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

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PUBLIC UTILITY COMMISSION
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PETITION OF TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT
NO. 12 APPEALING CHANGE OF
WHOLESALE WATER RATES
IMPLEMENTED BY WEST TRAVIS
COUNTY PUBLIC UTILITY
AGENCY, CITY OF BEE CAVE,
TEXAS HAYS COUNTY, TEXAS
AND WEST TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT
NO. 5

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

**WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY'S MOTION
TO DETERMINE THE SUFFICIENCY OF RESPONSES BY TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 12 TO REQUESTS FOR ADMISSION**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

The West Travis County Public Utility Agency ("**WTCPUA**") files this Motion to Determine the Sufficiency of Responses by Travis County Municipal Utility District No. 12 ("**TCMUD 12**") to Requests for Admission propounded by WTCPUA.

I. PROCEDURAL HISTORY

On September 17, 2014, the WTCPUA propounded Requests for Admission ("**RFA**") to TCMUD 12. On September 26, 2014, counsel for WTCPUA and TCMUD 12 conferred to clarify the requests. Thereafter, on October 8, 2014, TCMUD 12 provided its responses to the RFA. However, some of TCMUD 12's responses to the RFAs do not comply with the Public Utility Commission's ("**PUC**" or "**Commission**") procedural rules or the Texas Rules of Civil Procedure. Accordingly, WTCPUA files this motion to determine the sufficiency of the responses to the RFAs in accordance with the PUC procedural rules and the Texas Rules of Civil Procedure.

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II. MOTION TO DETERMINE SUFFICIENCY OF RESPONSES

Requests for admission of facts are required to be made in accordance with the Texas Rules of Civil Procedure.¹ The Texas Rules of Civil Procedure governing Responses to Requests for Admissions specifically requires that requests be either specifically admitted or denied.² The rule also provides that the responding party may qualify an answer *only* when good faith requires. The applicable rule provides:

Unless the responding party states an objection or asserts a privilege, the responding party *must specifically admit or deny* the request or explain in detail the reasons that the responding party cannot admit or deny the request. A response must fairly meet the substance of the request. The responding party may qualify an answer, or deny a request in part, *only when good faith requires*. Lack of information or knowledge is not a proper response unless the responding party states that a reasonable inquiry was made but that the information known or easily obtainable is insufficient to enable the responding party to admit or deny. An assertion that the request presents an issue for trial is not a proper response.³

TCMUD 12 did not object to any of the requests, but some of its responses do not contain an unqualified admission or denial, as required by Tex. R. Civ. Proc. 198.2, and certain responses have rephrased the requests such that the responses are evasive or incomplete.

Specifically, TCMUD 12's responses to the following RFAs are not in compliance with Rule 198.2: RFA 1-1, 1-2, 1-3, 1-4, 1-17, 1-46, 1-64, and 1-65. The RFA and TCMUD 12's responses to each of the RFAs subject to this Motion are included as Attachment A hereto.

The requests are straightforward questions without ambiguity; therefore, it is difficult to imagine that good faith requires rephrasing the requests or qualification of the responses. Further, by not objecting to the RFAs on the grounds that the requests were vague or otherwise

¹ P.U.C. PROC. R. 22.144(j).

² Tex. R. Civ. Proc. 198.2(b).

³ *Id.* Emphasis added.

in need of clarification, TCMUD 12 has waived any claim of vagueness, as well as the ability to unilaterally rephrase the request. For example, TCMUD 12 responded to RFA 1-1 as follows:

"RFA NO. 1-1:

Admit or deny that the utility basis is a methodology used to calculate the cost of service for an entity that provides Water Treatment Services.

RESPONSE:

Miguel A. Huerta, Counsel for TCMUD 12 conferred with David Klein and Georgia Crump, Counsel for the WTCPUA regarding this request. By agreement of Counsel, the phrase "Water Treatment Services" as used in this request, is used in its broadest sense, and only the first sentence in the definition of the term 'Water Treatment Services' as set forth in the Instructions to the discovery requests is applicable to this particular request.'

Admit that the utility basis is an approach that may be used to calculate the cost of service for a retail water utility."

There is no apparent reason that TCMUD 12 needed to restate the question asked, especially in light of the fact that counsel for TCMUD 12 had requested, and received, a clarification for the use of the defined term "Water Treatment Services." TCMUD 12 has not demonstrated that good faith required a rephrasing of the request in its response; its answer was evasive and should be treated as a failure to answer and thus be deemed admitted.⁴ The same issue is involved with RFA 1-2, 1-3, and 1-4.

With regard to RFA 1-17 and 1-46, TCMUD 12 qualified its responses in such a way as to make them non-responsive. Particularly with regard to RFA 1-17, in which TCMUD 12 was asked to admit or deny that it had consented to the assignment of responsibilities under a specific contract, instead of objecting to the form or vagueness of the request, TCMUD 12 undertook to provide a qualified answer that did not respond to the question asked.

⁴ *Taylor v. Taylor*, 747 S.W.2d 940, 945 (Tex. App. – Amarillo 1988, writ denied); *State v. Carrillo*, 885 S.W.2d 212, 216 (Tex. App. – San Antonio 1994, no writ).

Neither did TCMUD 12 respond to the question actually asked in RFA 1-46:

"RFA NO. 1-46:

Admit or deny that the wholesale water treatment rates charged by the PUA to MUD 12, as adopted by the PUA on November 21, 2013, do not impair MUD 12's ability to continue to providing water service to MUD 12's customers.

RESPONSE:

Admit in part and deny in part: the Monthly Charge (Minimum Bill) of \$8,140.89 and Volume Rate (Volumetric Rate) of \$2.11/1,000 gallons charged by the WTCPUA to TCMUD 12 pursuant to the PUA's 2013 Rate Order, does not currently impair TCMUD 12's ability to continue providing water service to TCMUD 12's retail customers. However, the term 'rate' includes the methodology used to set the rate, and therefore TCMUD 12 denies in part because the methodology utilized by the PUA to set the FYE 2014 rates will result in rate increases that would impair TCMUD 12's ability to continue providing water service to its customers."

The request clearly focuses on the present impact of the rates, as adopted on November 21, 2013, on TCMUD 12's ability to continue to provide water service to its customers. Instead of admitting or denying the statement in the request, TCMUD 12 changed the question to also inquire about the impact at some unknown date in the future on TCMUD 12's ability to serve its customers. As such, the response is insufficient.

With regard to RFAs 1-64 and 1-65, TCMUD 12 has impermissibly changed the wording of the requests and failed to respond to same. As noted in the responses, counsel for WTCPUA and TCMUD 12 conferred about these two requests, and reached an agreement that the word "approach" in the requests could be understood to also mean "methodology." Although not noted in the response, counsel also agreed that "Water Treatment Services," as used in the two requests, would be limited in definition to the first sentence of the definition in Attachment No. 1 to the RFAs, to-wit: "The term **"Water Treatment Services"** means treating raw water to a

potable water quality.” However, TCMUD 12 went a step further and apparently rephrased the requests to be identical to RFAs 1-1 and 1-2 *as previously impermissibly rephrased by TCMUD 12*, and failed to provide responses:

“RFA NO. 1-64:

Admit or deny that the utility approach is an approach to project total revenue requirements for an entity that provides Water Treatment Services.

RESPONSE:

Miguel A. Huerta, Counsel for TCMUD 12 conferred with David Klein and Georgia Crump, Counsel for the WTCPUA regarding this request. By agreement of Counsel, RFA 1-64 may be read as ‘Admit or deny that the utility basis is a methodology to project total revenue requirements for an entity that provides Water Treatment Services.’

This is identical to RFA 1-1 above; please see the response for RFA 1-1.”

“RFA NO. 1-65:

Admit or deny that the cash needs approach is an approach to project total revenue requirements for an entity that provides Water Treatment Services.

RESPONSE:

Miguel A. Huerta, Counsel for TCMUD 12 conferred with David Klein and Georgia Crump, Counsel for the WTCPUA regarding this request. By agreement of Counsel, RFA 1-64 [sic] may be read as ‘Admit or deny that the cash needs basis is a methodology to project total revenue requirements for an entity that provides Water Treatment Services.’

This is identical to RFA 1-2 above; please see the response for RFA 1-2.”

As noted above, RFAs 1-1 and 1-2, as propounded by WTCPUA (not as impermissibly rephrased by TCMUD 12), pertained to the utility basis and the cash needs basis as methodologies for *calculating the cost of service* for an entity that provides Water Treatment Services. As propounded by WTCPUA, RFAs 1-64 and 1-65 pertained to the utility basis and

the cash needs basis as methodologies for *projecting total revenue requirements*. Thus, as originally asked and even as impermissibly rephrased, these two sets of RFAs are clearly different, not identical as alleged by TCMUD 12. TCMUD 12 cannot answer the requests as it wished they had been worded, but are required to respond to the actual questions asked, or state why it is unable to do so.

The primary purpose of requests for admission is to “simplify trials by eliminating matters about which there is no real controversy.”⁵ Requests for admission may properly ask a party to apply the law to a set of facts.⁶ The Requests for Admission at issue here merely ask TCMUD 12 to admit or deny certain facts in this case to simplify the upcoming trial. Without an unqualified admission or denial to these requests, parties will have to cross-examine witnesses at the hearing to elicit a definitive response to the requests.

The consequences of failure to adequately respond to a request for admission are provided in Tex. R. Civ. Proc. 215.4, which provides in part:

A party who has requested an admission under Rule 198 may move to determine the sufficiency of the answer or objection. For purposes of this subdivision an evasive or incomplete answer may be treated as a failure to answer. Unless the court determines that an objection is justified, it shall order that an answer be served. If the court determines that an answer does not comply with the requirements of Rule 198, it may order either that the matter is admitted or that an amended answer be served.⁷

Accordingly, the ALJ has the authority to order that the requests are deemed admitted or order that TCMUD 12 provide WTCPUA with amended answers.

⁵ *Peralta v. Durham*, 133 S.W.3d 339, 341 (Tex. App.—Dallas, 2004, no pet.).

⁶ Tex. R. Civ. Proc. 198.1; *Hanh H. Duong v. Bank One, N.A.*, 169 S.W.3d 246, 251 (Tex. App.—Fort Worth, 2005).

⁷ Tex. R. Civ. Proc. 215.4(a).

III. CONCLUSION

WTCPUA respectfully requests that the ALJ grant this Motion to Determine the Sufficiency of TCMUD 12's Responses to Requests for Admission. If the ALJ determines that TCMUD 12's responses do not comply with Tex. R. Civ. Proc. 198, then WTCPUA requests the ALJ to deem the requests admitted or order TCMUD 12 to provide amended answers, and grant WTCPUA any and all other relief to which it is justly entitled.

Respectfully submitted,

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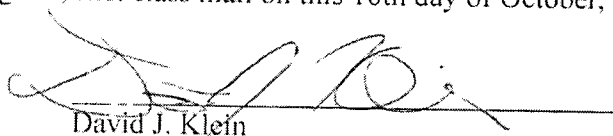
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**ATTORNEYS FOR WEST TRAVIS COUNTY
PUBLIC UTILITY AGENCY**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was transmitted by e-mail, fax, hand-delivery and/or regular, first class mail on this 10th day of October, 2014, to the parties of record.


David J. Klein

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

PETITION OF TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT
NO. 12 APPEALING CHANGE OF
WHOLESALE WATER RATES
IMPLEMENTED BY WEST
TRAVIS COUNTY PUBLIC
UTILITY AGENCY, AND THE
CITY OF BEE CAVE, TEXAS,
HAYS COUNTY, TEXAS AND
WEST TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT
NO. 5

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

**WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY'S REQUESTS FOR
ADMISSION AND REQUESTS FOR PRODUCTION
TO TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12**

To: Travis County Municipal Utility District No. 12, by and through its attorney of record, J. Kay Trostle, Smith Trostle & Huerta LLP, 4401 Westgate Blvd., Suite 330, Austin, Texas 78701;

Pursuant to the Administrative Law Judge's Order Nos. 1-3 in this proceeding, , P.U.C. Proc. R. 22.144, and Rules 191-198 of the Texas Rules of Civil Procedure, the West Travis County Public Utility Agency requests that you admit to the truth of each of the matters set forth in the requests for admissions, subject to the definitions and instructions provided for therein, attached hereto as Attachment No. 1 and incorporated herein for all purposes as if set forth verbatim

Respectfully submitted,

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**ATTORNEYS FOR WEST TRAVIS COUNTY
PUBLIC UTILITY AGENCY**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on the following by U.S. Regular Mail, Certified Mail (return receipt requested), electronic mail, hand delivery and/or facsimile at the address listed below on this 17th day September, 2014.

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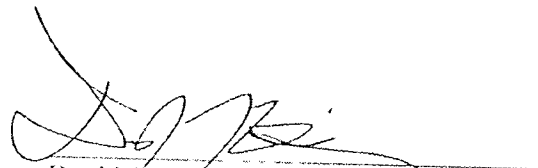
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David J. Klein

ATTACHMENT NO. 1West Travis County Public Utility Agency's Request for Admissions
to Travis County Municipal Utility District No. 12DEFINITIONS

1. **"You"** and **"Your"** refers to the Travis County Municipal Utility District No. 12 ("Petitioner") named as a Party to SOAH Docket No. 582-14-3382 by the Presiding Administrative Law Judge's Order No. 1.
2. **"West Travis County Public Utility Agency"** or **"PUA"** refers to its officers, employees, agents, representatives, attorneys, and all other natural persons, businesses or legal entities, presently or formerly, acting in concert with, under the direct or indirect control of, or on behalf of the PUA.
3. **"Travis County Municipal Utility District No. 12"** or **"MUD 12"** refers to its officers, employees, agents, representatives, attorneys, and all other natural persons, businesses or legal entities, presently or formerly, acting in concert with, under the direct or indirect control of, or on behalf of Travis County Municipal Utility District No. 12.
4. **"West Travis County Municipal Utility District No. 5"** or **"MUD No. 5"** refers to its officers, employees, agents, representatives, attorneys, and all other natural persons, businesses or legal entities, presently or formerly, acting in concert with, under the direct or indirect control of, or on behalf of District No. 5.
5. **"City of Bee Cave"** or **"the City"** refers to its officers, employees, agents, representatives, attorneys, and all other natural persons, businesses or legal entities, presently or formerly, acting in concert with, under the direct or indirect control of, or on behalf of the City of Bee Cave.
6. **"Hays County, Texas"** or **"the County"** refers to its officers, employees, agents, representatives, attorneys, and all other natural persons, businesses or legal entities, presently or formerly, acting in concert with, under the direct or indirect control of, or on behalf of the County.
7. **"Lower Colorado River Authority"** or **"the LCRA"** refers to its officers, employees, agents, representatives, attorneys, and all other natural persons, businesses or legal entities, presently or formerly, acting in concert with, under the direct or indirect control of, or on behalf of the LCRA.
8. The term **"Commission"** refers to the Public Utility Commission, an administrative agency of the State of Texas, and its Staff, Commissioners, and other natural persons employed by and working for the agency.

9. The term "**Staff**" as used herein refers to the natural persons employed by and working for the Public Utility Commission in any capacity.
10. "**Document**" and "**documents**" are used herein in their broadest sense as set forth in Tex. R. Civ. P. 192.3(b), and specifically include electronic information or magnetic data as described in Rule 196.4. These words mean and include all written, printed, typed, recorded, or graphic matter of every kind and description, both original and copies, and all attachments and appendices. Without limiting the foregoing, the terms "Document" and "Documents" shall include all agreements, contracts, Communications, correspondence, letters, opinion letters, telegrams, telexes, telefaxes, messages, memoranda, records, reports, books, summaries or other records of telephone conversations or interviews, summaries or other records of personal conversations or interviews, minutes, summaries, or other records of meetings and conferences, statements obtained from witnesses, summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time records, instructions, work assignments, forecasts, progress reports, statistical data, statistical statements, financial statements, work sheets, work papers, drafts, graphs, charts, tables, accounts, analytical records, consultants' and experts' reports, appraisals, bulletins, notes, notices, marginal notations, notebooks, telephone records, bills, statements, records of obligation and expenditure, invoices, lists, journals, printouts, compilations, tabulations, analyses, studies, surveys, expense reports, microfilm, microfiche, tape or disc recordings, sound recordings, video recordings, film, tape, photographs, programs and data compilations from which information can be obtained (including matter used in data processing), and other printed, written, handwritten, typewritten, recorded, stenographic, computer-generated, computer stored, magnetically-stored, optically-stored, or electronically stored matter and Electronic Information, however produced, prepared, reproduced, disseminated, made or stored in any data source. The words "Document" and "Documents" also include all copies of documents by whatever means made, except that where a document is produced, identical copies of it that do not contain any markings, additions, or deletions that are different from the original do not have to be separately produced.
11. The term "**communication**" includes, without limitation of its generality, statements, discussions, conversations, speeches, meetings, remarks, questions, answers, panel discussions and symposia, whether written or oral. The term includes, without limitation of its generality, both communications and statements which are face-to-face and those which are transmitted by any media such as intercoms, telephones, television, radio, or computer including electronic information.
12. The term "**electronic information**" includes, without limitation, the following: databases, data files, program files (e.g. .DOC, .XLS, .WPD files), image files (e.g. .JPEG, .TIFF, .PDF files), email messages and files, voice mail messages and files, instant messaging messages, text messages, temporary files, system-history files, deleted files or emails, back up files and archival files, website files, website information stored in textual, graphical or audio format, cache files, and cookies.
13. The term "**data sources**" includes, without limitation, mainframe computers, network servers, internet ("web") servers, computers (including desktop, laptop and handheld

computers), hard drives (including portable or temporary hard drives), flash drives (including thumb drives, secure digital cards or other flash memory devices), email servers, handheld devices like personal digital assistants and cell phones or smart phones (e.g. iPhones, BlackBerrys).

14. The terms "**regarding**", "**relate**" or "**relating**" to any given subject, when used to specify a document, communication, statement, or correspondence mean any document, communication, statement or correspondence that constitutes, contains, evidences, embodies, reflects, identifies, states, discusses, refers to, deals with, or is in any manner whatsoever pertinent to that subject.
15. The term "**identify**," **when used in reference to a natural person** means to provide his or her (1) full name and (2) present or last known position or business affiliation, job title, employment address, and telephone number (designating which).
16. The term "**identify**" and "**describe**," **when used in reference to facts, an event, or an allegation**, means to include: (a) a detailed description of the facts, events, or allegation at issue; (b) the date or dates on which the facts or event occurred, or the time period involved in the events giving rise or relating to the allegation; (c) the name, address, telephone number, and affiliation of all persons involved in the facts, event, or allegation; and (d) the date, author, addressee or recipient, and any type of document relating to or concerning the event or allegation.
17. The term "**TCMUD 12 Petition**" means the Petition of Travis County Municipal Utility District No. 12 Appealing Change of Wholesale Water Rates Implemented by West Travis County Public Utility Agency, City of Bee Cave, Texas, Hays County, Texas and West Travis County Municipal Utility District No. 5, filed at the Commission on March 6, 2014, TCEQ Docket No. 2014-0439-UCR, transferred to SOAH and assigned SOAH Docket No. 582-14-3382, and based upon the Presiding Administrative Law Judge's Order No. 3, is currently docketed as SOAH Docket No. 473-14-5144.
18. The term "**Participant**" is defined as in the Acquisition, Water Supply, Wastewater Treatment and Conditional Purchase Agreement attached as Attachment C to the TCMUD 12 Petition, and includes, collectively: the City of Bee Cave, Texas; Hays County, Texas; and West Travis County Municipal Utility District No. 5.
19. The term "**Water Treatment Services**" means treating raw water to a potable water quality. This term also includes the services provided by the PUA to MUD 12 under the Wholesale Water Services Agreement with LCRA, dated October 22, 2009, as assigned by LCRA to the PUA under the Agreement Regarding Transfer of Operations of the West Travis County Water System from the Lower Colorado River Authority to the West Travis County Public Utility Agency, effective March 19, 2012.
20. The term "**2012 Rate Order**" means the order adopted by the Board of Directors of the PUA on November 15, 2012, which establishes the wholesale water treatment rates charged to the

PUA's wholesale water treatment service customers, a copy of which is attached hereto as Exhibit A

21. The term "**2013 Rate Order**" means the order adopted by the Board of Directors of the PUA on November 21, 2013, which establishes the wholesale water treatment rates charged to the PUA's wholesale water treatment service customers, a copy of which is attached hereto as Exhibit B.
22. The term "**Agreement**" shall mean that certain Wholesale Water Services Agreement between LCRA and MUD 12, dated October 22, 2009.
23. The term "**Consent to Assignment**" shall mean that certain Agreement Regarding Transfer of Operations of the West Travis County Water System from the Lower Colorado River Authority to the West Travis County Public Utility Agency, effective March 19, 2012.

INSTRUCTIONS

1. You are to respond to the requests for admissions contained herein in a manner that satisfies the applicable requirements of Order No. 1, the Texas Rules of Civil Procedure, and P.U.C. Proc. R. 22.144.
2. Unless you state an objection or assert a privilege, you must specifically admit or deny each request or explain in detail the reasons that you cannot admit or deny the request. Your response must fairly meet the substance of the request. You may qualify an answer, or deny a request in part, only when good faith requires. Lack of information or knowledge is not a proper response unless you state that a reasonable inquiry was made but that the information known or easily obtainable is insufficient to enable you to admit or deny the request. An assertion that the request presents an issue for hearing is not a proper response.
3. If you refuse to admit to the truth of a matter asked or the genuineness of a document and the PUA later proves the matter to be true or the document to be genuine, the PUA may be entitled to reasonable expenses incurred in making that proof, including reasonable attorneys fees.

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY'S
REQUESTS FOR ADMISSIONS ("RFA")

Please admit or deny the following:

RFA NO. 1-1: Admit or deny that the utility basis is a methodology used to calculate the cost of service for an entity that provides Water Treatment Services.

RESPONSE:

RFA NO. 1-2: Admit or deny that the cash basis is a methodology used to calculate cost of service for an entity that provides Water Treatment Services.

RESPONSE:

RFA NO. 1-3: Admit or deny that the cash basis is a generally accepted methodology in the water-rate making industry for calculating the cost of service for an entity that provides Water Treatment Services.

RESPONSE:

RFA NO. 1-4: Admit or deny that the utility basis is a generally accepted methodology in the water-rate making industry for calculating the cost of service for an entity that provides Water Treatment Services.

RESPONSE:

RFA NO. 1-5: Admit or deny that the Board of Directors of the PUA adopted an order on November 15, 2012 to amend the rates charged by the PUA to MUD 12.

RESPONSE:

RFA NO. 1-6: Admit or deny that the Board of Directors of the PUA adopted an order on November 21, 2013 to amend the rates charged by the PUA to MUD 12.

RESPONSE:

RFA NO. 1-7: Admit or deny that the October 11, 2012 rate study, attached to MUD 12's Requests for Admission and Requests for Production to the PUA as Exhibit B, utilizes the cash basis methodology.

RESPONSE:

RFA NO. 1-8: Admit or deny that the analysis used by the PUA to set the minimum bill and the volumetric rate, attached to MUD 12's Requests for Admissions and Requests for Production to the PUA as Exhibits C D, utilizes the cash basis methodology.

RESPONSE:

RFA NO. 1-9: Admit or deny that Water Treatment Services are available to MUD 12 from a wholesale Water Treatment Services provider other than the PUA.

RESPONSE:

RFA NO. 1-10: Admit or deny that MUD 12 can obtain a treated water supply sufficient to serve its retail water customers from a wholesale water provider other than the PUA.

RESPONSE:

RFA NO. 1-11: Admit or deny that there is another municipal utility district within three miles of the jurisdictional boundaries of MUD 12 as of March 6, 2014.

RESPONSE:

RFA NO. 1-12: Admit or deny that there is a municipality within five miles of the jurisdictional boundaries of MUD 12 as of March 6, 2014.

RESPONSE:

RFA NO. 1-13: Admit or deny that MUD 12, its directors, officers, employees, or other representatives, has delivered or sent correspondence or documents to an entity other than the PUA and LCRA in the past 10 years regarding the purchase of a wholesale treated water supply for MUD 12.

RESPONSE:

RFA NO. 1-14: Admit or deny that MUD 12, its directors, officers, employees, or other representatives, has received correspondence or documents from an entity other than the PUA and LCRA in the past 10 years regarding the sale of treated water from such water provider other than the PUA and LCRA to MUD 12.

RESPONSE:

RFA NO. 1-15: Admit or deny that MUD 12 and LCRA have executed the Agreement.

RESPONSE:

RFA NO. 1-16: Admit or deny that MUD 12, LCRA, and the PUA have executed the Consent to Assignment.

RESPONSE:

RFA NO. 1-17: Admit or deny that MUD 12, in the Consent to Assignment, provided its consent to the assignment of LCRA's responsibilities, obligations and duties under the Wholesale Water Services Agreement, to the PUA.

RESPONSE:

RFA NO. 1-18: Admit or deny that MUD 12 was not obligated under any other agreement or contract to enter into the Agreement.

RESPONSE:

RFA NO. 1-19: Admit or deny that MUD 12, was not obligated under the Agreement or any other agreement to enter into the Consent to Assignment.

RESPONSE:

RFA NO. 1-20: Admit or deny that the monthly minimum wholesale Water Treatment Services rate charged by the PUA to MUD 12 under the 2012 Rate Order was \$10,891.65.

RESPONSE:

RFA NO. 1-21: Admit or deny that the monthly minimum wholesale Water Treatment Services rate charged by the PUA to MUD 12 under the 2013 Rate Order is \$8,140.89.

RESPONSE:

RFA NO. 1-22: Admit or deny that the monthly wholesale Water Treatment Services volumetric rate charged by the PUA to MUD 12 under the 2012 Rate Order was \$2.77 per 1,000 gallons.

RESPONSE:

RFA NO. 1-23: Admit or deny that the monthly wholesale Water Treatment Services volumetric rate charged by the PUA to MUD 12 under the 2013 Rate Order is \$2.11 per 1,000 gallons.

RESPONSE:

RFA NO. 1-24: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on October 19, 2012, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-25: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on October 19, 2012, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-26: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on October 30, 2012, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-27: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on October 30, 2012, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-28: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on November 5, 2012, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-29: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on November 5, 2012, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-30: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on January 8, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-31: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on January 8, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-32: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on January 28, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-33: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on January 28, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-34: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on March 25, 2013, regarding the PUA's wholesale water treatment service rates.

RESPONSE:

RFA NO. 1-35: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on March 25, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-36: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on April 1, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-37: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on April 1, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-38: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on April 9, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-39: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on April 9, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-40: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on May 6, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-41: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on May 6, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-42: Admit or deny that MUD 12 received correspondence from the PUA or its representatives regarding a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on May 14, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-43: Admit or deny that one or more representatives of TCMUD 12 attended a meeting held at 12117 Bee Cave Road, Building 3, Suite 120, Bee Cave, Texas 78738 on May 14, 2013, regarding the PUA's wholesale Water Treatment Services rates.

RESPONSE:

RFA NO. 1-44: Admit or deny that between January 1, 2009 and March 6, 2014, officials, employees, representatives, and/or contractors of MUD 12 engaged in discussions or meetings with officials, employees, representatives, or contractors of other water providers, other than LCRA or the PUA, for a supply of treated water.

RESPONSE:

RFA NO. 1-45: Admit or deny that between January 1, 2009 and March 6, 2014, officials, employees, representatives, and/or contractors of MUD 12 engaged in discussions or meetings with officials, employees, representatives, or contractors of other water providers, other than LCRA or the PUA, for water treatment services.

RESPONSE:

RFA NO. 1-46: Admit or deny that the wholesale water treatment rates charged by the PUA to MUD 12, as adopted by the PUA on November 21, 2013, do not impair MUD 12's ability to continue providing water service to MUD 12's customers.

RESPONSE:

RFA NO. 1-47: Admit or deny that the wholesale water treatment service rates charged by the PUA to MUD 12, as adopted by the PUA on November 21, 2013, do not impair the PUA's ability to continue providing water service.

RESPONSE:

RFA NO. 1-48: Admit or deny that MUD 12 can obtain water treatment services for MUD 12's raw water supply from LCRA from an entity other than the PUA.

RESPONSE:

RFA NO. 1-49: Admit or deny that MUD 12 can obtain a treated water supply from an entity other than the PUA.

RESPONSE:

RFA NO. 1-50: Admit or deny that the PUA experienced changed financial conditions between November 15, 2012 and November 21, 2013.

RESPONSE:

RFA NO. 1-51: Admit or deny that the PUA's treated water rates to its retail customers on March 6, 2014 are the rates contained in the PUA's Tariff, attached hereto as Exhibit C.

RESPONSE:

RFA NO. 1-52: Admit or deny that MUD 12 has never delivered a written notice of default to the PUA under the Wholesale Water Services Agreement with LCRA, dated October 22, 2009, as assigned to the PUA under the Agreement Regarding Transfer of Operations of the West Travis County Water System from the Lower Colorado River Authority to the West Travis County Public Utility Agency, dated October 22, 2009, for failing to meet applicable drinking water standards.

RESPONSE:

RFA NO. 1-53: Admit or deny that the PUA does not place water conservations measures on MUD 12 other than water conservation measures that apply to all PUA wholesale water treatment service customers.

RESPONSE:

RFA NO. 1-54: Admit or deny that the PUA does not provide incentives to PUA wholesale water treatment service customers that are not available to MUD 12.

RESPONSE:

RFA NO. 1-55: Admit or deny that the water rate methodology that the PUA used to compute the wholesale water treatment service rates for MUD 12 in the 2013 Rate Order is the same methodology used by the PUA to compute the wholesale water treatment service rates for the other wholesale water treatment customers listed in the 2013 Rate Order.

RESPONSE:

RFA NO. 1-56: Admit or deny that MUD 11 receives wholesale Water Treatment Services or a supply of treated water from Lakeway Municipal Utility District.

RESPONSE:

RFA NO. 1-57: Admit or deny that MUD 13 receives wholesale Water Treatment Services or a supply of treated water from Lakeway Municipal Utility District.

RESPONSE:

RFA NO. 1-58: Admit or deny that the facilities carrying wholesale treated water to MUD 11 traverse the jurisdictional boundaries of MUD 12.

RESPONSE:

RFA NO. 1-59: Admit or deny that the facilities carrying wholesale treated water to MUD 13 traverse the jurisdictional boundaries of MUD 12.

RESPONSE:

RFA NO. 1-60: Admit or deny that the water system infrastructure of MUD 11 is physically connected to the water system infrastructure of MUD 12.

RESPONSE:

RFA NO. 1-61: Admit or deny that the water system infrastructure of MUD 13 is physically connected to the water system infrastructure of MUD 12.

RESPONSE:

RFA NO. 1-62: Admit or deny that MUD 11 owns or possesses a water system infrastructure that is within 0.25 miles of the water system infrastructure owned or possessed by MUD 12.

RESPONSE:

RFA NO. 1-63: Admit or deny that MUD 13 owns or possesses a water system infrastructure that is within 0.25 miles of the water system infrastructure owned or possessed by MUD 12.

RESPONSE:

RFA NO. 1-64: Admit or deny that the utility approach is an approach to project total revenue requirements for an entity that provides Water Treatment Services.

RESPONSE:

REA NO. 1-65: Admit or deny that the cash needs approach is an approach to project total revenue requirements for an entity that provides Water Treatment Services.

RESPONSE:

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY'S
REQUESTS FOR PRODUCTION ("RFP")

RFP NO. 1-1: Produce all documents evidencing all water rights possessed by MUD 12 on November 21, 2013.

RESPONSE:

RFP NO. 1-2: Produce all contracts and agreements that were entered into in the past 10 years or were enforceable on November 21, 2013, regarding the purchase of water, where MUD 12 is a party to such contracts and agreements.

RESPONSE:

RFP NO. 1-3: Produce all contracts and agreements that were entered into in the past 10 years or were enforceable on November 21, 2013, regarding the purchase of Water Treatment Services, where MUD 12 is a party to such contracts and agreements.

RESPONSE:

RFP NO. 1-4: Produce all contracts and agreements that were entered into in the past 10 years or are enforceable on November 21, 2013, regarding the transportation of water where MUD 12 is a party to such contracts and agreements.

RESPONSE:

RFP NO. 1-5: Produce all records regarding the raw and treated water purchased by MUD 12 between January 1, 2009 and January 1, 2014.

RESPONSE:

RFP NO. 1-6: Produce all resolutions and orders adopted by the Board of Directors of MUD 12 approving retail water rates between January 1, 2009 and March 6, 2014.

RESPONSE:

RFP NO. 1-7: Produce all rate studies, reports, and other documents relating to MUD 12's retail water rates that were presented to the Board of Directors of MUD 12 at regular and special meetings held by the Board of Directors of MUD 12 between January 1, 2009 and March 6, 2014.

RESPONSE:

RFP NO. 1-8: Produce all documents related to the implementation of MUD 12's retail water rates between January 1, 2009 and January 1, 2014, save and except monthly invoices to MUD 12's retail customers.

RESPONSE:

RFP NO. 1-9: Produce all documents and correspondence between MUD 12 and third parties relating to the negotiation, drafting and execution of the Agreement.

RESPONSE:

RFP NO. 1-10: Produce all documents and correspondence between MUD 12 and third parties relating to the negotiation, drafting and execution of the Consent to Assignment.

RESPONSE:

RFP NO. 1-11: Produce all agendas, minutes, resolutions and orders relating to regular and special meetings of the Board of Directors of MUD 12 regarding the negotiation, drafting, approval, and execution of the Agreement.

RESPONSE:

RFP NO. 1-12: Produce all agendas, minutes, resolutions and orders relating to regular and special meetings of the Board of Directors of MUD 12 regarding the negotiation, drafting, approval, and execution of the Consent to Assignment.

RESPONSE:

RFP NO. 1-13: Produce all documents, between January 1, 2009 and January 1, 2014, showing payments from MUD 12 to the entities that provide water or Water Treatment Services to MUD 12.

RESPONSE:

RFP NO. 1-14: Produce all documents, between January 1, 2009 and January 1, 2014, showing payments from MUD 12 to the entities that provide water or Water Treatment Services to MUD 12.

RESPONSE:

RFP NO. 1-15: Produce all documents in the possession of MUD 12 regarding wholesale Water Treatment Services rates charged by wholesale water treatment service providers in Texas, other than the PUA.

RESPONSE:

RFP NO. 1-16: Produce all documents and correspondence between MUD 12 and third parties regarding the provision of Water Treatment Services to MUD 12.

RESPONSE:

RFP NO. 1-17: If the answer to RFA No. 1-1 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-18: If the answer to RFA No. 1-2 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-19: If the answer to RFA No. 1-3 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-20: If the answer to RFA No. 1-4 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-21: If the answer to RFA No. 1-11 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-22: If the answer to RFA No. 1-12 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-23: If the answer to RFA No. 1-13 is to admit, provide an explanation for that admission and all documentation that supports your admission.

RESPONSE:

RFP NO. 1-24: If the answer to RFA No. 1-14 is to admit, provide an explanation for that admission and all documentation that supports your admission.

RESPONSE:

RFP NO. 1-25: If the answer to RFA No. 1-18 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-26: If the answer to RFA No. 1-19 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-27: If the answer to RFA No. 1-20 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-28: If the answer to RFA No. 1-21 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-29: If the answer to RFA No. 1-22 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-30: If the answer to RFA No. 1-23 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-31: If the answer to RFA No. 1-44 is to admit, provide an explanation for that admission and all documentation that supports your admission.

RESPONSE:

RFP NO. 1-32: If the answer to RFA No. 1-45 is to admit, provide an explanation for that admission and all documentation that supports your admission.

RESPONSE:

RFP NO. 1-33: If the answer to RFA No. 1-46 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-34: If the answer to RFA No. 1-47 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-35: If the answer to RFA No. 1-48 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-36: If the answer to RFA No. 1-49 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-37: Provide all documentation that supports your response to RFA No. 1-50, save and except any documents provided by the PUA to MUD 12 in response to MUD 12's Request for Production No. 1-14 in this contested case hearing.

RESPONSE:

RFP NO. 1-38: Provide all documentation showing the retail treated water rates charged by MUD 12 to its retail customers.

RESPONSE:

RFP NO. 1-39: If the answer to RFA No. 1-52 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-40: If the answer to RFA No. 1-53 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-41: If the answer to RFA No. 1-54 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-42: If the answer to RFA No. 1-55 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-43: If the answer to RFA No. 1-56 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-44: If the answer to RFA No. 1-57 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-45: Provide a map, sketch, plans, specifications, or other documents describing or depicting MUD 12's water pipelines and related infrastructure.

RESPONSE:

RFP NO. 1-46: Provide a map, sketch, plans, specifications, or other documents describing or depicting MUD 11's water pipelines and related infrastructure.

RESPONSE:

RFP NO. 1-47: Provide a map, sketch, plans, specifications, or other documents describing or depicting MUD 13's water pipelines and related infrastructure.

RESPONSE:

RFP NO. 1-48: Provide a map, sketch, plans, specifications, or other documents describing or depicting MUD 12's jurisdictional boundaries.

RESPONSE:

RFP NO. 1-49: Provide a map, sketch, plans, specifications, or other documents describing or depicting MUD 11's jurisdictional boundaries.

RESPONSE:

RFP NO. 1-50: Provide a map, sketch, plans, specifications, or other documents describing or depicting MUD 13's jurisdictional boundaries.

RESPONSE:

RFP NO. 1-51: If the answer to RFA No. 1-64 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

RFP NO. 1-52: If the answer to RFA No. 1-65 is a denial, provide an explanation for that denial and all documentation that supports your denial.

RESPONSE:

**ORDER REGARDING PROPOSED INCREASES TO RATES FOR WHOLESALE
WASTEWATER, WHOLESALE WATER AND EFFLUENT RAW WATER
IRRIGATION CUSTOMERS**

THE STATE OF TEXAS

§

COUNTY OF TRAVIS

§

§

The Board of Directors of the West Travis County Public Utility Agency (the "Agency") met in a regular session, open to the public, after due notice, at City of Bee Cave, City Hall, 4000 Galleria Parkway, Bee Cave, Texas 78738, an official meeting place within the boundaries of the Agency, on November 15, 2012; whereupon the roll was called of the members of the Board of Directors, to wit:

Larry Fox
Michael Murphy
Ray Whisenant, Jr.

President
Vice President
Secretary

All members of the Board were present.

WHEREUPON, among other business conducted by the Board, Director Fox introduced the order set out below and moved its adoption, which motion was seconded by Director Whisenant, and, after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

"Aye" X ; "No"

The Order thus adopted is as follows

WHEREAS, the Agency's fiscal year ends September 30 of each calendar year;

WHEREAS, the Agency is in the process of evaluating rates for wholesale wastewater, wholesale water and effluent raw water irrigation customers contained in Tariff ("Agency Rate Tariff") as a part of its planning for its next fiscal year;

WHEREAS, the Agency held a public hearing regarding potential amendments to the Agency rates, to ensure that the Agency's customers have the opportunity to provide input and participate in this process; and

WHEREAS, the Agency desires to consider increases to the aforementioned rates to be effective January 1, 2013 to provide additional time for review and to receive additional input from customers impacted by such proposed increases.

NOW THEREFORE, it is ordered by the Board of Directors of West Travis County Public Utility Agency that:

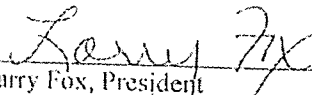
Section 1: The above recitals are true and correct and are incorporated into this Order for all purposes.

Section 2: The increases to rates for wholesale wastewater, wholesale water and effluent raw water irrigation customers are shown in Attachment A.

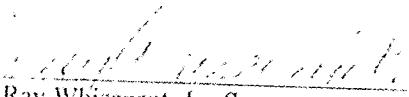
Section 3: The Agency's General Manager, Engineer, and General Counsel are authorized to take all actions necessary to carry out the purposes of this Order, including, but not limited to, providing notice of the proposed increases to Agency customers and amended Tariff, and petitioning the Lower Colorado River Authority ("LCRA") Board of Directors to confirm such rates as required by the Agency's agreements with the LCRA.

Section 4: These proposed rate increases shall be effective as of January 1, 2013.

PASSED AND APPROVED this 15th day of November, 2012.


Larry Fox, President
Board of Directors

ATTEST:


Ray Whisenant, Jr., Secretary
Board of Directors

West Travis County Public Utility Agency

Attachment A

Minimum Bill	Current	Stepped Increase - 15.6%
CRYSTAL MOUNTAIN HOA, INC	\$ 655.00	\$ 756.53
DEER CREEK RANCH WATER CO., LLC	\$ 2,500.00	\$ 2,887.50
DRIPPING SPRINGS WSC	\$ 4,548.00	\$ 5,252.94
EANES ISD	\$ 175.00	\$ 202.13
HAYS COUNTY WCID #1	\$ 7,450.00	\$ 8,604.75
REUNION RANCH WCID	\$ 3,190.00	\$ 3,684.45
SENNA HILLS MUD #1	\$ 3,730.00	\$ 4,308.15
BARTON CREEK WEST WSC	\$ 2,167.00	\$ 2,502.89
HAYS COUNTY WCID #2	\$ 6,515.00	\$ 7,524.93
CITY OF DRIPPING SPRINGS	\$ 7,000.00	\$ 8,085.00
LAZY NINE MUD #1A	\$ 10,200.00	\$ 11,781.00
TRAVIS COUNTY MUD #12	\$ 9,430.00	\$ 10,891.05

Volumetric Rate	Current	Stepped Increase - 15.6%
Customers With own Raw Water	\$ 2.40	\$ 2.77
Customers Using PUA Raw Water	\$ 2.86	\$ 3.30

Wastewater	Current	Full Cost of Service - 16%
Minimum Charge	\$ 2,500.00	\$ 2,500.00
Volumetric Charge	\$ 2.75	\$ 3.25

Effluent	Current	Stepped Increase - 4.5%
Volumetric Charge	\$ 3.00	\$ 3.14

ORDER REGARDING AMENDMENTS TO WHOLESALE WATER AND WASTEWATER RATES

THE STATE OF TEXAS

§

COUNTIES OF TRAVIS AND HAYS

§

§

The Board of Directors of the West Travis County Public Utility Agency (the "PUA") met in a regular session, open to the public, after due notice, at City of Bee Cave, City Hall, 4000 Galleria Parkway, Bee Cave, Texas 78738, an official meeting place within the boundaries of the Agency, on November 21, 2013; whereupon the roll was called of the members of the Board of Directors, to wit:

Larry Fox
Michael Murphy
Ray Whisenant, Jr.
Scott Roberts
Bill Goodwin

President
Vice President
Secretary
Director
Director

All members of the Board were present.

WHEREUPON, among other business conducted by the Board, Director Goodwin introduced the order set out below and moved its adoption, which motion was seconded by Director Whisenant, and, after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

"Aye" 4; "No" 1.

The Order thus adopted is as follows:

WHEREAS, the PUA entered into that certain "Utility Installment Purchase Contract" between the PUA and the Lower Colorado River Authority ("LCRA") on January 17, 2012, providing in part for the sale of certain water and wastewater assets in west Travis County and north Hays County from LCRA to the PUA;

WHEREAS, in taking over and operating such LCRA facilities, the PUA in part provides wholesale water and wastewater service to the following 13 wholesale customers, based upon their existing contracts, as may be amended from time to time:

1. Dripping Springs Water Supply Corporation
2. Senna Hills Municipal Utility District No. 1
3. Crystal Mountain Homeowners Association, Inc.
4. Barton Creek West Water Supply Corporation

5. Eanes Independent School District
6. Travis County Municipal Utility District No. 18
7. Hays County Water Control and Improvement District No. 1
8. Hays County Water Control and Improvement District No. 2
9. Lazy Nine Municipal Utility District No. 1A
10. Deer Creek Ranch Water Company
11. Reunion Ranch Water Control and Improvement District
12. Travis County Municipal Utility District No. 12
13. Travis County Water Control and Improvement District No. 17;

WHEREAS on November 15, 2012, the PUA adopted wholesale water and wastewater rates at a public meeting, open to the public;

WHEREAS, the PUA's fiscal year ends September 30 of each calendar year;

WHEREAS, the PUA has been in the process of evaluating its wholesale water and wastewater rates for each of its wholesale water and wastewater customers as a part of the PUA's planning for the current fiscal year;

WHEREAS, the PUA has conducted meetings with its wholesale water and wastewater customers in 2013 regarding future amendments to the PUA's wholesale water and wastewater rates, and it has received comments from these customers regarding the proposed amendments; and

WHEREAS, the PUA desires to amend its wholesale water and wastewater rates for each of the 13 wholesale customers, to be effective January 1, 2014.

NOW THEREFORE, it is ordered by the Board of Directors of West Travis County Public Utility Agency that:

Section 1: The above recitals are true and correct and are incorporated into this Order for all purposes.

Section 2: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Dripping Springs Water Supply Corporation shall include a monthly minimum charge of \$10,917.33 and a volumetric rate of \$2.14 per 1,000 gallons, effective January 1, 2014.

Section 3: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Senna Hills Municipal Utility District No. 1 shall include a monthly minimum charge of \$13,466.51 and a volumetric rate of \$2.11 per 1,000 gallons, effective January 1, 2014.

Section 4: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Crystal Mountain Homeowners Association, Inc. shall

include a monthly minimum charge of \$2,237.34 and a volumetric rate of \$2.69 per 1,000 gallons, effective January 1, 2014.

Section 5: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Barton Creek West Water Supply Corporation shall include a monthly minimum charge of \$14,187.66 and a volumetric rate of \$2.59 per 1,000 gallons, effective January 1, 2014.

Section 6: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Eanes Independent School District shall include a monthly minimum charge of \$739.32 and a volumetric rate of \$2.35 per 1,000 gallons, effective January 1, 2014.

Section 7: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Travis County Municipal Utility District No. 18 shall include a monthly minimum charge of \$1,112.77 and a volumetric rate of \$2.11 per 1,000 gallons, effective January 1, 2014.

Section 8: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Hays County Water Control and Improvement District No. 1 shall include a monthly minimum charge of \$16,477.28 and a volumetric rate of \$2.02 per 1,000 gallons, effective January 1, 2014.

Section 9: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Hays County Water Control and Improvement District No. 2 shall include a monthly minimum charge of \$12,113.97 and a volumetric rate of \$2.06 per 1,000 gallons, effective January 1, 2014.

Section 10: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Lazy Nine Municipal Utility District No. 1A shall include a monthly minimum charge of \$12,815.48 and a volumetric rate of \$1.86 per 1,000 gallons, effective January 1, 2014.

Section 11: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Deer Creek Ranch Water Company shall include a monthly minimum charge of \$7,011.28 and a volumetric rate of \$2.00 per 1,000 gallons, effective January 1, 2014.

Section 12: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Reunion Ranch Water Control and Improvement District shall include a monthly minimum charge of \$947.20 and a volumetric rate of \$2.08 per 1,000 gallons, effective January 1, 2014.

Section 13: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale water rate for the Travis County Municipal Utility District No. 12 shall

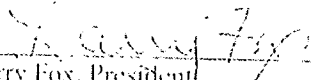
include a monthly minimum charge of \$8,140.89 and a volumetric rate of \$2.11 per 1,000 gallons, effective January 1, 2014.

Section 14: The Board of Directors of the PUA hereby approves, adopts, and orders that the wholesale wastewater rate for the Travis County Water Control and Improvement District No. 17 shall include a monthly minimum charge of \$10,981.89 and a volumetric rate of \$3.67 per 1,000 gallons, effective January 1, 2014.

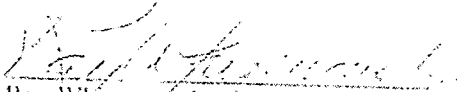
Section 15: The Agency's General Manager, Engineer, and General Counsel are authorized to take all actions necessary to carry out the purposes of this Order, including, but not limited to, providing notice of the proposed increases to Agency customers and amended Tariff.

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PASSED AND APPROVED this 21st day of November, 2013


Larry Fox, President
Board of Directors

ATTEST:


Ray Whisenant, Jr., Secretary
Board of Directors

Adopted on 03-15-12,
and Amended on 09-10-12,
10-04-12, 11-01-12, 04-18-13,
05-02-13, 08-08-13, 08-22-13,
01-01-14, 01-09-14, and 05-15-14

West Travis County Public Utility Agency
REGIONAL WATER AND WASTEWATER SYSTEMS
SCHEDULE FOR RATES, FEES, CHARGES
AND TERMS AND CONDITIONS
OF RETAIL TREATED WATER AND WASTEWATER SERVICES

This schedule for rates, fees, charges and terms and conditions of service ("Schedule") is effective as of the 19th day of March 2012, for retail treated water and wastewater service within the WTCPUA service area for the WTCPUA Regional Water and Wastewater Systems ("System") described and/or depicted in the Appendices, attached hereto.

Adopted on 03-15-12;
and Amended on 07-10-12,
10-04-12, 11-01-12, 04-18-13,
05-02-13, 03-08-13, 05-22-13
01-01-14, 01-09-14 and 05-15-14

SECTION 1.0 - GENERAL PROVISIONS

Section 1.01 Jurisdiction

The West Travis County Public Utility Agency ("WTCPUA") is a public utility agency governed by Chapter 572 of the Texas Local Government Code. It is organized and created by concurrent ordinance of Hays County, the City of Bee Cave, and West Travis County Municipal Utility District No. 5. It exercises the powers granted by Chapter 572 and the concurrent ordinance, including authority to own and operate a water and wastewater utility system.

Section 1.02 Service Area

The WTCPUA may sell and deliver potable treated water in accordance with this Schedule within the WTCPUA water service area for the System, which service area ("Water Service Area"), is generally described or depicted in Appendix A. The Water Service Area is comprised of the Highway 71 Water System Service Area and the Highway 290 Water System Service Area. The Highway 71 Water System Service Area and Highway 290 Water System Service Area are more particularly depicted in Appendix A. The WTCPUA may provide wastewater services in accordance with this Schedule within the WTCPUA wastewater service area for the System, which service area ("Wastewater Service Area"), is generally described or depicted in Appendix B.

The WTCPUA will provide service in accordance with Chapter 13 of the Texas Water Code.

The Water and Wastewater Service Areas, as described or depicted in Appendix A and Appendix B, may be amended from time to time at the discretion of the WTCPUA, subject to approval by regulatory authorities as applicable. Any amendments will automatically amend this Schedule without further action or proceeding.

The WTCPUA may provide water or wastewater services outside of the Water or Wastewater Service Areas at the discretion of the WTCPUA where such service inside and outside of the Water or Wastewater Service Areas is within the capacity of the water treatment plant or the wastewater treatment plant and is within the wastewater quality requirements established herein, and can be practically and economically provided.

Section 1.03 Non-Discrimination Policy

The WTCPUA will provide potable water and wastewater service to all persons applying for such service ("Applicants") who comply with the terms and conditions for service set forth or referenced in this Schedule regardless of race, creed, color, national origin, sex, or marital status.

Section 1.04 Applicability of Policies

The Policies, Rules, and Regulations ("Policies") described or referenced in this Schedule apply to the terms and conditions of treated water and wastewater services furnished by the WTCPUA and may be amended from time to time by the WTCPUA's Board of Directors. The Policies include, but are not limited to, the WTCPUA Water Utilities Conservation and Drought Contingency Plan. Such rules, regulations, and policies as amended from time to time, are adopted and incorporated into the Policies provided herein by reference for all purposes. Copies of all Policies are available upon request by the Customer. The WTCPUA has the authority to deny or to discontinue services if the Applicant or the Customer fails to observe these Policies, terms or conditions.

Section 1.05 Variances

The Board of Directors or its designee may grant variances to this Schedule to the extent that such variances are consistent with the WTCPUA Policies.

Section 1.06 Damage Liability

The WTCPUA will plan, furnish, and maintain production, treatment, storage, collection, transmission, and distribution facilities as required by Texas Commission on Environmental Quality ("TCEQ"), or its successor agency, standards. By accepting service, the Customer will hold the WTCPUA harmless from any and all claims, liability or damages to persons or property of the Customer or third parties arising from the provision by the WTCPUA of water or wastewater service or caused by service interruptions, tampering by other Customers of the WTCPUA or users of the System, or failures of the System.

Section 1.07 Service Provided in Accordance with Drought Contingency Plan

Provision of water service is contingent upon restrictions outlined in the WTCPUA's Water Utilities Conservation and Drought Contingency Plan, curtailment measures as outlined in the Agency's firm raw water contract with the Lower Colorado River Authority, and any other restrictions as required by the TCEQ or other regulatory agencies.

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10-01-12, 11-01-12, 04-18-13,
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01-01-14, 01-09-14, and 05-15-14

SECTION 2.0 - SERVICE RULES AND REGULATIONS APPLICABLE TO WATER AND WASTEWATER SERVICES

Section 2.01. Connection without Approval of the WTCPUA Prohibited

It is unlawful for any person to connect to the WTCPUA's System without submitting an appropriate application to the WTCPUA for service, obtaining the approval of the WTCPUA, and executing an appropriate service agreement.

Section 2.02. Prohibited Plumbing Practices

(a) The Customers will immediately correct any plumbing practices prohibited by state or local regulations. The WTCPUA may disconnect a Customer or refuse to provide service to an Applicant unless Customer/Applicant complies with the following plumbing practices:

- (1) No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - (2) No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - (3) No connection that allows water to be returned to the public drinking water supply is permitted.
 - (4) No pipe or pipe fitting which contains more than 8.0 percent lead may be used for the installation or repair of plumbing at any connection, which provides water for human use.
 - (5) No solder or flux that contains more than 0.2 percent lead can be used for the installation or repair of plumbing at any connection that provides water for human use.
 - (6) No plumber or other person except those approved by the WTCPUA shall be allowed to tap any WTCPUA wastewater collection system or water system main or line.
 - (7) It shall be unlawful for any person to make or cause to be made any connection except as provided in this Schedule.
 - (8) No person shall break or remove any portion of any wastewater Service Line without approval of the WTCPUA. Such wastewater Service Line will be inspected by the WTCPUA to assure that the wastewater Service Line has been constructed to prevent surface water from entering the wastewater collection system.
- (b) Abandoned sewer taps must be plugged in such a manner to prevent ground or subsurface drainage from entering the sewer main. All such taps must be plugged at a depth below the ground surface of not less than one (1) foot to prevent damage to the Service Lines. If service is restored at the same location, the reconnection fee for an abandoned sewer tap shall be paid. If the abandoned tap is not used to restore service at the same location, a regular connection fee shall be paid.
- (c) The Customer will, at its own expense, maintain, test, and repair all equipment owned by the Customer and lines on its own premises including any backflow prevention device or pressure reduction valve required by the WTCPUA or its Poleres. The Customer will provide copies of all other testing maintenance records to the WTCPUA as required.
- ### Section 2.03. Meters and Connections
- (a) Each individual residential Permanent Dwelling located on one (1) lot or plat of ground shall have a separate water tap and meter. If the Customer receives wastewater service, then a separate wastewater connection is required for each residential Permanent Dwelling. Upon request, the WTCPUA will provide a separate Irrigation Meter for a Customer.
- (b) The WTCPUA will install individual meters in Multiple Use Facilities and Multi-unit Residential Facilities, unless the installation of individual meters is not feasible. The WTCPUA may charge reasonable costs for the installation of individual meters.
- (c) A separate Irrigation Meter is required for Multiple Use Facilities and Multi-unit Residential Facilities as well as Commercial Facilities installed after March 19, 2012.
- (d) The installation of Subtractive Meters is prohibited.
- (e) Public properties, schools, industrial properties, Non-residential, or Multiple Use Facilities and Multi-unit Residential Facilities shall have meters and service as required by the WTCPUA.

Adopted on 03-15-12;
and Amended on 09-10-12,
10-04-12, 11-01-12, 04-18-13,
05-02-13, 08-08-13, 08-22-13
01-01-14, 01-09-14, and 05-15-14

- (f) The water meter connection and wastewater connection is for the sole use of the Customer. Extension of pipe(s) to transfer water and/or wastewater service from one submeter water to any other person, dwelling, business, or property, to another, to share or resell is prohibited unless approved in advance by the WTCPUA.
- (g) If property with more than one Permanent Dwelling and a single connection is to be subdivided, any owner of the subdivided property who wishes to continue water and/or wastewater services must obtain a connection to serve that individual property. The owner of the subdivided property must convey all easements necessary to provide water and/or wastewater services to the property.
- Section 2.04 General Provisions for Water and Wastewater Service
- (a) The Applicant does not qualify for service as a Customer until all requirements of this Schedule are met. The WTCPUA may decline to serve an Applicant until the Applicant has paid all applicable fees, executed all necessary forms and agreements, and complied with any applicable Policies of the WTCPUA. The WTCPUA may decline to serve an Applicant for other reasons as identified in Section 2.02 and Section 2.03.
- (b) The WTCPUA may refuse services to an Applicant if serving the property is prohibited by federal, state, or local law, including Section 212.012 of the Texas Local Government Code, which requires certification of compliance with plat requirements prior to connection with water, wastewater, electricity, gas, or other utility service.
- (c) In the event that the WTCPUA refuses to serve an Applicant, the WTCPUA will inform the Applicant in writing of the basis of its refusal.
- (d) In addition to the reasons above, treated water and/or wastewater service may be disconnected or denied for the following reasons:
- (1) The bill has not been paid in full by the due date listed on the bill. The WTCPUA will provide the Customer with notice that the Customer is delinquent on a bill and that service will be terminated. The termination date will be ten (10) days after a termination notice is mailed or hand-delivered.
 - (2) The Customer fails to provide reasonable access to property to connect, maintain, or repair service.
 - (3) The Customer fails to comply with this Schedule, the Customer Service Agreement, Construction Agreement, the WTCPUA Water Utilities Conservation and Drought Contingency Plan, or other applicable Policies of the WTCPUA, including the Customer's failure to upgrade facilities to standards required by the WTCPUA Policies.
 - (4) The Customer is in violation of any existing or future applicable local, state, or federal regulations, including the Customer's failure to upgrade facilities to standards required by local, state, or federal regulations.
 - (5) The WTCPUA determines that providing services will exceed the capacity of the water or wastewater plant or system.
 - (6) The Applicant fails to demonstrate to the WTCPUA that every Permanent Dwelling on the location of service is connected to a sewage collection, treatment, or disposal system or properly permitted on-site sewage facility.
 - (7) The Customer fails to comply with the wastewater quality requirements under, Section 2.11.
 - (8) The development in which the Customer is located is not in compliance with the September 26, 2013 WTCPUA Water and Sewer Service and Development Policies as amended from time to time.
 - (9) The Customer fails to pay its bill to another water or wastewater provider and the WTCPUA has an agreement with that utility provider pursuant to Texas Water Code Section 13.250(b)(2).
- (e) Disconnection of Service without Prior Notice
- (1) When a dangerous condition exists, for as long as the condition exists.
 - (2) When service is established through an unauthorized connection.
 - (3) In instances of tampering with the WTCPUA's equipment or services.
- (f) Reconnection of Service. The WTCPUA will reconnect service only after the Customer pays all past due bills. The Reconnect Fee provided in Section 5.07 and any other outstanding charges or corrects the

Adopted on 03-15-12;
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conditions that caused service to be disconnected. The Customer will be notified within a reasonable time of the basis for disconnection. If a Customer requests the reconnection of services then the Customer must pay the full amount of the deposit as specified in the Appendices to this Schedule as well as all fees and charges due prior to reconnection of service. This deposit will be held and returned in full when the account is closed, if no balance due is remaining on the closed account.

(g) Meters: All water sold and wastewater collected by the WTCPUA will be billed based on meter measurements. Deposits, rates, fees or charges contained in this Schedule that are based on meter size apply to simple and compound meters only, and not to turbine meters, unless expressly stated otherwise. All water shall be metered by meters furnished, installed, maintained, and owned by the WTCPUA. Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period.

(h) Billing: Bills for water and wastewater service will be sent monthly. The due date of bills will be stated on the invoice. Payment for service will be considered late if full payment, including late fees, regulatory assessment fees, etc. is not received at the WTCPUA or the WTCPUA's authorized payment agency by the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date. In the event of a dispute between a Customer and the WTCPUA regarding any bill for service, the WTCPUA will conduct an investigation and report the results to the Customer.

Section 2.05. Extension of Water and/or Wastewater Service to Developer or Developer Property within the WTCPUA's Water and/or Wastewater Service Areas (Non-Standard Service Requests)

An application for an extension to serve a Developer or Developer Property shall meet the following requirements prior to the initiation of service by the WTCPUA:

- (a) The Applicant shall provide the WTCPUA a written request for service. The request shall specify the location of property, size of development (in LUEs), number and size of tracts to be served.
- (b) The Applicant shall submit to the WTCPUA a set of detailed maps, plans, specifications, and demand requirements for the extension project that have been prepared by a registered professional engineer. The final plat maps (approved by the governmental body with appropriate jurisdiction), plans, specifications, and demand requirements shall comply with all Policies as well as ordinances, rules or regulations of local governmental bodies with jurisdiction over the Applicant's property and the MOU, if applicable, and are subject to approval by the WTCPUA.
- (c) In addition, the Applicant will be responsible for paying the fees as provided in Sections 5.13 through 5.17 of this Schedule. The WTCPUA reserves the right to upgrade design of service facilities to meet future demands, provided however, that the WTCPUA pays the expense of such upgrading above the Applicant's facility requirements.
- (d) All Applicants pursuant to this Section may be required to enter into a written contract, as drafted by the WTCPUA, in addition to submitting the WTCPUA's Customer Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:
 - (1) All costs associated with required administration, design, construction, and inspection of facilities for water and wastewater service to the Applicant's service area and terms by which these costs are to be paid.
 - (2) Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
 - (3) Terms by which the Applicant shall indemnify the WTCPUA from all third party claims or lawsuits in connection with the project contemplated.
 - (4) Terms by which the Applicant shall deed all constructed facilities to the WTCPUA and by which the WTCPUA shall assure operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
 - (5) Terms by which the Applicant shall grant title or easement for rights-of-way, constructed facilities, and facility sites and/or by which the Applicant shall provide for securing required rights-of-way and sites.

- (e) Pipeline construction and facility installations for extensions pursuant to this Section may be installed by the WTCPUA, at the Developer's expense or by a contractor retained by the Applicant subject to approval