jr., Secretary  
Board of Directors

Date: 5/2/2013

### CERTIFICATION

#### STATE OF TEXAS COUNTY OF TRAVIS

I, Ray Whisenant, Jr., being the Secretary of the West Travis County Public Utility Agency do certify that the foregoing is a true and correct copy of the above-captioned Resolution approved by the Board of Directors of the West Travis County Public Utility Agency.

Witness my hand and seal of office this 2<sup>nd</sup> day of May, 2013.

  
Ray Whisenant, Jr.

**QUESTION NO. 4-36**

Please refer to page 49, lines 14- 15 of Joyce's rebuttal testimony. Please provide documentation relied upon by Joyce to support his contention that the rates were a "ploy to encourage wholesale customers to sign amendment to rate methodology so their rates could skyrocket in the future."

**TCMUD 12'S RESPONSE:**

See, WTCPUA00009769, which was attached as Exhibit JJJ-15 to the Direct Testimony of Jay Joyce. Also, see Mr. Joyce's rebuttal testimony (and documents cited therein) at page 49, line 7 through page 52, line 6; page 46, line 11 through page 47, line 15.

**QUESTION NO. 4-37**

Please refer to page 50, lines 12-15 of .Joyce's rebuttal testimony. Please provide the basis for the statement "[b]ecause the 2012 rate methodology was going to result in increases to retail customers, the PUA had to devise a new rate methodology ...."

**TCMUD 12'S RESPONSE:**

According to Confidential WTCPUA00011782 (RFP1-1).XLSX retail rates are projected to increase using the FY 2012 rate methodology (Rate Study for FY 13). After the Rate Study for FY 13, the PUA abandoned the Base/Extra Capacity method in favor of allocating all capital costs based on a hypothetical contractual maximum peak day. The effect of this new methodology is to substantially shift costs from retail to wholesale customers as shown in Mr. Joyce's rebuttal testimony on page 50, line 24 through page 52, line 6.

**QUESTION NO. 4-38**

Please refer to page 44, lines 27-28 of Joyce's rebuttal testimony. Please provide documentation relied upon by Joyce to support his claim that the rates "would cost wholesale customers millions of additional dollars over the existing rate methodology."

**TCMUD 12'S RESPONSE:**

Please refer to Mr. Joyce's rebuttal testimony at page 52, lines 3-6.

See also, See also WTCPUA00011782 (confidential), WTCPUA0004900-WTCPUA0004902, WTCPUA0004915-WTCPUA0004918, WTCPUA0004931-WTCPUA0004933, WTCPUA0004946-WTCPUA0004948, WTCPUA0004961-WTCPUA0004963, WTCPUA0004991-WTCPUA0004993, WTCPUA0005006-WTCPUA0005008, WTCPUA0005024-WTCPUA0005026, WTCPUA0005040-WTCPUA0005044, and WTCPUA0005057-WTCPUA0005059.



**QUESTION NO. 4-39**

Please refer to pages 45, line 28 through page 46, line 3 of Joyce's rebuttal testimony.

- a. Explain the purpose of taking votes by the Committee.
- b. Explain whether the City of Austin was bound to take any actions regarding its water rates based upon the votes taken by the Committee.

**TCMUD 12'S RESPONSE:**

- a. To record the position of each member of the committee which may provide evidence of consensus or lack thereof regarding the identified issue.
- b. Mr. Joyce does not know the answer to this question.