

(8) Calculating the levelized principal and spreading the amount over the 30-year period for each bond issue to pro-rate the amount to the growth in number of connections.

This new methodology resulted in the Annual Monthly (or Minimum) Bill for TCMUD 12.<sup>217</sup> Mr. Joyce was the only witness in this case to address the new formulas and the nuances of the methods used by the WTCPUA to set the protested rates. And as Mr. Joyce testifies, the formula for calculating the wholesale customers' monthly charge, and the sub-formulas used for calculating the various components of the main formula, are a departure from those previously used by the WTCPUA.<sup>218</sup>

**b. The origins of the change in methodology.**

The changed methodology for determining the 2014 revenue requirement and rates is being applied to all wholesale customers, but the changed methodology is described and set out in a form contract amendment proposed by the WTCPUA to the wholesale customers ostensibly as a way for the wholesale customers to change their capacity requirements. In 2013, the WTCPUA staff worked to revise the methodology by which revenue requirements and wholesale customers' rates would be calculated for 2014. As shown below, the WTCPUA staff reported to the WTCPUA Board of Directors that they were in the process of updating and refining the wholesale revenue and rate methodology.

Mr. Rauschuber, the WTCPUA's General Manager, reported to the WTCPUA Board that he met with wholesale customers on March 25 and April 1, 2013 where he discussed "*refining methodology*."<sup>219</sup> Later, he reported to the WTCPUA Board that he met with wholesale customers on May 6 and May 14 and that the "The purposes of these meetings were to allow Staff to *present updated wholesale rate methodology analyses* and to give Wholesale Customers an opportunity to provide input and vet questions."<sup>220</sup>

Ms. Nelisa Heddin, the WTCPUA's Financial Manager and Rate Analyst, wrote in a memo to the President of the WTCPUA Board, that the methodology she was proposing to use to

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<sup>217</sup> *Id.*, at Exhibit JJJ-15, pages 14 & 15 (the Monthly Charge is easily calculated by dividing the annual charge by 12). See, also WTCPUA Exhibit No. 3 (Stowe Direct) at 103-14 in Attachment E.

<sup>218</sup> TCMUD 12 Exhibit No. 2 (Joyce Direct) at 22:10-12.

<sup>219</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R6: Memorandum from Don Rauschuber to the WTCPUA Board of Directors on March 31, 2013.

<sup>220</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R7: Memorandum from Don Rauschuber to the WTCPUA Board of Directors on May 19, 2013, p. 3.

set the 2014 minimum bill rates (the Monthly Charge) was different from the methodology used prior:

*This proposed methodology is a change from the utilized method of assessing minimum bills to wholesale customers. Currently, based upon recollections of customers and LCRA staff, the minimum bills are LCRA's negotiated fees and were not calculated based on actual cost data. The current minimum bills do not recover the annual debt service costs of the Agency; the balance is presumably recovered through the volumetric rates. It is expected that the Agency's volumetric rates should decrease as a result of the change in methodology. As the Agency is in the process of analyzing rates, based upon FYE 2014 budgeted O&M expenses, it is currently unidentified what the revised volumetric rate will be.*<sup>221</sup>

In that memo to the WTCPUA, Ms. Heddin proposes a new methodology in which the WTCPUA assess a minimum bill which recovers the WTCPUA's debt service as well as times coverage costs associated with the system infrastructure.<sup>222</sup>

In his direct testimony, Dr. Jay Zarnikau testifies that his conclusion that the WTCPUA abused their monopoly power by violating the standard found in P.U.C. Subst. R. 24.133(a)(3)(C), was based – in addition to discovery responses from the PUA and on Mr. Jay Joyce's analysis reflected in his testimony – on Ms. Nelissa Heddin's references in her fiscal year ending (FYE) 2014 Wholesale Customer Minimum Bill Analysis to the "proposed new methodology" "proposed approach" or the "proposed methodology."<sup>223</sup> As stated by Dr. Zarnikau in his direct testimony, "it is apparent that the rate consultant to the Suppliers views the November 2013 Rate Order which established wholesale rates for 2014 to represent a change in rate methodology."<sup>224</sup>

At hearing, Dr. Zarnikau explained his reliance on Ms. Heddin's position that the methodology used to compute the protested rates represented a change in methodology:

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<sup>221</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R9 (WTCPUA Response to TCMUD 12 RFI RFP 1-5 & 1-7) at WTCPUA00012017 (emphasis added), Letter from Water Resources Management, LLC to WTCPUA Board President Larry Fox dated March 12, 2013.

<sup>222</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R9 at WTCPUA00012012.

<sup>223</sup> TCMUD 12 Exhibit No. 3 (Zarnikau Direct) at 17:3–21 and at JZ Exhibit 5 (WTCPUA 00008854-8855, 00008860–8861, 00009057–00009060).

<sup>224</sup> TCMUD Exhibit No. 3 (Zarnikau Direct) at 17:12–14.

Initially I relied upon discovery responses, statements from Nelissa Heddin, rate consultant to the suppliers. She repeatedly referred to the change in methodology and the proposed methodology. So when I was drafting my testimony, I was initially relying upon the PUA's assertion that there was a change in methodology.<sup>225</sup>

Counsel for the WTCPUA reminded the WTCPUA Board in a memo that the Board had instructed the PUA staff to identify a new methodology for the wholesale customers' rates: "The PUA Board also directed staff to continue to review wholesale rates and attempt to identify a methodology acceptable to wholesale customers that would address the remaining needed increase in wholesale rates."<sup>226</sup> And later, Counsel for WTCPUA wrote to counsel for TCMUD 12 counsel concerning the work that had gone into the WTCPUA's *proposed* wholesale rate methodology that the WTCPUA Board had approved to be effective January 1, 2014:

To this end, WTCPUA staff, on numerous occasions, met with wholesale customers, both as a group and individually, to discuss the rate methodology for future wholesale rate adjustments and to receive input from these customers related to such methodology. ... In these wholesale customer committee meetings, many handouts were provided regarding the WTCPUA's *proposed wholesale rate methodology* and the impact to individual customers.<sup>227</sup>

In May 2013, wholesale customers received a proposed form contract amendment from Ms. Heddin.<sup>228</sup> Ostensibly, the contract amendment was to offer the wholesale customers "an opportunity to reduce or increase their contractual obligation with WTCPUA, which would consequently impact their rates as well."<sup>229</sup> What Mr. Rauschuber fails to mention in his testimony<sup>230</sup> is that in addition to changing the "wholesale water treatment capacity and living unit equivalent uptake schedule," the contract amendment would also change the methodology by which the wholesale water rates were calculated. There is also no mention of the new

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<sup>225</sup> Tr. at 256: 4–9 and 17–120.

<sup>226</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R8 (Hays County Response to TCMUD 12 First RFP), HC 0873–0874, Memorandum from Lauren Kalisek to the WTCPUA Board of Directors on June 6, 2013.

<sup>227</sup> *Id.*, at JJJ Exhibit R10 (WTCPUA Response to TCMUD 12 RFI 1-14 and RFP 1-13), WTCPUA00006147 – WTCPUA00006148, Letter from Lloyd Gosselink to Counsel for TCMUD 12 dated February 28, 2014 (which references rate methodology 11 times.)

<sup>228</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct) at Attachment P.

<sup>229</sup> *Id.*, 25:1–14.

<sup>230</sup> *Id.*, 25:1–24.

methodology in the letter Mr. Rauschuber sent to the wholesale customers on October 15, 2013, proposing the contract amendment.<sup>231</sup> The WTCPUA Board Resolution approving the contract amendment, however, plainly states that the amendment changes the methodology for setting wholesale rates in its third recital: “WHEREAS, the Agency is utilizing a form wholesale amendment attached as Exhibit A, to effect these capacity changes **and establish wholesale rate methodology**;<sup>232</sup>

There is no question that WTCPUA knew it was *changing* the wholesale rate methodology from the methodology set out in the Wholesale Water Service Agreement, and that it fully intended to change the wholesale rate methodology. The WTCPUA’s General Manager, Financial Manager and Rate Analyst, General Counsel, and Board all openly discussed the WTCPUA’s new or proposed or changed wholesale rate methodology, and that is reflected in the draft and Board-approved form contract amendment. To suggest that the methodology by which the wholesale water revenue requirement and rates are computed did not change is disingenuous at best. Moreover, the new methodology developed by Ms. Heddin for and implemented in the form contract amendment was the same methodology used to formulate the protested rates for all wholesale customers,<sup>233</sup> including TCMUD 12, whether the wholesale customer agreed to the new methodology or not. The new rates and the form contract amendment containing the new rate methodology were both approved by the WTCPUA at the same Board Meeting.<sup>234</sup> The following subsection explains how the contract amendment incorporated the same new wholesale revenue requirement and rate methodologies reflected in WTCPUA’s Cost of Service and Rate Design Study for 2014.

**c. The change in methodology as described by the proposed contract amendment.**

Although the changes in methodology that can be observed from WTCPUA’s Cost of Service and Rate Design Study for 2014 are addressed in Mr. Joyce’s testimony, the changes are also clearly described by the amendments to the wholesale customer’s agreements proposed by

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<sup>231</sup> TCMUD Exhibit No. 2 (Joyce Direct), Exhibit JJJ-11, at page 49 of 81.

<sup>232</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), Attachment Q (Resolution and Form Amendment), third recital (emphasis added).

<sup>233</sup> *Id.*, Attachment P (Ms. Heddin’s May 14, 2013 email to wholesale customers with “draft contract amendment”) and Tr. at 474–475 (Rauschuber Cross).

<sup>234</sup> *Id.*, Attachment Q (Nov. 21, 2013 Board Resolution with Form Contract Amendment) and Attachment R (Minutes of WTCPUA’s Nov. 21, 2013 Board Meeting).

the WTCPUA. The proposed amendment was prepared by the WTCPUA and contained formulas for the Monthly Charge developed by Ms. Nelissa Heddin, the WTCPUA's financial manager and rate consultant.<sup>235</sup> A copy of the form amendment is attached as Exhibit P to the Direct Testimony of Don Rauschuber.<sup>236</sup> As Mr. Rauschuber testified, the document at Exhibit P provided the basis for various amendments adopted by certain wholesale customers.<sup>237</sup>

Six of the 13 WTCPUA wholesale water customers<sup>238</sup> entered into the contract amendment, with three of them doing so on November 21, 2015.<sup>239</sup> At the WTCPUA Board meeting on that day, the WTCPUA Board not only adopted the protested rates,<sup>240</sup> it also authorized the use of Form Amendments to Wholesale Customer Agreements for wholesale customers that wanted to amend their contracts.<sup>241</sup> At the hearing on the merits, Mr. Rauschuber acknowledged that draft form agreement adopted by the WTCPUA Board in November 2013 is in essence the same form agreement that was proposed to the wholesale customers in May 2013.<sup>242</sup> In addition, Mr. Rauschuber testified that he and the PUA President were authorized to negotiate and execute amendments with the wholesale customers so long as those amendments were substantially in the form of the agreement attached to the resolution<sup>243</sup> which is essentially the same document that appears as Mr. Rauschuber's Attachment P.<sup>244</sup>

A review of the contract amendment reveals that the amendment establishes a wholesale rate methodology entirely different from that reflected in the wholesale customers' Water Services Agreements that had been used by the WTCPUA to set the prior rates. Mr. Rauschuber testified

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<sup>235</sup> Tr. at 450:7-16.

<sup>236</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), Attachment P (May 14, 2013, email and draft Amendment Form).

<sup>237</sup> Tr. at 453:11-16.

<sup>238</sup> The wholesale customers that amended their water services agreement were identified as Hays County WCID No. 1, Hays County WCID No. 2, and Reunion Ranch WCID (483:17-21), as well as Senna Hills MUD (485:10-19), Lazy 9 MUD District 1A (486:15-25), and Barton Creek West WSC (488:4-10).

<sup>239</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), 26:4-5.

<sup>240</sup> *Id.*, at 26:18-27:2.

<sup>241</sup> *Id.*, at 26:8-10 and Attachment Q.

<sup>242</sup> Tr. at 482-483.

<sup>243</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), Attachment Q (Resolution and Form Amendment).

<sup>244</sup> Tr. at 482-483.

about the Hays County WCID No. 1 <sup>245</sup> Amendment as an example to explain what changes to the Wholesale Water Services Agreement<sup>246</sup> occurred as a result of the WTCPUA's "form amendment."<sup>247</sup>

The first change made by the contract amendment is the addition of the term "Regional Facilities" to mean "those facilities in the PUA System as identified on Schedule A as well as additional facilities necessary to expand and maintain the system capacity to 27 MGD which may include rehabilitation and regulatory improvements which may be necessary to provide continuous and adequate service."<sup>248</sup> The next change is the addition of the term "Max Day Reservation" which is defined to mean "the maximum amount of water to be delivered to the District on a daily basis based on the flow rates and capacity commitments established in this Agreement."<sup>249</sup> The significance of both these changes becomes apparent when those terms are used later in the contract amendment.

The next change in the contract amendment is the addition of two subsections to section 4.01(b) of the Wholesale Water Services Agreement, which is the section addressing the method for calculating the Monthly Charge. New subsection (1) sets forth a formula by which the monthly charge will be computed:

$$\frac{\{ \text{Annual Allocated Debt Service Payment} + (25\% \text{ times coverage} \\ * \text{ Annual Allocated Debt Service Payment}) - (\text{Effective Impact} \\ \text{Fee Credit} * \text{ Annual Debt Service Payment}) \}}{12 \text{ months.}}^{250}$$

As Mr. Rauschuber acknowledged at hearing, following the formula is an explanation of the formula and terms of the formula.<sup>251</sup> This formula, and the terms used in the formula, illustrate the change to the methodology used to compute the Monthly Charge.

First, the components of the formula were not used to compute the previous Monthly Charge. A comparison of the prior debt service analysis done for FY 2013 shows a very

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<sup>245</sup> TCMUD Exhibit No. 7.

<sup>246</sup> TCMUD 12 Exhibit No. 8 (Hays County MUD No. 1 Wholesale Water Services Agreement).

<sup>247</sup> Tr. 455-478.

<sup>248</sup> TCMUD Exhibit No. 7, at WTCPUA00003862; see also, Tr. 455-456.

<sup>249</sup> *Id.*, see also, Tr. 456-457.

<sup>250</sup> *Id.*, at WTCPUA00003863.

<sup>251</sup> *Id.*, at WTCPUA00003862; see also, Tr. 460:6-16.

different analysis than that used for FY 2014.<sup>252</sup> As a consequence, the methodology used to compute the protested Monthly Charge changed significantly from FY 2013 to FY 2014. This in and of itself should be sufficient to prove that the seller changed the computation of the rate methodology.

Secondly, the formula for computing the protested Monthly Charge is based on the Annual Allocated Debt Service Payment which is defined as follows:

The Annual Allocated Debt Service Payment, from time to time due and payable, shall be based on the District's allocated pro-rata share of the PUA's capital costs for the Regional Facilities (including interest expense) as determined based on input from the District prior to the issuance of bonds to fund the Regional Facilities so long a[s] the total capital cost allocated to the District is recovered within the life of the bonds, including interest expense. The District's pro-rata share of the PUA's capital costs is calculated based on its Max Day Reservation, multiplied by the PUA's Cost per Gallon of the Regional Facilities. Schedule B attached hereto and incorporated herein for all purposes sets forth the current schedule of the Annual Allocated Debt Service Payment.<sup>253</sup>

The first change in methodology reflected in this definition is that the Monthly Charge is tied to the District's allocated pro-rata share of the PUA's capital costs for the Regional Facilities. The term "Regional Facilities" as discussed above was added to mean "those facilities in the PUA System as identified on Schedule A as well as additional facilities necessary to expand and maintain the system capacity to 27 MGD which may include rehabilitation and regulatory improvements which may be necessary to provide continuous and adequate service." Yet, in the original Wholesale Water Services Agreement, the Monthly Charge is intended "to recover the District's allocable share of the capital related Costs of the System not recovered in the Connection Fee."<sup>254</sup> The Connection Fee in turn is the proper mechanism for the WTCPUA to recover "all or a part of the Costs of the LCRA System for capital improvements or facility expansions intended to serve 'new development' (as that term is defined in the Texas Impact Fee

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<sup>252</sup> TCMUD Exhibit No. 2 (Joyce Direct), Exhibit JJJ-13 (FYE 2013 Budget Planning at Schedule 5 Debt Service Analysis) at page 9 of 56.

<sup>253</sup> TCMUD Exhibit No. 7, at WTCPUA00003863 and at WTCPUA00003873 (Schedule B).

<sup>254</sup> TCMUD Exhibit No. 8, section 4.01(a) at WTCPUA00003475.

Law, Chapter 395 of the Texas Local Government Code) in the LCRA Service Area.”<sup>255</sup> Through the definitions used in this amendment, the WTCPUA is shifting costs that should be recovered by the Connection Fee to the Monthly Charge, which constitutes a change in methodology for computing the rates to wholesale customers.

The second change reflected in this definition is that it requires that the wholesale customers’ pro-rata share of the WTCPUA’s capital costs that are included in the Monthly Charge be based entirely on its Max Day Reservation. The definition for the term “Max Day Reservation” was added to the Agreement by the amendment, and is defined as “the maximum amount of water to be delivered to the District on a daily basis based on the flow rates and capacity commitments established in this Agreement.” Thus, the Monthly Charge, which prior to the protested rates had been calculated on a historic average day and historic peak day, is now calculated solely on a projected or contractual peak day.

And finally, as a result of the contract amendment, the District’s allocated pro-rata share of the PUA’s capital costs for the Regional Facilities (including interest expense) is “as determined based on input from the District...” Mr. Rauschuber explained what that phrase meant at the hearing and confirmed that it is based on the wholesale customer’s projected or requested absorption schedule for LUEs.<sup>256</sup> This means that as a result of the contract amendment, the Monthly Charge is calculated not on actual LUEs but on projected LUEs “regardless of whether the District meets the buildout projections used to develop the annual debt payment schedule.”<sup>257</sup>

Each of these contract amendment provisions are a significant change to the method for computing the wholesale customers’ rates. Under the Public Interest rule, a change in the method used to compute the revenue requirement or rate is a factor that the Commission shall consider to determine if the seller abused its monopoly power. But it is the fact that the WTCPUA changed the computation methodology of the Monthly Charge and Volume Rate for *all* wholesale water customers – not just for those customers that agreed to the contract amendment – that is entitled to even greater weight in determining that the WTCPUA abused its monopoly power.

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<sup>255</sup> *Id.*

<sup>256</sup> Tr. 465:16–466:10.

<sup>257</sup> TCMUD Exhibit No. 8, section 4.01(b) at WTCPUA00003475.



**d. The change in methodology as described by the proposed contract amendment is applied to all wholesale customers not just the wholesale customers that amended their contracts with the WTCPUA.**

The changes to the methodology used to compute the rates of the wholesales customers that entered into an amendment to the wholesale water service agreement are also being used to compute the wholesale rates for the rest of the wholesale water service customers, including TCMUD 12.

TCMUD 12's witness Jay Joyce testified to the WTCPUA's shift from a base/extra capacity method used to set the capital costs included in the 2013 rates, to a method that allocates all capital costs to the extra capacity component and none to the base cost component.<sup>258</sup> What Mr. Joyce describes in this portion of his testimony is a result of TCMUD 12's Monthly Charge being based on its pro-rata share of the PUA's capital costs which is based on its Max Day Reservation. As stated in his testimony, this methodology is inconsistent with the AWWA's Manual M1 and is departure from the methodology used by the WTCPUA to set its rates prior to setting the protested rates.<sup>259</sup>

Consistent with the Monthly Charge formula found in the contract amendments discussed above, TCMUD 12 and wholesale customers are not given credit for debt service coverage paid. If one compares Tables JJJ-T3 and JJJ-T4 on page 16 of Mr. Joyce's Direct testimony to the Monthly Charge formula used in the contract amendment, it is easy to see that the FY 2014 methodology used to set TCMUD 12's Monthly Charge is the same as the contract amendment formula and does not give TCMUD 12 credit for the coverage paid.<sup>260</sup> The 8-step process for setting TCMUD 12's protested Monthly Charge is described above.<sup>261</sup>

Furthermore, if one compares the formula described in the contract amendment to the "Wholesale Minimum Bill Computation Flow Chart" provided to the wholesale customers by the WTCPUA, it is easy to see that the computation of the Annual Minimum Bill is the same formula described in the contract amendment.<sup>262</sup> The only difference is that the contract amendment describes the Monthly Charge, (by dividing the annual minimum bill by 12),

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<sup>258</sup> TCMUD Exhibit No. 2 (Joyce Direct) at 9:4-12.

<sup>259</sup> TCMUD Exhibit No. 2 (Joyce Direct) at 10:12-18.

<sup>260</sup> *Id.*, at 16:3-13; TCMUD Exhibit No. 7, at WTCPUA00003863.

<sup>261</sup> *Id.*, at 21:6-24.

<sup>262</sup> *Id.*, Exhibit JJJ-11, at page 37 of 81.

whereas the computation flow chart shows the Annual Minimum bill and omits the final step (dividing by 12) to derive the Monthly Charge. Additional proof that the computation of the Minimum Bill is the same formula described in the contract amendment, can be seen by comparing the formula described in the contract amendment to the computation method described in a presentation prepared by the WTCPUA and provided to the wholesale customers in March 2013.<sup>263</sup>

**e. The new methodology in the contract amendment was used to calculate TCMUD 12's monthly charge and volumetric charge.**

Despite not entering into the contract amendment changing the rate methodology, TCMUD 12's Monthly Charge is calculated using the same methodology as set out in the contract amendment. TCMUD 12's RFP 2-2 requested a copy of the "Final analysis used to set the FY 2014 minimum bill for TCMUD 12 by the PUA."<sup>264</sup> In response, the WTCPUA produced what is now Exhibit JJJ-15 to Jay Joyce's Direct testimony and the first part of Exhibit E to Mr. Jack Stowe's testimony.<sup>265</sup> A review of the method used to compute TCMUD 12's Monthly Charge for FY 2014 demonstrates that it is different from the method utilized to set the 2013 wholesale water rates.<sup>266</sup>

When the computation method used to set the protested rate is compared to the method used to set the monthly charge for wholesale customers that entered into the contract amendment, it becomes apparent that TCMUD 12's monthly charge was set using the methodology set forth in the contract amendment. Schedule 10 of the WTCPUA's FY 14 Wholesale Minimum Bill Analysis, shows the "Determination of Adjusted Capital Allocation."<sup>267</sup> This corresponds to "Step 1: Allocate Capital" on the presentation prepared by the WTCPUA and provided to the wholesale customers in March 2013.<sup>268</sup> The next page, WTCPUA00009767, is the "Individual Capital Amortization Schedule" for TCMUD 12. The calculations shown on that schedule correspond to "Step 2: Calculate Annual Debt" and "Step 3: Adjustments" on the March 2013

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<sup>263</sup> *Id.*, Exhibit JJJ-11, at page 26 of 81, steps 2 and 3.

<sup>264</sup> *Id.*, Exhibit JJJ-15.

<sup>265</sup> *Id.*, Exhibit JJJ-15; *also*, WTCPUA Exhibit No. 3 (Stowe Direct), Exhibit E at WTCPUA00009755–WTCPUA00009769.

<sup>266</sup> TCMUD Exhibit No. 2 (Joyce Direct) at 22:10–12.

<sup>267</sup> *Id.*, Exhibit JJJ-15 at page 13 of 16. See also, WTCPUA Exhibit No. 3 (Stowe Direct), Exhibit E at 102.

<sup>268</sup> *Id.*, Exhibit JJJ-11, at page 25 of 81.

presentation.<sup>269</sup> There is a note on the Individual Capital Amortization Schedule for TCMUD 12 that states how the Total Annual Minimum Bill was calculated:

$$\text{Total Annual Minimum Bill} = \text{Total Annual Payment} + (\text{Total Annual Payment} * 25\% \text{ Times Coverage}) - (\text{Total Annual Payment} * \text{Impact Fee Credit})$$

Comparing that formula with the proposed monthly minimum bill methodology that first appeared in the May 2013 draft proposed contract amendment and then was approved by the WTCPUA Board Resolution in November 2013, it is easy to see that they are the same formula:

$$\{ \text{Annual Allocated Debt Service Payment} + (25\% \text{ Times Coverage} * \text{Annual Allocated Debt Service Payment}) - (\text{Effective Impact Fee Credit} * \text{Annual Debt Service Payment}) \} / 12 \text{ months.}^{270}$$

Although the terms are slightly different, the fact that the Individual Capital Amortization Schedule in the final analysis used to set the FY 2014 minimum bill for TCMUD 12 by the PUA is the “Series 2013 Debt Payment Schedule” for TCMUD 12’s “Capital Cost Allocation” leaves no doubt that the term “Total Annual Payment” in that document equates to the “Annual Allocated Debt Service Payment” in the contract amendment. The only other difference is that the formula used for TCMUD 12 is for the annual payment, whereas the contract amendment is for a Monthly Charge thus is the total annual payment divided by 12.

The fact that these formulas are identical is further confirmed by a review of the formula used to calculate the total annual minimum bill for TCMUD 12 and the formulas used to calculate the total annual minimum bill for each of the entities that entered into the contract amendment. Each contract amendment contains a Schedule B, which “sets forth the current schedule of the Annual Allocated Debt Service Payment” for the purchaser.<sup>271</sup> The formula for calculating the Annual Allocated Debt Service Payment as indicated at the bottom of each of those contract schedules is:

$$\text{Total Annual Minimum Bill} = \text{Total Annual Payment} + (\text{Total Annual Payment} * 25\% \text{ Times Coverage}) - (\text{Total Annual Payment} * \text{Impact Fee Credit})^{272}$$

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<sup>269</sup> *Id.*, Exhibit JJJ-11, at page 26 of 81, steps 2 and 3.

<sup>270</sup> TCMUD Exhibit No. 7, at WTCPUA00003863.

<sup>271</sup> *Id.*, last sentence in the paragraph after the formula.

<sup>272</sup> TCMUD Exhibit No. 7, at WTCPUA00003873.

This is identical to the formula used to set TCMUD12's Total Annual Minimum Bill:

$$\text{Total Annual Minimum Bill} = \text{Total Annual Payment} + (\text{Total Annual Payment} * 25\% \text{ Times Coverage}) - (\text{Total Annual Payment} * \text{Impact Fee Credit})^{273}$$

A comparison of the formula used to set TCMUD12's Total Annual Minimum Bill to the formulas used to set the Total Annual Minimum Bill for each of the wholesale customers that entered into a contract amendment is set out in Attachment C hereto. In each case, the formula used to calculate the Total Annual Minimum Bill is identical to that used for TCMUD 12.

Similarly, TCMUD 12's Volume Rate is calculated by the same method that the Volumetric Rate of those wholesale customers that entered into the contract amendment despite the fact that TCMUD 12 did not do so. The original draft proposed contract amendment released in March 2013 stated: "The Volume Charge shall recover the PUA's expenses associated with operating and maintaining the Regional Facilities, including a systems raw water loss fee per thousand gallons to be calculated as follows: LCRA Raw Water cost per Thousand Gallons/(1-.10 water loss))/10."<sup>274</sup> The same language is found in the proposed contract amendment approved by the WTCPUA Board in November 2013.<sup>275</sup> As an example, the contract amendment entered into by Hays County WCID #1 includes this language in Paragraph 4, expressly replacing the language that had been in the Wholesale Water Services Agreement:

4. Section 4.01 (c) is hereby deleted in its entirety and replaced with the following:

(c) The Volume Rate shall recover the PUA's expenses associated with operating with maintaining the Regional Facilities, including a systems raw water loss fee per thousand gallons to be calculated as follows:

**[LCRA Raw Water cost per Thousand Gallons/( 1-.10 water loss))/10<sup>276</sup>**

This provision of the contract amendment replaces and changes the method for calculating the Volume Rate as set out in the Wholesale Water Services Agreement. And although TCMUD 12 did not enter into the contract amendment, the same new method of calculating the Volume Rate, including adding a "raw water surcharge fee," is found in the WTCPUA's Final Analysis used to

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<sup>273</sup> Attachment A, TCMUD Exhibit No. 2 (Joyce Direct), Exhibit JJJ -15 at WTCPUA00009767.

<sup>274</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), Attachment P at 208.

<sup>275</sup> *Id.*, Attachment P at 213.

<sup>276</sup> WTCPUA Exhibit No. 7, at WTCPUA00003864.

set the FY 14 Volume Rate for TCMUD 12.<sup>277</sup> That analysis includes the “Raw Water Surcharge Calculation” and sets forth the “Raw Water Surcharge Fee” which is identical to the raw water loss fee formula used in the contract amendment:

$$[\text{LCRA Raw Water cost per Thousand Gallons}/(1-.10 \text{ water loss})]/10^{278}$$

This formula is a change of methodology used to compute a rate that was never agreed to by TCMUD 12 and that represents a significant departure from the rate methodology set out in TCMUD 12’s Wholesale Water Service Agreement which states that the volumetric rate does not include any charges for raw water.<sup>279</sup> The fact that the WTCPUA was well aware that such a methodology was a change from the previous methodology, sought to obtain the contract amendment from TCMUD 12 to ratify the change in methodology, and failing that, nevertheless imposed the new methodology on TCMUD 12 is a brazen abuse of monopoly power.

**3. Conclusion: If there was a change in the methodology for the computation of the revenue requirement or rate, does the Protested Rate evidence WTCPUA’s abuse of monopoly power?**

It is important to keep in mind that under the Public Interest rule, the seller’s change in the methodology used to compute the revenue requirement or rate is a factor that must be considered in determining whether or not the seller abused its monopoly power. The changes made by WTCPUA to the computation methodology evidence abuse of monopoly power. The impact of the change in methodology is significant and coupled with the way the change was implemented, support finding that the WTCPUA abused its monopoly power and therefore the protest rate violates the public interest.

The proof of the negative impact of the change in methodology is evident from the undisputed fact that the methodology is designed to increase TCMUD 12’s Monthly Charges after a rate reduction for the first year.<sup>280</sup> The significant increases in rates that would occur after the first year under the new methodology caused great concern for TCMUD 12. In his report to the TCMUD 11 Board of Directors on December 5, 2013, Mr. DiQuinzio explained that “the

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<sup>277</sup> WTCPUA Exhibit No. 2 (Joyce Direct), Exhibit JJJ-14.

<sup>278</sup> *Id.*, at WTCPUA00009502.

<sup>279</sup> TCMUD 12 Exhibit No. 1 (DiQuinzio Direct), JAD Exhibit 4 at 12 of 27, Section 4.01(e).

<sup>280</sup> Attachment A: WTCPUA Exhibit No. 3 (Stowe Direct) at Attachment E, p. 103-105 and WTCPUA Exhibit No. 2 (Joyce Direct), Exhibit JJJ-15 at page 15–17.

methodology that had been used would result in dramatic increases in the District's wholesale rates over the next few years.”<sup>281</sup> Similarly, Mr. DiQuinzio informed the TCMUD 13 Board on December 18, 2013 that although wholesale rates for 2014 had gone down, there were concerns that the methodology to calculate the rates had changed.<sup>282</sup>

The fact that the methodology used by the WTCPUA will result in significantly higher rates than under the previous methodology is established by WTCPUA's own documents admitted into evidence at the hearing. In Ms. Heddin's letter to the WTCPUA Board, in which she was “proposing a methodology,” she recommended that “the Agency assesses a monthly minimum bill schedule that **escalates annually**, recovering the same net present value for the allocated customer costs for wholesale customers who do not have the existing consumption and customer base to reasonably absorb the impact.”<sup>283</sup> In her recommendation to the Board, Ms. Heddin also explained that “this escalating fee . . . would not be subject to amendment except for instances where the Agency refunds its bonds.”<sup>284</sup>

The resultant impact of the proposed new methodology to the wholesale customers is outlined on Ms. Heddin's Schedule 1.<sup>285</sup> Schedule 1, titled “Comparison of Current Structure versus Proposed Wholesale Billing Structure” shows that Ms. Heddin's new rate methodology in comparison to WTCPUA's 2013 rate methodology would have more than doubled (i.e., 118% increase) TCMUD 12's cost.<sup>286</sup> WTCPUA's 2014 rate study acknowledges that overall, the new methodology will lead to an increase in revenues for the WTCPUA: “Wholesale Water Sale Revenues are budgeted to increase for FY 2014 due to proposed changes in wholesale customer rate and rate structure and projected wholesale customer growth.”<sup>287</sup> As Mr. Joyce testified at the hearing on the merits, the WTCPUA presented TCMUD 12 with a schedule of Monthly Charges that shows (after a slight decrease in the first year) a dramatic increase in TCMUD 12's

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<sup>281</sup> WTCPUA Exhibit No.13 (TCMUD 12's Responses to WTC PUA RFI 2-4), Bates Stamp TCMUD 12-07 (original page 7 of 250), 4th paragraph.

<sup>282</sup> *Id.*, Bates Stamp TCMUD 12-0115 (original page 115 of 250), bottom of first paragraph.

<sup>283</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R9 at WTCPUA00012018 (WTCPUA Response to TCMUD 12 RFI RFP 1-5 & 1-7, Letter from Water Resources Management, LLC to WTCPUA Board President Larry Fox dated March 12, 2013), Recommendation No. 2 (emphasis added).

<sup>284</sup> TCMUD 12 Exhibit No. 5 (Joyce Rebuttal) at JJJ Exhibit R9 at WTCPUA00012018 (emphasis in original).

<sup>285</sup> *Id.*, at JJJ Exhibit R9 at WTCPUA00012017.

<sup>286</sup> *Id.*, at JJJ Exhibit R9 at WTCPUA00012020

<sup>287</sup> *Id.*, at JJJ Exh. R29 WTCPUA Budget FYE 2014, page 22.

Monthly Charge over the next 25 years with a significant escalating Monthly Charge from year to year.<sup>288</sup>

The manner in which the new methodology was implemented also suggests that the WTCPUA abused its monopoly power. The new methodology was first proposed by Ms. Heddin in her letter to the WTCPUA Board on March 12, 2013. By May 2013, Ms. Heddin's proposal had been formalized and implemented into the draft contract amendment sent to the wholesale customers on May 14, 2013.<sup>289</sup> That amendment contains the formula<sup>290</sup> by which the monthly charge is computed as well as the definitions and explanations of the pertinent terms used in the formula as discussed above.<sup>291</sup> On November 21, 2013 the WTCPUA adopted a contract amendment form, which is attached to Mr. Rauschuber's testimony as Attachment Q.<sup>292</sup> A comparison of the May 2013 contract amendment form (Rauschuber Attachment P) and the November 2013 contract amendment form (Rauschuber Attachment Q) confirms that the formulas and definitions used in both are nearly identical. At the hearing on the merits, Mr. Rauschuber testified that the draft form agreement adopted by the WTCPUA Board in November 2013 is in essence the same form agreement that was proposed to the wholesale customers in May 2013.<sup>293</sup> Once proposed by the WTCPUA in March, the new rate methodology went unchanged until its formal adoption in November.

Furthermore, as has been shown above, the methodology used to compute the Protested Rates is the same methodology contained in the November 2013 form contract amendment—even though TCMUD 12 did not enter into the contract amendment. Applying this rate methodology to TCMUD 12 demonstrates that the WTCPUA has the ability to, and in this case actually did, impose control over the prices charged to wholesale customers who do not have a viable option other than to continue receiving services from the WTCPUA.

In adopting the wholesale water rules and the bifurcated process, the commission (TCEQ) acknowledged the importance of rate methodologies set by contract, by imposing on itself a

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<sup>288</sup> TR. at 178:10–179:16; also Tr. at 186:4–8.

<sup>289</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), Attachment P (May 14, 2013, email and draft Amendment Form).

<sup>290</sup> {Annual Allocated Debt Service Payment + (25% times coverage \* Annual Allocated Debt Service Payment) – (Effective Impact Fee Credit \* Annual Debt Service Payment)}/12 months.

<sup>291</sup> WTCPUA Exhibit No. 1 (Rauschuber Direct), Attachment P (May 14, 2013, email and draft Amendment Form).

<sup>292</sup> *Id.*, Attachment Q.

<sup>293</sup> Tr. at 482:20–483:6.

mandatory requirement to rely on contractual methodologies if reasonable, when calculating the cost of service in the 2<sup>nd</sup> phase of a bifurcated hearing.<sup>294</sup> The methodology used by the WTCPUA to compute the 2014 protested rates represents a significant change from the previous methodology used to compute wholesale water rates.

In drafting the Public Interest rule, the commission stated that it “has found it difficult indeed to anticipate all the possible disputes which could arise and to give guidance, to the extent possible, concerning how the commission will determine the public interest.”<sup>295</sup> The methodology used to calculate the protested rate in this case, however, presents a list of transgressions that leave no doubt that the protested rate violates the public interest. The methodology used to compute the Protested Rate TCMUD 12 is being charged is: different from that used to compute the prior rates; results in rates that deny TCMUD 12 the benefit of the contract it originally bargained for; is essentially the application of a methodology that was proposed in March 2013 despite there being concerns and objections voiced by the wholesale customers between March and November; and is being applied to entities that never agreed to the methodology through an amendment to their Wholesale Water Services Agreement. The WTCPUA has changed its methodology and has done so by exercising its disparate bargaining power which enabled it to abuse its monopoly power over a wholesale purchaser that has no alternatives to the WTCPUA. As such, the Protested Rates are not in the public interest and should be subject to the scrutiny of a Cost of Service Hearing.

## VIII TRANSCRIPTION COSTS

The official transcription for the Prehearing Conference and the three days of the Hearing on the Merits was paid for by TCMUD 12 at a cost of \$5,434.70, as shown on Attachment D. The cost of the original transcript and copies for the ALJ and PUC only, was \$3,545.36. Under the TCEQ Hearing Rules, specifically 30 Tex. Admin. Code § 80.23, the parties to the case may be allocated a portion of the transcription costs. Although 30 Tex. Admin. Code § 80.23 is no longer applicable to this case, the ALJ anticipated the transfer from TCEQ to the PUC and ordered in SOAH Order No. 1 that “when the Commission *or the PUC* makes a final decision in this case, the costs of the recording and transcription shall be allocated among the parties in

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<sup>294</sup> See Preamble at 6230, left column, second para. And see PUC SUBST. R. 24.135(a) “shall rely” (not “may rely”).

<sup>295</sup> Preamble at 6228, 6229 (top of right column).



accordance to 30 Tex. Admin. Code § 80.23.” TCMUD 12 therefore requests, in accordance with SOAH Order No. 1, that each party to this case, with the exception of the PUC Staff, be allocated an equal share of the transcription costs (i.e., \$709.07 each).

## **IX. CONCLUSION AND PRAYER**

TCMUD 12 entered into a 40 year Wholesale Water Services Agreement with LCRA because LCRA was the only provider of wholesale water services that was capable of providing the potable water services needed by The Highlands. The three Participating Entities, City of Bee Cave, Hays County and TCMUD No. 5, *chose* to create the WTCPUA. The WTCPUA was created in order to, and affirmatively *chose* to, acquire LCRA’s West Travis County Water System. That choice included *choosing* to serve LCRA’s wholesale water services customers. That LCRA was a monopoly was affirmed in WTCPUA’s own words. TCMUD 12, on the other hand, did *not choose* WTCPUA as its wholesale water service provider, but instead was required to not unreasonably refuse to consent to the transfer of its Wholesale Water Services Agreement to WTCPUA. TCMUD 12 also had *no choice* other than continuing to take and pay for service from the West Travis County Water System operated by WTCPUA because that service was necessary to the Districts’ continued ability to serve their retail water customers in The Highlands. WTCPUA and its participating entities operate as a monopoly, and exercise exclusive control over all, or nearly all, of the supply and the price of wholesale water service in the area in which TCMUD 12 operates. WTCPUA is also by definition a monopoly under Water Code § 13.001(b).

At the time WTCPUA stepped into LCRA’s “monopolistic” shoes and became TCMUD 12’s wholesale water service provider, TCMUD 12 could not have avoided the rates WTCPUA chose to impose on LCRA’s former wholesale customers, even if it had refused to consent to the transfer of the contract to WTCPUA. At the time WTCPUA made the rate decision complained of herein, TCMUD 12 could not have obtained wholesale water service from an alternative provider because no alternative provider existed. If a hypothetical alternative water service provider materialized, the cost of and problems associated with switching to another provider would have been unreasonable.

As a result of the absence of any alternative wholesale water service providers, WTCPUA was able to change its wholesale water service rates and computation methodologies

with impunity, secure in the knowledge that TCMUD 12 had no ability to switch to another provider and that TCMUD 12 had to have potable water to serve The Highlands' retail customers. This disparate bargaining power enabled WTCPUA to abuse its monopoly power as evidenced by the changes to the methodologies for computing its water revenue requirement and the wholesale water services rates charged to TCMUD 12. The record is replete with WTCPUA's representatives referring to the new, proposed, or changed methodology. But if there is any doubt that WTCPUA's changed the computational methodologies to arrive at the Protested Rates, its own rate analysis and form contract amendment explain the changes in detail. The new rate methodology adopted by WTCPUA was designed to dramatically increase TCMUD 12's wholesale rates over the next 30 years and that escalating fee was not subject to amendment (unless WTCPUA refunded its bonds). TCMUD 12 had no meaningful opportunity to influence WTCPUA's decision to change to the new methodologies for calculating the revenue requirement and rates that are protested here. WTCPUA's exercise of its disparate bargaining power and changing the methodologies for computing the revenue requirement and rate constitute "substantial breaches of the public interest."

For the reasons set forth herein, TCMUD 12 respectfully prays that the SOAH ALJ find that WTCPUA's protested rates evidence its abuse of monopoly power that adversely affects the public interest, and recommend that the Commission so find and then remand this matter to SOAH for an evidentiary hearing on WTCPUA's rates.

Respectfully Submitted,

**SMITH TROSTLE & HUERTA LLP**

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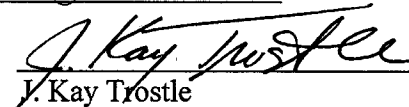
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By:



J. Kay Trostle

State Bar No. 20238300

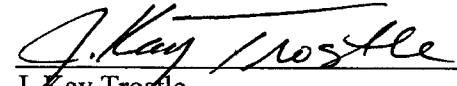
Miguel A. Huerta

State Bar No. 00787733

**ATTORNEYS FOR TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 12**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 26<sup>th</sup> day of June 2015 a true and correct copy of the above and foregoing document is being served via electronic mail, facsimile, U.S. mail and/or hand delivery to all parties of record.

  
\_\_\_\_\_  
J. Kay Trostle

# ATTACHMENT A

West Travis County Public Utility Agency  
FY2014 Wholesale Customer Minimum Bill Analysis

Sample: Individual Capital Amortization Schedule

Travis County MUD #12 (Rough Hollow)  
Series 2013 Debt Payment Schedule

	Series 2013	Series 2015	Series 2019	Total
Effective Interest Rate	4.89%	5.00%	5.00%	
Capital Cost Allocation	\$ 10,783,804	\$ 1,410,732	\$ 1,072,587	\$ 13,767,114
Plus Reserves	691,490	81,769	69,773	854,033
Plus Insurance Costs (2%)	229,526	30,050	22,847	282,423
Capital Cost Allocation	\$ 11,705,820	\$ 1,532,541	\$ 1,165,208	\$ 14,403,569
Build-out LUEs	1,750			
Current LUEs (January 2013)	95			
Annual Payment per LUE	\$ 549	\$ 68	\$ 46	\$ 663
Effective Impact Fee Credit	17%			

Series 2013	Projected LUEs	Beginning Balance	Interest Expense	Subtotal	Total Annual Debt Payment*	Ending Balance	Annual Minimum Bill Paid to PUA	Monthly Minimum per LUE
2014	165	\$ 11,705,820	\$ 572,061	\$ 12,277,881	\$ 90,654	\$ 12,187,227	\$ 97,690.68	\$ 49.34
2015	340	\$ 12,187,227	\$ 595,587	\$ 12,782,814	\$ 186,802	\$ 12,596,012	\$ 201,302.01	\$ 49.34
2016	515	\$ 12,596,012	\$ 615,364	\$ 13,211,376	\$ 282,949	\$ 12,928,427	\$ 304,913.33	\$ 49.34
2017	690	\$ 12,928,427	\$ 631,819	\$ 13,560,245	\$ 378,097	\$ 13,181,348	\$ 408,524.66	\$ 49.34
2018	865	\$ 13,181,348	\$ 644,169	\$ 13,825,517	\$ 475,245	\$ 13,350,272	\$ 512,135.99	\$ 49.34
2019	1,040	\$ 13,350,272	\$ 652,424	\$ 14,002,697	\$ 571,393	\$ 13,431,304	\$ 615,747.31	\$ 49.34
2020	1,215	\$ 13,431,304	\$ 656,384	\$ 14,087,688	\$ 667,541	\$ 13,420,147	\$ 719,358.64	\$ 49.34
2021	1,390	\$ 13,420,147	\$ 655,839	\$ 14,075,987	\$ 763,689	\$ 13,312,298	\$ 822,969.97	\$ 49.34
2022	1,565	\$ 13,312,298	\$ 650,569	\$ 13,962,867	\$ 859,837	\$ 13,103,030	\$ 926,581.29	\$ 49.34
2023	1,740	\$ 13,103,030	\$ 640,342	\$ 13,743,372	\$ 955,984	\$ 12,787,387	\$ 1,030,192.62	\$ 49.34
2024	1,750	\$ 12,787,387	\$ 624,936	\$ 13,412,324	\$ 961,479	\$ 12,450,845	\$ 1,036,113.27	\$ 49.34
2025	1,750	\$ 12,450,845	\$ 608,469	\$ 13,059,314	\$ 961,479	\$ 12,097,835	\$ 1,036,113.27	\$ 49.34
2026	1,750	\$ 12,097,835	\$ 593,217	\$ 12,691,052	\$ 961,479	\$ 11,727,554	\$ 1,036,113.27	\$ 49.34
2027	1,750	\$ 11,727,554	\$ 573,123	\$ 12,300,677	\$ 961,479	\$ 11,335,198	\$ 1,036,113.27	\$ 49.34
2028	1,750	\$ 11,335,198	\$ 554,144	\$ 11,889,342	\$ 961,479	\$ 10,931,863	\$ 1,036,113.27	\$ 49.34
2029	1,750	\$ 10,931,863	\$ 534,237	\$ 11,466,101	\$ 961,479	\$ 10,504,622	\$ 1,036,113.27	\$ 49.34
2030	1,750	\$ 10,504,622	\$ 513,358	\$ 11,017,980	\$ 961,479	\$ 10,056,502	\$ 1,036,113.27	\$ 49.34
2031	1,750	\$ 10,056,502	\$ 491,459	\$ 10,547,961	\$ 961,479	\$ 9,586,482	\$ 1,036,113.27	\$ 49.34
2032	1,750	\$ 9,586,482	\$ 468,489	\$ 10,054,971	\$ 961,479	\$ 9,093,492	\$ 1,036,113.27	\$ 49.34
2033	1,750	\$ 9,093,492	\$ 444,397	\$ 9,537,889	\$ 961,479	\$ 8,576,410	\$ 1,036,113.27	\$ 49.34
2034	1,750	\$ 8,576,410	\$ 419,127	\$ 8,995,537	\$ 961,479	\$ 8,034,059	\$ 1,036,113.27	\$ 49.34
2035	1,750	\$ 8,034,059	\$ 392,622	\$ 8,426,681	\$ 961,479	\$ 7,465,203	\$ 1,036,113.27	\$ 49.34
2036	1,750	\$ 7,465,203	\$ 364,823	\$ 7,830,025	\$ 961,479	\$ 6,868,547	\$ 1,036,113.27	\$ 49.34
2037	1,750	\$ 6,868,547	\$ 335,664	\$ 7,204,211	\$ 961,479	\$ 6,242,732	\$ 1,036,113.27	\$ 49.34
2038	1,750	\$ 6,242,732	\$ 305,081	\$ 6,547,813	\$ 961,479	\$ 5,586,334	\$ 1,036,113.27	\$ 49.34
2039	1,750	\$ 5,586,334	\$ 273,003	\$ 5,859,337	\$ 961,479	\$ 4,897,859	\$ 1,036,113.27	\$ 49.34
2040	1,750	\$ 4,897,859	\$ 239,257	\$ 5,137,216	\$ 961,479	\$ 4,175,737	\$ 1,036,113.27	\$ 49.34
2041	1,750	\$ 4,175,737	\$ 204,067	\$ 4,379,804	\$ 961,479	\$ 3,418,326	\$ 1,036,113.27	\$ 49.34
2042	1,750	\$ 3,418,326	\$ 167,053	\$ 3,585,378	\$ 961,479	\$ 2,623,900	\$ 1,036,113.27	\$ 49.34
2043	1,750	\$ 2,623,900	\$ 128,229	\$ 2,752,129	\$ 961,479	\$ 1,790,651	\$ 1,036,113.27	\$ 49.34
2044	1,750	\$ 1,790,651	\$ 87,509	\$ 1,878,159	\$ 961,479	\$ 916,681	\$ 1,036,113.27	\$ 49.34
2045	1,750	\$ 916,681	\$ 44,798	\$ 961,479	\$ 961,479	\$ 0	\$ 1,036,113.27	\$ 49.34
2046	1,750							
2047	1,750							
2048	1,750							

\*Used absorption for entire subdivision. However, Rough Hollow also has water from TCWCID#17. As such minimum per LUE is the average minimum across all LUE's just for the PUA portion of costs

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

# ATTACHMENT A

Series 2015	Beginning Balance	Interest Expense	Subtotal	Total Annual Debt Payment*	Ending Balance	Annual Minimum Bill Paid to PUA	Monthly Minimum PMT LUE
2024							
2015							
2016	\$ 1,532,541	\$ 76,627	\$ 1,609,169	\$ 34,939	\$ 1,574,229	\$ 37,651.40	\$ 6.09
2017	\$ 1,574,229	\$ 78,711	\$ 1,652,941	\$ 46,812	\$ 1,606,129	\$ 50,445.57	\$ 6.09
2018	\$ 1,606,129	\$ 80,106	\$ 1,686,235	\$ 58,684	\$ 1,627,551	\$ 63,239.73	\$ 6.09
2019	\$ 1,627,551	\$ 81,168	\$ 1,708,719	\$ 70,557	\$ 1,638,162	\$ 76,033.90	\$ 6.09
2020	\$ 1,638,162	\$ 81,529	\$ 1,720,111	\$ 82,429	\$ 1,638,081	\$ 88,828.06	\$ 6.09
2021	\$ 1,638,081	\$ 81,904	\$ 1,719,985	\$ 94,302	\$ 1,625,683	\$ 101,622.23	\$ 6.09
2022	\$ 1,625,683	\$ 81,284	\$ 1,706,967	\$ 106,175	\$ 1,600,793	\$ 114,416.39	\$ 6.09
2023	\$ 1,600,793	\$ 80,040	\$ 1,680,832	\$ 118,047	\$ 1,562,785	\$ 127,210.56	\$ 6.09
2024	\$ 1,562,785	\$ 78,139	\$ 1,640,925	\$ 118,726	\$ 1,522,199	\$ 127,941.65	\$ 6.09
2025	\$ 1,522,199	\$ 76,110	\$ 1,598,309	\$ 118,726	\$ 1,479,583	\$ 127,941.65	\$ 6.09
2026	\$ 1,479,583	\$ 73,979	\$ 1,553,562	\$ 118,726	\$ 1,434,837	\$ 127,941.65	\$ 6.09
2027	\$ 1,434,837	\$ 71,742	\$ 1,506,579	\$ 118,726	\$ 1,387,853	\$ 127,941.65	\$ 6.09
2028	\$ 1,387,853	\$ 69,393	\$ 1,457,246	\$ 118,726	\$ 1,338,520	\$ 127,941.65	\$ 6.09
2029	\$ 1,338,520	\$ 66,924	\$ 1,405,446	\$ 118,726	\$ 1,286,721	\$ 127,941.65	\$ 6.09
2030	\$ 1,286,721	\$ 64,336	\$ 1,351,057	\$ 118,726	\$ 1,232,331	\$ 127,941.65	\$ 6.09
2031	\$ 1,232,331	\$ 61,617	\$ 1,293,948	\$ 118,726	\$ 1,175,222	\$ 127,941.65	\$ 6.09
2032	\$ 1,175,222	\$ 58,761	\$ 1,233,983	\$ 118,726	\$ 1,115,258	\$ 127,941.65	\$ 6.09
2033	\$ 1,115,258	\$ 55,763	\$ 1,171,020	\$ 118,726	\$ 1,052,295	\$ 127,941.65	\$ 6.09
2034	\$ 1,052,295	\$ 52,615	\$ 1,104,910	\$ 118,726	\$ 986,184	\$ 127,941.65	\$ 6.09
2035	\$ 986,184	\$ 49,309	\$ 1,035,493	\$ 118,726	\$ 916,768	\$ 127,941.65	\$ 6.09
2036	\$ 916,768	\$ 45,838	\$ 962,606	\$ 118,726	\$ 843,880	\$ 127,941.65	\$ 6.09
2037	\$ 843,880	\$ 42,194	\$ 886,074	\$ 118,726	\$ 767,349	\$ 127,941.65	\$ 6.09
2038	\$ 767,349	\$ 38,367	\$ 805,716	\$ 118,726	\$ 686,991	\$ 127,941.65	\$ 6.09
2039	\$ 686,991	\$ 34,350	\$ 721,340	\$ 118,726	\$ 602,615	\$ 127,941.65	\$ 6.09
2040	\$ 602,615	\$ 30,131	\$ 632,745	\$ 118,726	\$ 514,020	\$ 127,941.65	\$ 6.09
2041	\$ 514,020	\$ 25,701	\$ 539,721	\$ 118,726	\$ 420,995	\$ 127,941.65	\$ 6.09
2042	\$ 420,995	\$ 21,050	\$ 442,045	\$ 118,726	\$ 323,319	\$ 127,941.65	\$ 6.09
2043	\$ 323,319	\$ 16,166	\$ 339,485	\$ 118,726	\$ 220,760	\$ 127,941.65	\$ 6.09
2044	\$ 220,760	\$ 11,018	\$ 231,798	\$ 118,726	\$ 113,072	\$ 127,941.65	\$ 6.09
2045	\$ 113,072	\$ 5,654	\$ 118,726	\$ 118,726	\$ [0]	\$ 127,941.65	\$ 6.09
2046							
2047							
2048							

1.

# ATTACHMENT A

Series 2019	Beginning Balance	Interest Expense	Subtotal	Total Annual Debt Payment*	Ending Balance	Annual Minimum Bill Paid to PUA	Monthly Minimum per LUE			Total Annual Debt Payment*	Annual Minimum Bill Paid to PUA	Monthly Minimum per LUE
2014										2014 \$ 90,654	\$ 87,690.68	\$ 49.34
2015										2015 \$ 116,402	\$ 101,302.01	\$ 49.34
2016										2016 \$ 317,689	\$ 342,564.73	\$ 55.43
2017										2017 \$ 425,909	\$ 458,910.23	\$ 55.43
2018										2018 \$ 532,930	\$ 575,375.72	\$ 55.43
2019	\$ 1,165,208	\$ 58,250	\$ 1,223,458	\$ 47,956	\$ 1,175,512	\$ 51,678.61	\$ 4.14			2019 \$ 689,906	\$ 743,459.82	\$ 59.57
2020	\$ 1,175,512	\$ 58,776	\$ 1,234,288	\$ 56,026	\$ 1,178,262	\$ 60,374.53	\$ 4.14			2020 \$ 805,996	\$ 868,561.23	\$ 59.57
2021	\$ 1,178,262	\$ 58,913	\$ 1,237,175	\$ 64,095	\$ 1,179,080	\$ 69,070.44	\$ 4.14			2021 \$ 922,086	\$ 993,662.64	\$ 59.57
2022	\$ 1,173,080	\$ 58,654	\$ 1,231,734	\$ 72,165	\$ 1,159,570	\$ 77,766.36	\$ 4.14			2022 \$ 1,038,176	\$ 1,118,764.05	\$ 59.57
2023	\$ 1,159,570	\$ 57,978	\$ 1,217,548	\$ 80,234	\$ 1,137,314	\$ 86,462.28	\$ 4.14			2023 \$ 1,154,266	\$ 1,249,865.46	\$ 59.57
2024	\$ 1,137,314	\$ 56,866	\$ 1,194,180	\$ 88,693	\$ 1,113,485	\$ 86,959.19	\$ 4.14			2024 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2025	\$ 1,113,485	\$ 55,674	\$ 1,169,159	\$ 88,693	\$ 1,088,464	\$ 86,959.19	\$ 4.14			2025 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2026	\$ 1,088,464	\$ 54,423	\$ 1,142,887	\$ 88,693	\$ 1,067,192	\$ 86,959.19	\$ 4.14			2026 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2027	\$ 1,067,192	\$ 53,110	\$ 1,115,301	\$ 88,693	\$ 1,034,606	\$ 86,959.19	\$ 4.14			2027 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2028	\$ 1,034,606	\$ 51,730	\$ 1,086,336	\$ 88,693	\$ 1,005,641	\$ 86,959.19	\$ 4.14			2028 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2029	\$ 1,005,641	\$ 50,282	\$ 1,055,923	\$ 88,693	\$ 975,228	\$ 86,959.19	\$ 4.14			2029 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2030	\$ 975,228	\$ 48,761	\$ 1,023,989	\$ 88,693	\$ 943,294	\$ 86,959.19	\$ 4.14			2030 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2031	\$ 943,294	\$ 47,165	\$ 990,459	\$ 88,693	\$ 909,763	\$ 86,959.19	\$ 4.14			2031 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2032	\$ 909,763	\$ 45,488	\$ 955,252	\$ 88,693	\$ 874,556	\$ 86,959.19	\$ 4.14			2032 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2033	\$ 874,556	\$ 43,728	\$ 918,284	\$ 88,693	\$ 837,589	\$ 86,959.19	\$ 4.14			2033 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2034	\$ 837,589	\$ 41,879	\$ 879,468	\$ 88,693	\$ 798,773	\$ 86,959.19	\$ 4.14			2034 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2035	\$ 798,773	\$ 39,939	\$ 838,712	\$ 88,693	\$ 758,017	\$ 86,959.19	\$ 4.14			2035 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2036	\$ 758,017	\$ 37,901	\$ 795,917	\$ 88,693	\$ 715,222	\$ 86,959.19	\$ 4.14			2036 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2037	\$ 715,222	\$ 35,761	\$ 750,983	\$ 88,693	\$ 670,288	\$ 86,959.19	\$ 4.14			2037 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2038	\$ 670,288	\$ 33,514	\$ 703,802	\$ 88,693	\$ 623,107	\$ 86,959.19	\$ 4.14			2038 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2039	\$ 623,107	\$ 31,155	\$ 654,263	\$ 88,693	\$ 573,567	\$ 86,959.19	\$ 4.14			2039 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2040	\$ 573,567	\$ 28,678	\$ 602,246	\$ 88,693	\$ 521,550	\$ 86,959.19	\$ 4.14			2040 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2041	\$ 521,550	\$ 26,078	\$ 547,628	\$ 88,693	\$ 466,933	\$ 86,959.19	\$ 4.14			2041 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2042	\$ 466,933	\$ 23,347	\$ 490,279	\$ 88,693	\$ 409,584	\$ 86,959.19	\$ 4.14			2042 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2043	\$ 409,584	\$ 20,479	\$ 430,063	\$ 88,693	\$ 349,368	\$ 86,959.19	\$ 4.14			2043 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2044	\$ 349,368	\$ 17,468	\$ 366,837	\$ 88,693	\$ 286,141	\$ 86,959.19	\$ 4.14			2044 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2045	\$ 286,141	\$ 14,307	\$ 300,448	\$ 88,693	\$ 219,753	\$ 86,959.19	\$ 4.14			2045 \$ 1,160,899	\$ 1,251,014.11	\$ 59.57
2046	\$ 219,753	\$ 10,988	\$ 230,741	\$ 88,693	\$ 150,046	\$ 86,959.19	\$ 4.14			2046 \$ 88,693	\$ 86,959.19	\$ 4.14
2047	\$ 150,046	\$ 7,502	\$ 157,548	\$ 88,693	\$ 76,853	\$ 86,959.19	\$ 4.14			2047 \$ 88,693	\$ 86,959.19	\$ 4.14
2048	\$ 76,853	\$ 3,643	\$ 80,695	\$ 88,693	\$ (0)	\$ 86,959.19	\$ 4.14			2048 \$ 88,693	\$ 86,959.19	\$ 4.14

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

**TCMUD 12 INITIAL BREIF  
ATTACHMENT B**

**MAJOR PROCEDURAL EVENTS IN CASE**

March 6, 2014	TCMUD 12 Petition filed.
March 27, 2014	TCEQ Notice of Referral to SOAH
April 11, 2014	WTCPUA Response to Petition
April 28, 2014	SOAH Request to Docket and Confirmation of Hearing Scheduled for June 11, 2014
June 12, 14	SOAH Order 1 – Setting Case Schedule and Procedures
June 30, 2014	WTCPUA Motion for Clarification of Order 1
July 1, 2014	SOAH Order 2 – Granting Motion for Clarification
July 14, 2014	Discovery begins
August 15, 2014	Deadline for requests for disclosure
September 1, 2014	Jurisdiction transferred from Texas Commission on Environmental Quality to Public Utility Commission of Texas
September 4, 2014	Nunc Pro Tunc SOAH Order 3 – Regarding Transfer of Jurisdiction, Change of Docket Numbers, and Prehearing Conference.
September 5, 2014	Staff Notice of Change of Contact Information
September 11, 2014	Prehearing conference to consider necessary adjustments due to transfer of jurisdiction
September 12, 2014	TCMUD 12 Motion Amending Jurisdictional Claim & TCEQ's ED Motion to Withdraw
September 18, 2014	SOAH Order 4 – Memorializing PHC, Granting Motion to Amend Jurisdictional Claim, and Granting Motion to Withdraw
September 19, 2014	TCMUD 12 Motion for Adoption of Protective Order
September 26, 2014	WTCPUA Response to Motion for Adoption of Protective Order
September 30, 2014	SOAH Order 5 – Granting Motion for Adoption of Protective Order
September 30, 2014	SOAH Order 6 – Granting In Part & Denying in Part Motion to Compel
October 10, 2014	TCMUD 12 Interim Appeal of SOAH Order 6
October 17, 2014	WTCPUA Response to TCMUD 12 Interim Appeal of Order 6–
October 31, 2014	TCMUD 12 Direct Testimony Filed

November 5, 2014	SOAH Order 9 – Ruling on Motions to Determine Sufficiency and Motion to Compel
November 24, 2014	Order Granting TCMUD's Appeal of SOAH Order No. 6
December 1, 2014	WTCPUA Motion to Abate and Modify Procedural Schedule
December 2, 2014	TCMUD 12 Response to WTCPUA Motion to Abate and Modify Procedural Schedule
December 4, 2014	Staff Response to WTCPUA Motion to Abate and Modify Procedural Schedule
December 4, 2014	SOAH Order 10 Granting in Part and Denying in Part Motion to Abate and Modify Schedule
December 19, 2014	WTCPUA Direct Testimony Filed
January 9, 2015	Unopposed Motion to Change Date for Start of Hearing
January 12, 2015	SOAH Order 11 – Granting Motion to Change Date for Start of Hearing
February 6, 2015	PUC Staff Direct Testimony Filed
March 6, 2015	Discovery on TCMUD 12 direct case ends
March 6, 2015	WTCPUA Motion for Partial Summary Decision
March 11, 2015	TCMUD 12 Agreed Motion to Modify the Procedural Schedule
March 12, 2015	SOAH Order 12 – Granting Motion to Modify the Procedural Schedule
March 17, 2015	Objections and Motions to Strike Direct Testimony filed
March 18, 2015	TCMUD 12 Response to WTCPUA Motion for Partial Summary Decision
March 18, 2015	Staff Response to WTCPUA Motion for Partial Summary Decision
March 24, 2015	TCMUD Rebuttal Testimony filed
March 25, 2015	SOAH Order 13 – Granting Part & Denying Part of Motion for Partial Summary Disposition
March 26, 2015	WTCPUA Agreed Motion to Modify the Procedural Schedule
March 27, 2015	SOAH Order 14 – Granting Motion to Modify the Procedural Schedule
March 31, 2015	Responses to Objections and Motions to Strike Direct Testimony
April 8, 2015	WTCPUA's Objections and Motions to Strike Rebuttal Testimony
April 9, 2015	TCMUD 12's Response to WTCPUA's Objections and Motions to Strike Rebuttal Testimony
April 13, 2015	Prehearing Conference
April 15, 2015	SOAH Order 15 – Granting Revised Motion to Compel and Ruling on Objections to Prefiled Evidence



April 17, 2015	SOAH Order 16 – Ruling on Objections to Prefiled Rebuttal Evidence
April 21-23, 2015	Hearing on the Merits
May 1, 2015	SOAH Order 17 – Setting out Post-Hearing Schedule and Briefing Outline
June 26, 2015	Initial Closing Briefs Filed
August 3, 2015	Reply Briefs Due

## ATTACHMENT C – Minimum Bill Calculations

Final Analysis to set FY14 Minimum Bill for TCMUD 12:

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>1</sup>**

Hays County WCID #1 Second Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>2</sup>**

Hays County WCID #2 Second Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>3</sup>**

Hays County WCID #2 Third Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>4</sup>**

Reunion Ranch WCID First Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>5</sup>**

Reunion Ranch WCID Second Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>6</sup>**

Senna Hills MUD First Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>7</sup>**

Lazy Nine MUD First Contract Amendment Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>8</sup>**

Uplands Co. and Barton Creek West WSC First Amendment to First Revised Contract Schedule B (Annual Allocated Debt Service Payment):

**Total Annual Minimum Bill = Total Annual Payment + (Total Annual Payment \* 25% Times Coverage) – (Total Annual Payment \* Impact Fee Credit)<sup>9</sup>**

<sup>1</sup> TCMUD 12 Exhibit No. 2 (Joyce Direct), Exhibit JJ-15 at 14. See also, WTPCUA Exhibit No. (Stowe Direct), Exhibit E at WTPCUA000009767.

<sup>2</sup> TCMUD 12 Exhibit No. 7 at WTPCUA000003873.

<sup>3</sup> TCMUD 12 Exhibit No. 10 at WTPCUA000003885.

<sup>4</sup> TCMUD 12 Exhibit No. 12 at WTPCUA000006035.

<sup>5</sup> TCMUD 12 Exhibit No. 13 at WTPCUA000003861.

<sup>6</sup> TCMUD 12 Exhibit No. 15 at WTPCUA000003923.

<sup>7</sup> TCMUD 12 Exhibit No. 16 at WTPCUA000003851.

<sup>8</sup> TCMUD 12 Exhibit No. 18 at WTPCUA000003914.

<sup>9</sup> TCMUD 12 Exhibit No. 20 at WTPCUA000006027.

ATTACHMENT D  
Transcript Cost Breakdown

Volume	Date	Service	"Orig + 3" Copy Cost	"Other Party" Copy Cost	Difference <sup>1</sup>
PHC	4-13-15	Daily	12.85 x 27pgs = 346.95 Admin Fee <u>30.00</u> <b>Total Cost     \$376.95</b>	4.28 x 27pgs = 115.56 Admin Fee <u>30.00</u> <b>Total Cost     \$145.56</b>	\$231.39
HOM-1	4-21-15	Intermediate	7.75 x 263pgs = 2,038.25 Admin Fee <u>30.00</u> <b>Total Cost     \$2,068.25</b>	2.58 x 263pgs = 678.54 Admin Fee <u>30.00</u> <b>Total Cost     \$708.54</b>	\$1,359.71
HOM-2	4-22-15	Intermediate	7.75 x 173pgs = 1,340.75 Admin Fee <u>30.00</u> <b>Total Cost     \$1,370.75</b>	2.58 x 173pgs = 446.34 Admin Fee <u>30.00</u> <b>Total Cost     \$476.34</b>	\$894.41
HOM-3	4-23-15	Intermediate	7.75 x 205pgs = 1,588.75 Admin Fee <u>30.00</u> <b>Total Cost     \$1,618.75</b>	2.58 x 205pgs = 528.90 Admin Fee <u>30.00</u> <b>Total Cost     \$558.90</b>	\$1,059.85
			\$5,434.70	\$1,889.34	\$3,545.36/ 5 = \$709.07/party

<sup>1</sup> Cost of production of an original transcript, a hard copy and a machine readable copy (CD) for filing at the PUC and copy for the Administrative Law Judge, but excluding TCMUD 12's copy.

# INVOICE



Kay Trostle  
Smith Trostle & Huerta, LLP  
4401 Westgate Blvd., Ste. 330  
Austin, TX 78745

Invoice No.	Invoice Date	Job No.
113111	4/17/2015	102552
Job Date	Case No.	
4/13/2015	SOAH 473-14-5144 PUC 42866	
Case Name		
Petition of Travis County Municipal Utility District		
Payment Terms		
Due upon receipt		

TRANSCRIPT FOR HEARING RE:				
Prehearing Conference				
Administration Fee				
27.00	Pages	@	12.85	346.95
1.00		@	30.00	30.00
<b>TOTAL DUE &gt;&gt;&gt;</b>				<b>\$376.95</b>
AFTER 5/17/2015 PAY				\$422.18
Invoice prepared for:				
KENNEDY REPORTING SERVICE				
Payment is NOT contingent upon client reimbursement.				
Please visit our website at <a href="http://www.crcnational.com/payment">www.crcnational.com/payment</a> for fast, safe and secure online invoice payment.				
Even if you don't have a PayPal account - just click on "Don't have a PayPal account."				
(-) Payments/Credits:				376.95
(+) Finance Charges/Debits:				45.23
(=) New Balance:				<b>\$0.00</b>

Tax ID: 76-0537648

Phone: 512-494-9500 Fax:

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Kay Trostle  
Smith Trostle & Huerta, LLP  
4401 Westgate Blvd., Ste. 330  
Austin, TX 78745

Invoice No. : 113111  
Invoice Date : 4/17/2015  
Total Due : \$0.00

Remit To: Court Reporters Clearinghouse, Inc.  
1225 North Loop West, Suite 327  
Houston, TX 77008

Job No. : 102552  
BU ID : KENNEDY  
Case No. : SOAH 473-14-5144 PUC 42866  
Case Name : Petition of Travis County Municipal Utility District

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Smith Trostle & Huerta, LLP  
4401 Westgate Blvd., Ste. 330  
Austin, TX 78745

<b>Invoice No.</b>	<b>Invoice Date</b>	<b>Job No.</b>
113470	4/30/2015	102553
<b>Job Date</b>	<b>Case No.</b>	
4/21/2015	SOAH 473-14-5144 PUC 42866	
<b>Case Name</b>		
Petition of Travis County Municipal Utility District		
<b>Payment Terms</b>		
Due upon receipt		

TRANSCRIPT FOR HEARING RE:				
Hearing on the Merits\Vol. 1				
Administration Fee				
263.00	Pages	@	7.75	2,038.25
1.00		@	30.00	30.00
<b>TOTAL DUE &gt;&gt;&gt;</b>				<b>\$2,068.25</b>
AFTER 5/30/2015 PAY				\$2,316.44
Invoice prepared for:				
KENNEDY REPORTING SERVICE				
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(-) Payments/Credits:				2,068.25
(+) Finance Charges/Debits:				248.19
(=) New Balance:				<b>\$0.00</b>

Tax ID: 76-0537648

Phone: 512-494-9500 Fax:

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Kay Trostle  
Smith Trostle & Huerta, LLP  
4401 Westgate Blvd., Ste. 330  
Austin, TX 78745

Invoice No. : 113470  
Invoice Date : 4/30/2015  
Total Due : \$0.00

Remit To: Court Reporters Clearinghouse, Inc.  
1225 North Loop West, Suite 327  
Houston, TX 77008

Job No. : 102553  
BU ID : KENNEDY  
Case No. : SOAH 473-14-5144 PUC 42866  
Case Name : Petition of Travis County Municipal Utility District

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Smith Trostle & Huerta, LLP  
4401 Westgate Blvd., Ste. 330  
Austin, TX 78745

<b>Invoice No.</b>	<b>Invoice Date</b>	<b>Job No.</b>
113519	4/30/2015	102554
<b>Job Date</b>	<b>Case No.</b>	
4/22/2015	SOAH 473-14-5144 PUC 42866	
<b>Case Name</b>		
Petition of Travis County Municipal Utility District		
<b>Payment Terms</b>		
Due upon receipt		

TRANSCRIPT FOR HEARING RE:				
Hearing on the Merits Vol. 2				
Administration Fee	173.00	Pages	@	7.75
	1.00		@	30.00
Rough Draft	11.00	Pages	@	1.50
				16.50
<b>TOTAL DUE &gt;&gt;&gt;</b>				<b>\$1,387.25</b>
AFTER 5/30/2015 - PAY				\$1,553.72

Invoice prepared for:  
KENNEDY REPORTING SERVICE

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<b>(-) Payments/Credits:</b>	1,387.25
<b>(+) Finance Charges/Debits:</b>	166.47
<b>(=) New Balance:</b>	<b>\$0.00</b>

Tax ID: 76-0537648

Phone: 512-494-9500 Fax:

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Smith Trostle & Huerta, LLP  
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Austin, TX 78745

Invoice No. : 113519  
Invoice Date : 4/30/2015  
Total Due : \$0.00

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1225 North Loop West, Suite 327  
Houston, TX 77008

Job No. : 102554  
BU ID : KENNEDY  
Case No. : SOAH 473-14-5144 PUC 42866  
Case Name : Petition of Travis County Municipal Utility District

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Austin, TX 78745

Invoice No.	Invoice Date	Job No.
113556	4/30/2015	102555
Job Date	Case No.	
4/23/2015	SOAH 473-14-5144 PUC 42866	
Case Name		
Petition of Travis County Municipal Utility District		
Payment Terms		
Due upon receipt		

TRANSCRIPT FOR HEARING RE:			
Hearing on the Merits(Vol. 3	205.00	Pages	@ 7.75 1,588.75
Administration Fee	1.00	@	30.00 30.00
<b>TOTAL DUE &gt;&gt;&gt;</b>			<b>\$1,618.75</b>
AFTER 5/30/2015 PAY			\$1,813.00
Invoice prepared for:			
KENNEDY REPORTING SERVICE			
Payment is NOT contingent upon client reimbursement.			
Please visit our website at <a href="http://www.crcnational.com/payment">www.crcnational.com/payment</a> for fast, safe and secure online invoice payment.			
Even if you don't have a PayPal account - just click on "Don't have a PayPal account."			
(-) Payments/Credits:			1,618.75
(+) Finance Charges/Debits:			194.25
(=) New Balance:			\$0.00

Tax ID: 76-0537648

Phone: 512-494-9500 Fax:

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Smith Trostle & Huerta, LLP  
4401 Westgate Blvd., Ste. 330  
Austin, TX 78745

Invoice No. : 113556  
Invoice Date : 4/30/2015  
Total Due : \$0.00

Remit To: Court Reporters Clearinghouse, Inc.  
1225 North Loop West, Suite 327  
Houston, TX 77008

Job No. : 102555  
BU ID : KENNEDY  
Case No. : SOAH 473-14-5144 PUC 42866  
Case Name : Petition of Travis County Municipal Utility District