



Control Number: 42866



Item Number: 67

Addendum StartPage: 0

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

2014 OCT 27 F.12-27
FILED

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

§
§
§
§
§
§
§
§
§
§
§

BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY'S RESPONSES
TO TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12'S
FOURTH REQUEST FOR INFORMATION

COMES NOW the West Travis County Public Utility Agency ("**WTCPUA**") and submits these Responses to the Fourth Request for Information ("**RFI**") filed by Travis County Municipal Utility District No. 12 ("**TCMUD 12**"). The discovery request was received by the WTCPUA on October 7, 2014; these responses are timely filed. Pursuant to P.U.C. PROC. R. 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

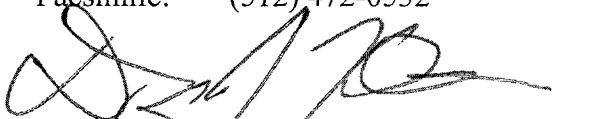
Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE &
TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900
Austin, Texas 78701

Telephone: (512) 322-5800

Facsimile: (512) 472-0532



DAVID J. KLEIN

State Bar No. 24041257

67

GEORGIA N. CRUMP
State Bar No. 05185500

CHRISTIE DICKENSON
State Bar No. 24037667

**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 fax, e-mail, hand-delivery and/or regular, first class mail on this 27th day of October, 2014 to the parties of record.



DAVID J. KLEIN

RFI 4-1: For each and every discovery response filed by the WTCPUA after September 11, 2014, please provide the following information required by PUC Proc. R. 22.144(c)(2)(A): the identity of the preparer or person under whose direct supervision the response was prepared, and the identity of the sponsoring witness, if any. This request includes, but is not limited to the WTCPUA's 2nd Supplemental Response to TCMUD 12's RFAs and RFPs filed on September 26, 2014 and the WTCPUA's Response to TCMUD 12's 2[n]d RFA and RFPs filed on October 2, 2014.

RESPONSE:

Prior to this filing, for each and every discovery response to a request for information filed by the WTCPUA after September 1, 2014, which were not objected to or objected to but overruled by the presiding Administrative Law Judge (which are the only discovery requests that are subject to the requirements of the Public Utility Commission ("*Commission*") procedural rule cited in this discovery request in this case), the preparer or person under whose direct supervision the response was prepared is David J. Klein, and the identity of the sponsoring witness is Donald G. Rauschuber. Preparers and sponsors for this fourth set of RFIs are provided, herein.

Prepared by: David J. Klein and Georgia Crump
Sponsored by: Donald G. Rauschuber

RFI 4-2: Please identify any incentives that WTCPUA has provided to WTCPUA's wholesale water treatment service customers and provide any documents that reflect those incentives.

Purposes of this request, the term "incentives" refers to any and all incentives as that term is used by PUC SUBST. R. 21.133, any predecessor rule of the Texas Commission on Environmental Quality, or any judicial or administrative decision, order, or interpretation of those rules. The term "wholesale water treatment customers" means those customers whose contracts were produced by the WTCPUA in response to TCMUD 12 RFP 1-10. The request is limited to the time during which the WTCPUA has been in operation.

RESPONSE:

The WTCPUA has not provided any incentives to its wholesale water treatment service customers.

Prepared by: David J. Klein and Georgia Crump
Sponsored by: Donald G. Rauschuber

RFI 4-3: Please provide any written notice of default, including but not limited to notices regarding the PUA failing to meet applicable drinking water standards, that were delivered from TCMUD 12 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.

RESPONSE:

The WTCPUA has not received any written notice of default, including but not limited to notices regarding the PUA failing to meet applicable drinking water standards, delivered from TCMUD 12 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.

Prepared by: David J. Klein and Georgia Crump
Sponsored by: Donald G. Rauschuber

RFI 4-4: Please refer to the WTCPUA's response to TCMUD 12 INTERROGATORY 1-1, in which the WTCPUA includes as a changed condition that "the PUA also agreed to amend the wholesale water treatment service agreements with some of its other wholesale water customers, redefining the amount of water treatment services needed and or amending the build-out schedule for such wholesale customers."

For each of the wholesale water treatment service agreements that the PUA agreed to amend, please provide the following:

- (a) If the wholesale water treatment service agreement prior to the amendment and/or the wholesale water treatment service agreement subsequent to the amendment have already been provided to TCMUD 12, please identify the bates ranges for both.
- (b) If the wholesale water treatment service agreement prior to the amendment and/or the wholesale water treatment service agreement subsequent to the amendment have not already been provided to TCMUD 12, please produce them.
- (c) Explain how each of the wholesale water treatment service agreement amendments are the basis for a change in TCMUD 12's rates.
- (d) Please produce all Documents and Communications related to these amendments.

RESPONSE: (a) Except as noted in response to RFI 4-4(b), all agreements and amendments requested in this RFI 4-4(a) were previously provided in WTCPUA's Response to TCMUD 12's First Request for Production No. 1-10, with the corresponding Bates Pages Range:

Agreement	Bates Pages Range
Water Services Agreement – Hays Reunion Ranch	WTCPUA00003502—WTCPUA00003543
First Amendment to Water Services Agreement—Reunion Ranch WCID	WTCPUA00003854—WTCPUA00003861
Second Amendment to Water Services Agreement – Reunion Ranch WCID	WTCPUA00003917—WTCPUA00003923
Water Services Agreement – Hays County WCID No. 1	WTCPUA00003467—WTCPUA00003501
1 st Amendment to Water Services Agreement – Hays County WCID No. 1	WTCPUA00003544-WTCPUA00003546
Second Amendment to Wholesale Water Services Agreement-Hays County WCID No. 1	WTCPUA00003862—WTCPUA00003873

Wholesale Water Services Agreement –Lazy Nine	WTCPUA00003547-WTCPUA00003568
First Amendment to Wholesale Water Services Agreement – Lazy Nine	WTCPUA00003904—WTCPUA00003916
Wholesale Water Services Agreement –Hays County WCID 2	WTCPUA00003683—WTCPUA00003750
Second Amendment to Wholesale Water Services Agreement – Hays County WCID No. 2	WTCPUA00003874—WTCPUA00003885
Third Amendment to Water Service Agreement – Hays County WCID 2	WTCPUA00003924—WTCPUA00003930
Water Services Agreement – Senna Hills	WTCPUA00003324—WTCPUA00003383
First Amendment to Wholesale Water Services Agreement – Senna Hills	WTCPUA00003842—WTCPUA00003853
First Revised and Amended Water Services Agreement Between The Uplands Company and Barton Creek West Water Supply Corporation	WTCPUA00003299-WTCPUA00003323
First Amendment to the First Revised and Amended Water Services Agreement between the Uplands Company and Barton Creek West Water Supply Corporation by and between West Travis County Public Utility Agency and Barton Creek West Water Supply Corporation	WTCPUA00006020-WTCPUA00006027

- (b) See **Attachment A**. Additionally, the WTCPUA supplements its response to RFP 1-10 with **Attachment A**.
- (c) Each of these wholesale water treatment service agreement amendments entered into in 2013 redefine the amount of water treatment services needed and/or amend the build-out schedule for such wholesale customers. Such changes modify each wholesale water treatment service customer's share of the total capacity of the WTCPUA's water system.
- (d) An objection to this request has been filed.

Prepared by: David J. Klein and Georgia Crump
 Sponsored by: Donald G. Rauschuber

RFI 4-5: Please refer to the WTCPUA's response to TCMUD 12 INTERROGATORY 1-1, in which the WTCPUA includes as a changed condition that "The PUA learned, and became more fully aware, of the functional capabilities and deficiencies of the Water System." For purposes of this request, the term "Water System" has the same meaning as it is used in the WTCPUA's response to TCMUD 12 INTERROGATORY 1-1.

- (a) Describe the due diligence undertaken by the WTCPUA or its Participants to analyze the functional capabilities and deficiencies of the Water System prior to the acquisition of the Water System from LCRA, including the identities of the individuals that conducted the due diligence evaluation on behalf of the WTCPUA or its participants.
- (b) Identify the functional capabilities and deficiencies of the Water System that the WTCPUA learned of, and the date on or about which the WTCPUA learned of, each of the functional capabilities and deficiencies of the Water System.
- (c) Identify the functional capabilities and deficiencies of the Water System that the WTCPUA became more fully aware of and the date the WTCPUA became more fully aware of the functional capabilities and deficiencies of the Water System.
- (d) Explain how the functional capabilities and deficiencies of the Water System identified in your responses to subpart (a), (b), and (c) above are the basis for a change in TCMUD 12's rates.

RESPONSE: (a) Don Rauschuber and Nelisa Heddin reviewed LCRA financial documents. Don Rauschuber and George Murfee reviewed LCRA capital improvement plans and impact fee documents. Don Rauschuber and George Murfee toured LCRA facilities and met with LCRA representatives.

- (b) WTCPUA took over operations of the water facilities on March 19, 2012. However, the WTCPUA generally became aware of the LCRA water infrastructure that it would begin operating on March 19, 2012 and LCRA's contractual commitments related to such system, on January 17, 2012, when the WTCPUA entered into the Utilities Installment Purchase Agreement. At that time, it was WTCPUA's understanding that such water treatment, transmission, storage and distribution facilities included a raw water intake on Lake Austin that pumps raw water to the water treatment plant located off Bee Cave Road (FM 2244) near the intersection with State Highway 71. The system included 13 major storage tanks (elevated and ground storage) and 6 main pump stations. Combined ground and elevated storage capacity amounts

to approximately 7,400,000 gallons of water. The transmission and distribution facilities include approximately 200 miles of pipe (4, 6, 8, 12, 16, 20 and 24 inch diameter). The raw water intake has a capacity of 22 million gallons per day which provides 20 MGD to the water treatment plant and 2 MGD for raw water irrigation. The water treatment plant is rated for 20 MGD.

The WTCPUA continuously became more aware of the functional capabilities and deficiencies of the Water System. For a list of specific dates on or about which the WTCPUA learned of specific functional capabilities and deficiencies of the Water System, and a description of such capabilities and deficiencies, see: (1) General Manager reports from the minutes of each of the WTCPUA Board meetings, previously provided in WTCPUA's Response to Request for Production No. 1-11; and (2) Engineer's Report from the minutes of each of the WTCPUA Board meetings, previously provided in WTCPUA's Response to Request for Production No. 1-11.

Further, WTCPUA learned of the deficiencies of the water system on August 9, 2012 and September 27, 2012, when it received reports from its Staff and consultants regarding its water capital improvements plan. WTCPUA has already provided such information in the minutes for such meetings, in its Response to Request for Production No. 1-11.

Additionally, WTCPUA has records of functional capabilities and deficiencies of the Water System. Such records are voluminous under P.U.C. Proc. R. 22.144(h) and are available for inspection at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please contact David Klein at (512) 322-5818 to arrange an appointment for inspection of the documents. An index of such documents is attached hereto as **Attachment B**.

- (c) WTCPUA incorporates its response to RFI 4-5(b) in this response.
- (d) The costs arising from deficiencies noted in subparts (b) and (c) above, and the costs involved in correcting such deficiencies in part increased the WTCPUA's costs to operate, maintain, repair, and expand the water system.

Prepared by: David J. Klein and Georgia Crump
Sponsored by: Donald G. Rauschuber

RFI 4-6: Please refer to the WTCPUA's response to TCMUD 12 INTERROGATORY 1-1, in which the WTCPUA includes as a changed condition that "The PUA identified the need for, and in some instances made, repairs and expansions to the Water System that were needed to meet service commitments and applicable laws, and to operator the Water System more efficiently." For purposes of this request, the term "Water System" has the same meaning as it is used in the WTCPUA's response to TCMUD 12 INTERROGATORY 1-1.

- (a) Please identify each of the "service commitments" referred to in the PUA's response to TCMUD 12 RFI 1-1. If a service commitment is the result of an agreement not previously produced by the WTCPUA, please provide that agreement. If the service commitment is the result of an agreement already produced, please identify the parties, title, date and bates page range for the agreement.
- (b) Please identify the repairs and expansions to the Water System that had been identified by the PUA as being needed to meet service commitments at the time of the 2013 Rate Order.
- (c) Please identify the repairs and expansions you identified in the responses to subpart (b) above, that have actually been made to the Water System, including the date(s) of the repairs and expansions.
- (d) Please identify the "applicable laws" referred to in the WTCPUA's response to TCMUD 12 RFI 1-1.
- (e) Please identify the repairs and expansions to the Water System that were identified by the WTCPUA as being needed to meet applicable laws.
- (f) Please identify the repairs and expansions you identified in the responses to subpart (e) above, that have actually been made to the Water System, including the date(s) of the repairs and expansions.

RESPONSE: (a) The WTCPUA's "service commitments" are its committed and new retail water customers and wholesale water and water treatment customers. All wholesale contracts between WTCPUA and its wholesale customers have been previously provided in WTCPUA's Response to Request for Production No. 1-10, located within the Bates Page Range of WTCPUA0003299-WTCPUA0004029 and WTCPUA00006020-WTCPUA00006034. The contract names and dates are as follows, sequentially, in such Bates Ranges:

First Revised and Amended Water Services Agreement Between The Uplands Company and Barton Creek West Water Supply Corporation, effective June 11, 1993

Water Services Agreement Between Lower Colorado River Authority and Senna Hills Municipal Utility District, dated September 2, 1994

Water Services Agreement Between The Uplands Company, Senna Hills Municipal Utility District and Senna Hills, Ltd., dated March 3, 1993

Water Services Agreement Between Lower Colorado River Authority and Crystal Mountain Homeowners' Association, Inc. dated June 1, 1998

Water Services Agreement Between Lower Colorado River Authority and Dripping Springs Water Supply Corporation dated August 23, 2000

Amendment Between Lower Colorado River Authority and Dripping Springs Water Supply Corporation dated May 28, 2002

Wholesale Water Supply Agreement Between Lower Colorado River Authority and the City of Dripping Springs dated March 11, 2003

Water Services Agreement Between Lower Colorado River Authority and Hays County Water Control and Improvement District No. 1 dated March 26, 2003

Water Services Agreement Between Lower Colorado River Authority and Hays Reunion Ranch, L.P. dated effective March 31, 2003

1st Amendment to Water Services Agreement Between Lower Colorado River Authority and Hays County Water Control and Improvement District No. 1 dated April 1, 2004

Wholesale Water Services Agreement Between Lower Colorado River Authority and Lazy Nine Municipal Utility District dated October 13, 2005

Wholesale Water Services Agreement Between Lower Colorado River Authority and Deer Creek Ranch Water Co., L.L.C. dated September 7, 2006

Revised and Restated Water Services Agreement Between Lower Colorado River Authority and Dripping Springs Water Supply Corporation dated December 1, 2006

First Amendment to Wholesale Water Services Agreement Between Lower Colorado River Authority and Deer Creek Ranch Water Co. L.L.C.

Wholesale Water Services Agreement Between Lower Colorado River Authority and City of Dripping Springs, Texas for Headwaters Municipal Utility District dated September 15, 2008

Second Amendment to Wholesale Water Services Agreement Between Lower Colorado River Authority and Deer Creek Ranch Water Co., L.L.C. dated effective February 2, 2009

Wholesale Water Services Agreement Between Lower Colorado River Authority and Travis County Municipal Utility District No. 12 dated October 20, 2009

Wholesale Water Services Agreement Between Lower Colorado River Authority and Hays County Water Control and Improvement District No. 2 dated August 30, 2010

Wholesale Water Services Agreement Between West Travis County Public Utility Agency and Travis County Municipal Utility District No. 18 dated December 3, 2012

First Amendment to Wholesale Water Services Agreement Between West Travis County Public Utility Agency and Senna Hills Municipal Utility District (not dated)

First Amendment to Water Services Agreement Between West Travis County Public Utility Agency and Reunion Ranch Water Control and Improvement District dated July 11, 2013

Second Amendment to Wholesale Water Services Agreement Between West Travis County Public Utility Agency and Hays County Water Control and Improvement District No. 1 dated September 26, 2013

Second Amendment to Wholesale Water Services Agreement Between West Travis County Public Utility Agency and Hays County Water Control and Improvement District No. 2 dated September 26, 2013

First Amendment to Wholesale Water Services Agreement Between West Travis County Public Utility Agency and Travis County Municipal Utility District No. 18 dated November 21, 2013

First Amendment to Wholesale Water Services Agreement Between West Travis County Public Utility Agency and Lazy Nine Municipal Utility District No. 1A dated January 15, 2014

Second Amendment to Water Services Agreement Between West Travis County Public Utility Agency and Reunion Ranch Water Control and Improvement District dated March 27, 2014

Third Amendment to Water Services Agreement Between West Travis County Public Utility Agency and Hays County dated July 17, 2014

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Reunion Ranch Water Control and Improvement District and Taylor Morrison, Inc. by and among the Lower Colorado River Authority, Reunion Ranch Water Control and Improvement District and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Barton Creek West Water Supply Corporation by and among the Lower Colorado River Authority, Barton Creek West Water Supply Corporation and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to The City of Dripping Springs by and among the Lower Colorado River Authority, the City of Dripping Springs and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Crystal Mountain Homeowners' Association by and among the Lower Colorado River Authority, Crystal Mountain Homeowners' Association and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Dripping Springs Water Supply Corporation by and among the Lower Colorado River Authority, Dripping Springs Water Supply Corporation and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Hays County

WCID No. 1 by and among the Lower Colorado River Authority, Hays County WCID No. 2 and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Hays County WCID No. 2 by and among the Lower Colorado River Authority, Hays County WCID No. 2 and West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Senna Hills by and between Lower Colorado River Authority, Senna Hills Municipal Utility District, Senna Hills, Ltd. and the West Travis County Public Utility Agency dated March 19, 2012

Agreement Regarding Transfer of Operation of the West Travis County Water System from the Lower Colorado River Authority to the West Travis County Public Utility Agency by and between the Lower Colorado River Authority, Travis County Municipal Utility District No. 12 and the West Travis County Public Utility Agency dated effective March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Deer Creek Ranch Water Company, LLC by and among Lower Colorado River Authority, Deer Creek Ranch Water Company, LLC, and the West Travis County Public Utility Agency dated March 19, 2012

Assignment by Lower Colorado River Authority to West Travis County Public Utility Agency Related to Provision of Water Service to Lazy Nine Municipal Utility District No. 1A by and among Lower Colorado River Authority, Lazy Nine Municipal Utility District No. 1A and the West Travis County Public Utility Agency dated March 19, 2012

First Amendment to the First Revised and Amended Water Services Agreement between the Uplands Company and Barton Creek West Water Supply Corporation by and between West Travis County Public Utility Agency and Barton Creek West Water Supply Corporation dated March 18, 2014

Third Amendment to Water Services Agreement between West Travis County Public Utility Agency and Hays County Water Control and Improvement District No. 2 dated July 17, 2014

Additionally, see **Attachment A**.

The WTCPUA, as assignee, also has numerous contracts with developers for retail water service. Such contracts are voluminous under P.U.C. Proc. R. 22.144(h) and are available for inspection at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please contact David Klein at (512) 322-5818 to arrange an appointment for inspection of the documents. An index of such documents is attached hereto as **Attachment C**.

- (b) The WTCPUA identified projects necessary to meet its present and future service commitments at the time of the 2013 Rate Order. Such projects are identified in **Attachment D**, attached hereto.

The WTCPUA also identified repairs necessary to meet its service commitments at the time of the 2013 Rate Order. Such records are voluminous under P.U.C. PROC. R. 22.144(h) and are available for inspection at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please contact David Klein at (512) 322-5818 to arrange an appointment for inspection of the documents. An index of such documents is attached hereto as **Attachment B**.

- (c) The WTCPUA repaired and refurbished Trident Filters, repaired and updated the SCADA system, upgraded the Southwest Parkway pump station, conducted construction activities for phase 4 of the RM 1826 pipeline, began to design a raw water transmission main, and completed a redesign of the Southwest Parkway 20-inch pipeline. The WTCPUA also made repairs necessary to meet service its service commitments at the time of the 2013 Rate Order. Such records are voluminous under P.U.C. PROC. R. 22.144(h) and are available for inspection at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please contact David Klein at (512) 322-5818 to arrange an appointment for inspection of the documents. An index of such documents is attached hereto as **Attachment B**.
- (d) Texas Water Code, Chapter 13, and Title 30 Texas Administrative Code, Chapters 290 and 291.
- (e) The WTCPUA incorporates its response to RFI 4-6(b) into this response to RFI 4-6(c).
- (f) The WTCPUA incorporates its response to RFI 4-6(c) into this response to RFI 4-6(f).

Prepared by: David J. Klein and Georgia Crump
Sponsored by: Donald G. Rauschuber

RFI 4-7: Please refer to the WTCPUA's response to TCMUD 12 INTERROGATORY 1-1, in which the WTCPUA includes as a changed condition that "The PUA determined that the minimum monthly charge should be updated to more equitably recover costs from retail and wholesale customers."

- (a) Produce all documents that support your contention that the minimum monthly charge was not equitably recovered from retail and wholesale customers prior to the 2013/2014 rate change effective January 1, 2014.
- (b) Please explain how the 2013/2014 rate change effective January 1, 2014 leads to a more equitable cost recover from retail and wholesale customers.

RESPONSE: (a) See

- (1) WTCPUA's contracts and amendments with its wholesale water treatment customers, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 1-10;
- (2) the final study used to set the WTCPUA's FY 13 wholesale water treatment rates, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 2-1;
- (3) the final analysis used to set the FY 14 minimum bill for TCMUD 12, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 2-2;
- (4) the final analysis used to set the FY 14 volumetric rate for TCMUD 12, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 2-3;
- (5) the document concerning service commitments, attached hereto as **Attachment E**;
- (6) letter from Water Resources Management, LLC to the WTCPUA, dated October 25, 2012, contained in the meeting minutes from November 1, 2012, which were previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 1-11; and
- (7) meeting minutes from November 15, 2012 meeting of the WTCPUA, which were previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 1-11.

Additionally, the WTCPUA decided that the total capacity of the water treatment plant should be based upon 27 million gallons per day, rather than 20 million gallons per day.

- (b) The rate change effective January 1, 2014 provides parity between retail and wholesale customers, and amongst the wholesale customers, which also impacts the retail customers. These rates continued to address the remaining 15.5% portion of the 31% shortfall between wholesale and retail customers noted by WTCPUA in November, 2012, when it adopted the prior rates.

Prepared by: David J. Klein and Georgia Crump
Sponsored by: Donald G. Rauschuber

RFI 4-8: Please refer to the WTCPUA's response to TCMUD 12 INTERROGATORY 1-2, in which the WTCPUA includes as a changed condition that "The PUA determined that the allocation of shares of capacity in the Water System amongst the wholesale customers should be updated."

- (a) Produce all documents that support your contention that the allocation of shares of capacity in the Water System amongst the wholesale customers should be updated.
- (b) Please explain why the allocation of shares of capacity in the Water System amongst the wholesale customers needed to be updated.
- (c) Identify each wholesale customer's share of capacity in the Water System before and after the WTCPUA "updates" those shares.

RESPONSE: (a) See

- (1) WTCPUA's contracts and amendments with its wholesale water treatment customers, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 1-10;
- (2) the final study used to set the WTCPUA's FY 13 wholesale water treatment rates, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 2-1;
- (3) the final analysis used to set the FY 14 minimum bill for TCMUD 12, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 2-2;
- (4) the final analysis used to set the FY 14 volumetric rate for TCMUD 12, previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 2-3;
- (5) the document concerning service commitments, attached hereto as **Attachment E**; and
- (6) letter from Water Resources Management, LLC to the WTCPUA, dated October 25, 2012, contained in the meeting minutes from November 1, 2012, which were previously provided by the WTCPUA in WTCPUA's Response to Request for Production No. 1-11.

Additionally, the WTCPUA decided that the total capacity of the water treatment plant should be based upon 27 million gallons per day, rather than 20 million gallons per day.

- (b) Several of the WTCPUA's wholesale water treatment service customers entered into contract amendments with the WTCPUA to revise their respective reserved capacity amounts.
- (c) See below:

Wholesale Customer	Capacity Before Update	Capacity After Update
Hays Reunion Ranch	553,000 gallons per day	603,692 gallons per day
Hays County WCID No. 1	345,600 gallons per day	1,221,120 gallons per day
Lazy Nine MUD No. 1	5,068,000 gallons per day	2,080,000 gallons per day
Hays County WCID No. 2	1,137,024 gallons per day	1,166,170 gallons per day
Senna Hills MUD	907,000 gallons per day	575,000 gallons per day
Barton Creek West WSC	965,952 gallons per day	679,000 gallons per day

Prepared by: David J. Klein and Georgia Crump
 Sponsored by: Donald G. Rauschuber

SOAH Docket No. 473-14-5144; PUC Docket No. 42866
WTCPUA's Responses to TCMUD 12's 4th RFI

ATTACHMENT A

Wholesale Water Treatment Contract

**AMENDMENT TO WATER SERVICES AGREEMENT
BETWEEN LOWER COLORADO RIVER AUTHORITY AND
HAYS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2**

This Amendment is made this 26th day of April, 2011, to the Water Services Agreement between the Lower Colorado River Authority ("LCRA") and Hays County Water Control and Improvement District No. 2 ("District"), to wit:

WITNESSETH

WHEREAS, the LCRA and District entered into a certain Water Services Agreement, dated August 30, 2010, pursuant to which LCRA agreed to provide District certain Water Services for up to 537 Living Unit Equivalents ("LUEs," as defined by the LCRA tariff for retail water services applicable to District's service area); and,

WHEREAS, the parties now desire to increase the number of Reserved LUEs to 987 LUEs, and to make other changes to the Agreement related to maximum water delivery rates corresponding to the increase in the number of Reserved LUEs; and,

WHEREAS, said increase is consistent with the site specific approval for District's Service Area obtained from the United States Fish and Wildlife Service and memorialized in the FWS Letter; and,

NOW, THEREFORE, in mutual consideration of the premises and provisions hereinafter contained, LCRA and District agree to amend said Agreement as follows:

1. Section 3.03, "Quantity and Pressure," subsection "a," of said Agreement is hereby amended so that the first sentence thereof shall read in its entirety as follows:

"Subject to the limitations set forth herein, upon completion of construction of the Improvements, LCRA agrees to divert, transport and treat for the District all water needed and requested by the District for the District's Service Area, up to, but not in excess of (i) a peak hourly flow rate of 79,947 gallons per hour and a peak daily flow rate of 1,137,024 gallons per day (for up to 987 LUEs) within the District's Service Area, or (ii) such lesser amount as LCRA may be able to supply in the event of an Emergency."

2. Section 4.01, "Connection Fee; Rates," subsection "b," of said Agreement is hereby amended so that the second sentence of that subsection reads in its entirety as follows: "The Monthly Charge is presently \$6,515 per month."

3. Section 4.01, "Connection Fee; Rates," subsection "e," of said Agreement is hereby amended so that the first sentence of the first paragraph to that subsection reads in its entirety as follows: "LCRA hereby reserves for the District capacity in the LCRA System for 987 LUEs ("Reserved LUEs") for the Reservation Period."

4. Section 4.01, "Connection Fee; Rates," subsection "f," of said Agreement is hereby deleted and subsequent subsections renumbered accordingly.

5. Section 4.01, "Connection Fee; Rates," former subsection "g," of said Agreement is hereby amended by removing the word "original" so that the first sentence of that subsection reads in its entirety as follows: "District further agrees during the Reservation Period to pay an amount equal to the product of multiplying the Reservation Fee times the Reserved LUEs for the District in any given year (which shall be the number of Reserved LUEs minus the total number of LUEs for which a connection fee has been paid or which have been released pursuant to the next paragraph)."

6. Exhibit C, "Reserved LUEs," of said Agreement is hereby amended to read in its entirety as follows: "Reserved LUEs equal 987 LUEs."

All provisions of the Agreement not amended explicitly hereby shall remain in full force and effect. All defined terms used in this Amendment shall have the same meanings as provided in the Agreement unless explicitly defined in or amended by this Amendment.

IN WITNESS WHEREOF, these presents have been executed this 26th day of April, 2011.

LOWER COLORADO RIVER AUTHORITY

By: 

Dennis B. Daniel, P.E.

Manager, Customer & Business Strategy



**HAYS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 2**

By: 

Thomas Patrick Phillips, President

SOAH Docket No. 473-14-5144; PUC Docket No. 42866
WTCPUA's Responses to TCMUD 12's 4th RFI

ATTACHMENT B

Index of records concerning
functional capabilities and deficiencies of water system

List of work orders (563 pages)(October 27, 2014), prepared by Don Rauschuber (Voluminous).

ATTACHMENT C

**Index of Utility Facilities Construction and Conveyance Agreements and Utility Facilities
Acquisition Agreements, all prepared by Don Rauschuber**

Trudy's Texas Star (Nofalia) (22 pgs) (3/17/11)
Lone Star Bank, SSB (22 pgs) (2/17/11)
Robert Marincic (20 pgs) (6/07/10)
Mountain Laurel (CCNG Real Estate Investors II) (30 pgs) (5/21/10)
Cottages at Spillman Ridge (Ash Creek Homes) (22 pgs) (4/16/10)
Creeks Edge, Ltd. (8 pgs) (9/10/09)
Texas Research International, Inc. (16 pgs) (5/28/09)
Spring Creek Estates (CCNG Real Estate Investors II) (17 pgs) (4/29/09)
AT&T (Bee Cave Expansion) (17 pgs) (9/22/09)
Kratzer Family Trust (16 pgs) (8/21/08)
Westbank Community Library District (16 pgs) (8/21/08)
Summit Austin 56, Ltd. (19 pgs) (4/24/08)
CGA Ventures, LLC (Uplands Office) (15 pgs) (1/21/08)
Village at Kirby Springs, LP (15 pgs) (1/14/08)
HDC, Inc. (15 pgs) (1/2/08)
Embarcadero WSC (41 pgs) (12/20/07)
PCG Summit (Ladera Ranch) (16 pgs) (11/13/07)
SSC Evergreen, LLC (15 pgs) (11/02/07)
Wilden Properties, Ltd. (15 pgs) (8/27/07)
South Madrone Trail Water, Inc. (22 pgs) (5/17/07)
Bryan Joseph Jamail (Cedar Ridge Estates) (16 pgs) (4/30/07)
Michael W. Dickey (Marble Falls Minor Emergency) (15 pgs) (4/02/07)
Riverwild, LP (Hawthorne Ridge Subdivision) (15 pgs) (10/31/06)
Hill Country Galleria (16 pgs) (10/29/06)
ERA BC Partners, Ltd. (Shops at the Galleria) (15 pgs) (6/11/04)
Eanes ISD (Amendment to Water Supply Agreement) (4 pgs) (12/02/03)
Balfour Tract (Interim Water Service) (17 pgs) (11/26/01)
Austin SeventyOne, Ltd (Interconnection Agreement) (12 pgs) (11/15/11)
McMeans, Inc. (21 pgs) (4/15/11)
Jo-Iris Guillen and Miguel Guillen (22 pgs) (12/02/10)
Terry Harrison (Lone Oak Motors) (23 pgs) (1/09/11)
HCG Land Partners, LLC; Bluestem Residential (25 pgs) (1/09/11)
Glenn G. Kritch (21 pgs) (11/29/10)
Lasco Polo Club Partners, Ltd. (25 pgs) (4/15/10)
Nitro Swimming Bee Cave, LLC (21 pgs) (9/20/10)
Firle, Voorheis Partnership, LLP (Ramsey Ranch) (27 pgs) (9/13/10)
Charles B. Hudson (Orb Music Studio) (23 pgs) (11/11/11)
Dr. Mitchell and Rose Wong (16 pgs) (7/16/08)
290 & Derecho, LLC (21 pgs) (8/16/11)
6D Ranch, Ltd. (Customer Service Agreement) (7 pgs) (8/27/02)
Espy Corporation (21 pgs) (3/23/11)

SOAH Docket No. 473-14-5144; PUC Docket No. 42866
WTCPUA's Responses to TCMUD 12's 4th RFI

Taylor Morrison of Texas (Ladera Ranch) (24 pgs) (12/06/11)
Sabbia Ltd; Mike Young (Buck Eye Trail) (22 pgs) (12/06/11)
Jorge and Lori Rubalcava (LBA RV Park) (23 pgs) (11/11/11)
Halle Properties (23 pgs) (1/28/08)
Bee Cave Ventures (Lake Hills Montessori) (15 pgs) (2/06/08)
Reverend Gregory M. Aymond (30 pgs) (8/16/02)
Target Corporation (18 pgs) (5/21/03)
Lake Oaks Ranch LP (13 pgs) (1/25/03)
Chick-Fil-A (14 pgs) (1/10/04)
Jason Spencer (Bear Creek Estates) (16 pgs) (10/06/05)
William and Donna Kay Osborn (16 pgs) (8/17/06)
Kenneth Blythe (Blue Haven Pools Office Complex) (15 pgs) (1/05/07)
Spanos Corporation (14 pgs) (8/22/02)
Columbia Greystar Bee Caves LP (Los Robles) (14 pgs) (12/10/01)
Cypress 4F Cattle & Ranch Ltd (13 pgs) (3/01/04)
John Paul DeJoria Family Trust, LLC (20 pgs) (9/11/04)
CCNG Development Company, L.P. , et al. (179 pgs) (11/19/99).

SOAH Docket No. 473-14-5144; PUC Docket No. 42866
WTCPUA's Responses to TCMUD 12's 4th RFI

ATTACHMENT D

Documents Concerning Expansions to Water System

Capital Improvement Project (CIP)

The following tables show the proposed CIP projects necessary to accommodate the ten year growth of an additional 6,500 LUEs system-wide, 3,575 LUEs for the SH 71 (Bee Cave) System and 2,925 LUEs for the US 290 (Southwest Parkway) System. The future capacity utilized in the existing facilities is shown. The hard cost attributed to the ten-year growth totals \$51,071,520.

WTC PUA PROPOSED CIP (WATER)

System Wide (6,500 LUEs added in ten years)

Project	Year Scheduled	Projects Cost ⁽¹⁾ (Design / Const. / CA)	Capacity (Increase)	Capacity (2012-2021)	Cost Attributed to 2012-2021 Development
System Wide					
Impact Fee Study	2012	\$60,000	0	0	\$60,000
Surge Tank on Raw Water Line	2013	\$1,160,000	20 MGD	7 MGD	\$406,000
WTP Expansion ⁽²⁾	2018	\$20,000,000	7 MGD	2.4 MGD	\$6,857,143
Raw Water Pump Station Improvements ⁽²⁾	2018	\$2,000,000	7 MGD	2.4 MGD	\$685,714
20" Raw Water TM	2018	\$3,000,000	7 MGD	2.4 MGD	\$1,028,571
					<u>\$9,037,428</u>

Basis:

13 MGD Max Day / 9000 LUE Existing
(20-13) x

9000 LUE
13 MGD

Yr
650 LUE

= 7.5 years until WTP expansion is req'd

⁽¹⁾ Project costs are for hard cost only. Hard costs are defined as design, construction, construction administration, and land acquisition.
⁽²⁾ LUEs defined by land use in accordance with the attached table.

WTC PUA PROPOSED CIP (WATER)						
SH 71 (Bee Cave) System (3,575 LUEs added in ten years)						
Project	Year Scheduled	Projects Cost ⁽¹⁾ (Design / Const. / CA)	Capacity (Increase)	Capacity (2012-2021)	Cost Attributed to 2012-2021 Development	
Bee Cave						
HPR 1420 Hydrotank Upgrade (add 750 gpm pump)	2014	\$250,000	375 LUE	375 LUE	\$250,000	
Hwy 71 EST (0.35 MG)	2014	\$2,200,000	3500 LUE	1751 LUE	\$1,100,629	
Bee Cave PS Upgrade (1500-3000 gpm firm)	2014	\$540,000	1500 gpm	1500 gpm	\$540,000	
Misc. Improvements for 1280 pressure plane	2015	\$1,000,000	500 LUE	500 LUE	\$1,000,000	
					<u>\$1,890,629</u>	

⁽¹⁾ Project costs are for hard cost only. Hard costs are defined as design, construction, construction administration, and land acquisition.

WTC PUA PROPOSED CIP (WATER)

US 290 (Southwest Parkway) System (2,925 LUEs added in ten years)

Project	Year Scheduled	Projects Cost ⁽¹⁾ (Design / Const. / CA)	Capacity (Increase)	Capacity (2012-2021)	Cost Attributed to 2012-2021 Development
<u>Southwest Parkway System</u>					
SW Parkway PS					
3567 to 5900 GPM (Ongoing)	2012	\$265,000	2333 gpm	2333 gpm	\$265,000
5900 - 7800 gpm	2015	\$600,000	1900 gpm	176 gpm	\$55,579
SWPPS 20" TM	2013	\$3,780,000	4900 gpm	2340 gpm	\$1,805,143
1240 Pressure Plane Study and WL ⁽²⁾	2014	\$1,390,000	2138 LUE	1127 LUE	\$549,531
1340 EST (0.6 MG), Pump Station Upgrade, WL	2015	\$6,500,000	4500 LUE	1755 LUE	\$1,801,250
FM 1826 Ph 4 - 16" TM	2013	\$950,000	3136 gpm	1404 gpm	\$950,000
FM 1826 Extension - 16" TM	2016	\$2,000,000	3136 gpm	1404 gpm	\$2,000,000
Heritage Line - 16" TM*	2016	\$1,200,000	2352 gpm	1240 gpm	\$474,490
1420 HGL Pump Station	2015	\$1,000,000	1950 gpm	1168 gpm	\$598,974
					<u>\$8,599,967</u>

(1) Project costs are for hard cost only. Hard costs are defined as design, construction, construction administration, and land acquisition.
 (2) Use 75% of project cost due to replacement factor

WTC PUA CIP (WATER)
Existing Projects
(Existing 9/021 LUE)

Project	Actual Project Cost	Capacity (MGD)	Current Capacity Used (MGD)	Capacity Used 2012-2021 (MGD)	Capacity Used 2021 (MGD)	Percent Allocation Current	Percent Allocation 2012-2021	Percent Allocation Beyond 2012	Costs Allocated to Current	Costs Allocated 2012-2021 Growth
Systemwide										
Uplands WTP Chem Building	\$ 2,141,458	20	13	7	-	65%	35%	0%	\$ 1,391,948	\$ 749,510
Uplands WTP Plant	40,249,533	20	13	7	-	65%	35%	0%	26,162,197	14,087,337
Uplands Raw Water Intake Expansion	416,305	20	13	7	-	65%	35%	0%	270,598	145,707
High Service Pump Station 8 MGD to 14 MGD	4,034,066	20	13	7	-	65%	35%	0%	2,622,143	1,411,923
Uplands Clearwell #2	997,229	20	13	7	-	65%	35%	0%	648,199	349,030
	<u>\$ 47,838,591</u>								<u>\$ 31,095,084</u>	<u>\$ 16,743,507</u>
SH 71 System										
Larry 9 SW 71 Transmission Main	\$ 3,090,461	20	13	7	-	65%	35%	0%	2,008,800	1,081,661
Transmission Main from Uplands Plant to Bee Cave Pump Station	1,556,779	20	13	7	-	65%	35%	0%	1,011,906	544,872
Wolf Mountain (Crystal Mountain) EST	1,917,518	20	13	7	-	65%	35%	0%	1,246,387	671,131
Senna Hills By-Pass Line	559,677	20	13	7	-	65%	35%	0%	363,790	195,887
Hamilton Pool Road 1280 Pump Station Water Line	330,552	20	13	7	-	65%	35%	0%	214,859	115,693
Hamilton Pool Road Water Line	6,624,510	20	13	7	-	65%	35%	0%	4,305,932	2,318,579
Home Depot Pump Station	392,792	20	13	7	-	65%	35%	0%	255,315	137,477
Home Depot Ground Storage Tank	147,043	20	13	7	-	65%	35%	0%	95,578	51,465
Bee Cave Ground Storage Tank, Pump Station, Piping (off Cuernavaca)	699,851	20	13	7	-	65%	35%	0%	454,903	244,948
Bee Cave Water Line to Cuernavaca	990,492	20	13	7	-	65%	35%	0%	643,820	346,672
	<u>\$ 16,309,675</u>								<u>\$ 10,601,288</u>	<u>\$ 5,708,386</u>
US 290 System										
Countywide Pump Station Upgrade	\$ 1,684,429	20	13	7	-	65%	35%	0%	\$ 1,094,879	\$ 589,550
1800 gpm to 3450 gpm										
290 Pipeline										
a) 24" SWPPS to County Line	12,841,593	20	13	7	-	65%	35%	0%	8,347,035	4,494,557
b) 20" Countyline to 1420 Hgt EST	3,411,212	20	13	7	-	65%	35%	0%	2,217,288	1,193,924
20" Main Uplands to SW Parkway (Easements)	506,714	20	13	7	-	65%	35%	0%	329,364	177,350
1420 Elevated Storage	2,197,353	20	13	7	-	65%	35%	0%	1,428,279	769,073
Sawyer Ranch Road Ph 1 20"	1,183,948	20	13	7	-	65%	35%	0%	769,566	414,382
Sawyer RR Ph 1 (Darden Hill)	1,293,619	20	13	7	-	65%	35%	0%	840,853	452,767
	<u>\$ 23,118,667</u>								<u>\$ 15,027,264</u>	<u>\$ 8,091,603</u>

WTC PUA CIP (WATER)			
	HARD COST (650 LUE / yr)		
	Existing	Proposed	Σ
System Wide			
16,500 LUE	\$16,743,507	\$9,037,428	\$25,780,935
Bee Cava Area			
3,575 LUE	\$5,703,386	\$2,890,629	\$8,599,015
SWPPS Area			
2,925 LUE	\$8,091,603	\$8,599,967	\$16,691,570

SOAH Docket No. 473-14-5144; PUC Docket No. 42866
WTCPUA's Responses to TCMUD 12's 4th RFI

ATTACHMENT E

Document Concerning Wholesale Customer Service Commitments

Attachment E

	Service Commitments	
Barton Creek West	985,952	5.95%
Senna Hills	907,000	5.59%
Crystal Mountain	144,000	0.89%
Dripping Springs WSC	1,000,000	6.16%
Hays Cty WCID #1 (Belterra)	1,843,200	11.36%
Eanes ISD	42,900	0.26%
Cypress - Hays L.P.	1,440,000	8.87%
Hays Cty Reunion Ranch (Krasovek)	553,000	3.41%
Lazy Nine MUD	5,068,000	31.23%
Deer Creek Ranch	576,000	3.55%
Headwaters	1,612,800	9.94%
Lakeway Highlands (MUD #12)	2,073,600	12.78%
Total	16,226,452	
SGL Investments	360,100	
LSM Ranch Ltd.	1,128,000	

Z:\RATES\WWW Utilities\FY 08 WTC Wholesale Rates\
allocation of rev req FINAL 6_30_08.xls
\Service Commitments

8

Final Rate Study, June 2008 -
WTC Wholesale Water Rates