

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

- E. Discuss, consider and take action on Agency construction projects, including pay estimates and change orders for:
1. 100 Acre-Feet Effluent Pond and Lift Station.

George Murfee presented a pay estimate in the amount of \$527,863.86 for the treated effluent pond construction.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the Keystone Construction pay application for \$527,863.86 for the treated effluent pond construction.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

Mr. Murfee then gave a brief update of the effluent pond construction, stating that completion was anticipated in July 2013.

- F. Discuss, consider and take action on pending service extension requests, including requests for nonstandard water and/or wastewater service and approval of service availability letters, including:
1. Mountain Laurel;
 2. Sewer Application for Bee Cave Office Park, aka Border to Border, Bee Cave, Texas; and
 3. HR Austin Group, Ltd., Lots 2-7 in Austin Summit 56.

Mr. Murfee first presented on Mountain Laurel, stating that this was a project caught in the middle of the process and although there has been some discrepancy on LUEs, a service availability letter is needed for the developer to move forward with the City of Bee Cave.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Fox to authorize service to Mountain Laurel for 84 LUEs of water and wastewater for Lot 1, Block A, and that after two years when the development reaches 90% or more of capacity, actual wastewater usage would be based on 1.2 times average of the three highest months of usage to account

for inflow and infiltration, and that this adjustment be limited to a minimum of 74 wastewater LUEs.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

Mr. Murfee next presented HR Austin Group, Ltd., Lots 2-7 in Austin Summit 56, stating that the developer wanted a commitment of 253 LUEs made for the whole Summit 56 tract, as proposed in the letter from Julian Lockwood and provided as Exhibit E. Director Murfee stated that HR Austin should be working with Summit Austin 56 on the allocation of LUEs, and that a letter from Summit 56 was needed to assign flow.

G. Discuss, consider and take action on wholesale water service agreement with Deer Creek Ranch Water Co., LLC.

Stefanie Albright presented a revised consent to assignment agreement, included as Exhibit F which takes into account the potential for LCRA termination of Deer Creek's raw water contract. Randy Wilburn, attorney for Deer Creek Ranch Water Co., LLC addressed the Board stating that Deer Creek is working to resolve the LCRA raw water charges. Director Murphy asked whether the company was current with the Agency, to which Mr. Wilburn confirmed that there were no unpaid wholesale water charges.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the consent to assignment document for Deer Creek Ranch Water Co., contingent on Deer Creek Ranch being in good standing with the Agency.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

H. Discuss, consider and take action on authorization to execute easements and other standard developer closing forms on behalf of the Agency that are reviewed and approved by the general manager, engineer and general counsel.

Ms. Albright presented a resolution, provided as Exhibit G, stating that due to the number of form easements and utility conveyance agreements, Agency staff was requesting that authority be delegated to the General Manager to sign those routine conveyance agreements and easements provided with the resolution.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the resolution authorizing the execution of easements and other standard developer closing forms on behalf of the Agency that are reviewed and approved by the general manager, engineer and general counsel.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

- I. **Discuss, consider and take action on approving amendments to the wholesale water, wholesale wastewater and effluent raw water irrigation customer rates in the Agency's rate tariff.**

Nelisa Heddin presented on this item and first provided an overview of the wholesale customer meetings held by Agency consultants. She stated that wholesale rates have not been adjusted since 2007 and that wholesale customers are not paying for their full costs of service. She stated that the Agency could sustain a 15.5% increase for 2012 in lieu of the full 31% increase needed to cover costs of service. However, this phased increase will likely mean that rates will have to increase further in 2013 to cover costs, and that this increase could be more than 15.5%. She also stated that Agency consultants are recommending a wholesale customer committee to begin an in-depth process to study future rate increases and wholesale issues.

Roger Durden with Hays County WCID No. 1 addressed the Board, stating that he was opposed to the rate increase as the Agency has not been in place long enough and the costs are only projections. He stated that he appreciates the willingness of Agency staff to hold meetings, but he would like to have additional vetting of the issue. He further asked that the Board consider the retail cost aspect that those getting service from wholesale providers would be paying. Director Fox stated that he supported a committee to review future increases, but that the numbers support the proposed increase as equitable.

Director Murfee stated although the Agency has less operating costs than LCRA, the Agency will still have to pay LCRA's debt to acquire the system. He further stated that at the time of acquisition the Agency knew there would be a lot of changes and costs would have to be paid, but customers would be better off in the long run. He supported a stepped 15.5% increase to wholesale water rates, but stated that wholesale wastewater should be assessed the full 18% cost of service increase.

Director Whisenant stated that the intent is to keep the Agency's operations as open as possible, and that he appreciates the customer comments. The Agency is trying to be as Spartan as possible to ensure that they are not building another LCRA. He supports a stepped rate increase because a lot of information has been provided in a short amount of time, but debts and costs would have to be paid. He likes the wholesale committee option and thinks that any wholesale customer in good standing should have a representative participate in the committee.

MOTION: After discussion, a motion was made by Director Fox, seconded by Director Whisenant to approve an increase in wholesale water rates by 15.5%, effective January 1, 2013, an increase in the wholesale wastewater rates by 9%, and increase in the rates for treated effluent by 4.5%, as shown in Exhibit H; and further that the Agency establish a wholesale customer committee to assist with the analysis of any future proposed increases.

AMENDMENT: After discussion, a motion was made by Director Murphy, seconded by Director Fox, to amend the motion to set the wholesale wastewater rate at the full 18% cost of service.

The vote was taken on the amendment with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

The vote was taken on the amended motion with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

J. Discuss, consider and take action on Sawyer 290 Crossing Water Reservation Agreement.

Mr. Rauschuber presented a request for an extension of the reservation of 30 LUEs, provided as Exhibit I, stating that this development would soon be in the service extension request process ("SER") and a reservation was not necessary. Seth Mayerd with Malone Wheeler spoke for the developer, stating that they would like to obtain the reservation, and then file an SER. Mr. Murfee stated that this project was included in the capital improvements plan.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the reservation of 30 LUEs of water service for Sawyer Crossing 290/Shops at Highpointe, LP for a period of one year.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

K. Discuss, consider and take action on policy regarding assessment of impact fees.

Mr. Rauschuber presented an overview of the impact fee assessment process, stating that there were several policies for the Board to consider. He first asked whether assessment of impact fees should occur at the time of recordation of the plat.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the assessment of impact fees at the time of recordation of the plat.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

The next issue presented by Mr. Rauschuber was how to handle replats of a project platted as of November 1, 2012. Director Murphy stated that if it is an issue of an increase in LUEs, the new LUEs would pay the new fee.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant, to approve the policy that any new LUEs created by action or a replat during the one year impact fee grace period do not qualify for the grandfather impact fee and those new LUEs will be assessed the current impact fee at the time the revised plat is recorded.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

Mr. Rauschuber next stated that there could be an issue of how to assess impact fees if no platting was required for a development in the one-year grace period.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the policy that properties that do not go through the platting process may not avail themselves of the grandfathered impact fees and will be assessed the current impact fee at the time the meter is set.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

Mr. Rauschuber stated that the Emergency Services District No. 6 (the "ESD") overlaps the Agency's service area and requires in its service areas that houses have internal fire suppressant sprinklers and corresponding larger or separate meters. Mr. Rauschuber stated he would further look into the issue and bring this item back to the Board to discuss the appropriate fees for such meters.

L. Discuss, consider and take action on appointment of additional Board members.

Director Whisenant stated that moving forward with legislation without a full Board is an issue, and he requested that this item stay on the agenda until the issue is resolved.

Randy Wilburn addressed the Board on behalf of West Travis County Municipal Utility District No. 5 ("MUD 5"), stating that although the concurrent ordinance allows for five Board members, only three are required. Director Fox stated that as president of MUD 5 he was given the authority to meet with the City of Bee Cave's recommended Board member and take action as necessary. Director Whisenant stated that it has always been the intent of Hays County to be equitable to ratepayers, and that he is getting pressure to seat the five-member Board.

M. Discuss, consider and take action on drafting and filing of special legislation regarding West Travis County Public Utility Agency for the 83rd Texas Legislative Session.

No action was taken on this item.

N. Discuss, consider and take action on future Agency meeting dates.

Ms. Albright stated that the next meeting would occur on December 13, 2013. The January Board meetings will be held on January 10 and January 24.

- O. Discuss, consider and take action on order approving previous meeting minutes.

MOTION: After discussion, a motion was made by Director Murphy, seconded by Director Whisenant to approve the meeting minutes of the October 25, 2012 Board meeting as presented.

The vote was taken with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant
Voting Nay: None
Absent: None

II. EXECUTIVE SESSION

At 2:43 p.m. President Fox announced that the Board would move into Executive Session pursuant to the following items on its agenda:

- A. Convene in Executive Session pursuant to the Open Meetings Act, Tex. Gov't Code Ann. § 551.071 – Consultation with Attorney, regarding General Manager's report. (Action Item No. I.D)
- B. Convene in Executive Session pursuant to the Open Meetings Act, Tex. Gov't Code Ann. § 551.071 – Consultation with Attorney, regarding Agency construction projects including pay estimates and change orders, and to deliberate the conveyance of real and personal property associated therewith, in accordance with Tex. Gov't Code Ann. § 551.072. (Action Item No. I.E)
- C. Convene in Executive Session pursuant to the Open Meetings Act, Tex. Gov't Code Ann. § 551.071 – Consultation with Attorney, regarding drafting and filing of special legislation regarding West Travis County Public Utility Agency for the 83rd Texas Legislative Session. (Action Item No. I.M)

The Board of Directors reconvened in open session at 3:29 p.m. President Fox stated that no action was taken during Executive Session. Action taken following the Executive Session is addressed in the corresponding agenda item.

III. ADJOURNMENT

MOTION: A motion was made by Director Murphy seconded by Director Whisenant to adjourn.

The vote was taken on the motion with the following result:

Voting Aye: Directors Fox, Murphy and Whisenant

Voting Nay: None

Absent: None

The motion carried.

The Board meeting adjourned at 3:55 p.m.

PASSED AND APPROVED this 13th day of December 2012.


Larry Fox, President

ATTEST:


Ray Whisenant, Secretary/Treasurer

**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:

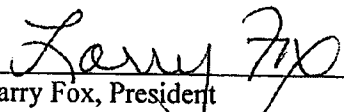
Section 1: The above recitals are true and correct and are incorporated into this Order for all purposes.

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

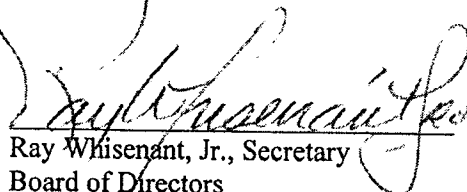
Section 3: The Agency's General Manager, Engineer, and General Counsel are authorized to take all actions necessary to carry out the purposes of this Order, including, but not limited to, providing notice of the proposed increases to Agency customers and amended Tariff, and petitioning the Lower Colorado 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 - 15.5%
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	\$ 7,524.83
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	\$ 10,891.65

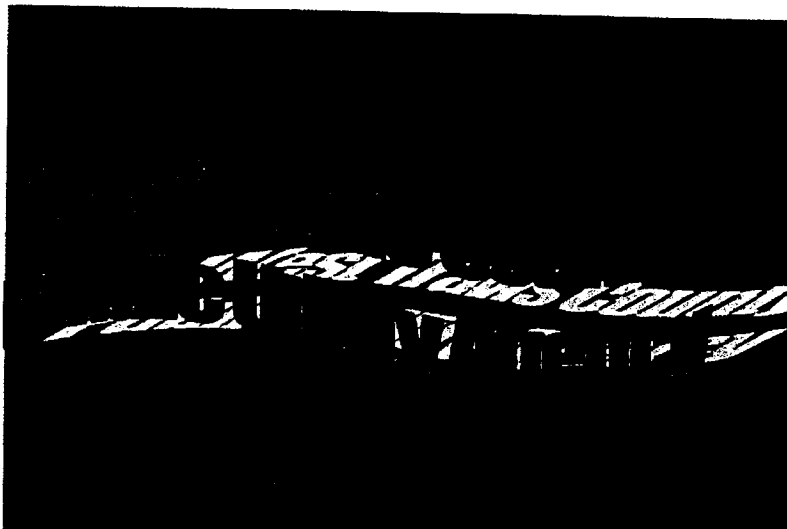
Volumetric Rate	Current	Stepped Increase - 15.5%
Customers With own Raw Water	\$ 2.40	\$ 2.77
Customers Using PUA Raw Water	\$ 2.86	\$ 3.30

Wastewater	Current	Full Cost of Service - 18%
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

October 11, 2012

Prepared for:



Final Report
Wholesale Cost of Service
and Rate Design Study



Prepared by:



Water Resources
Management, LLC

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Phone (512) 420-9841 Fax (512) 420-9237



Water Resources Management, LLC

October 11, 2012

Mr. Larry Fox
President
West Travis County Public Utility Agency
12117 Bee Cave Road, Building 3, Suite 120
Bee Cave, Texas 78738

Dear Mr. Fox,

Water Resources Management, LLC (WRM) is please to present our findings and recommendations for the Wholesale Cost of Service and Rate Design Study that we have conducted on behalf of the West Travis County Public Utility Agency (Agency). The project team has reviewed available data and interviewed Agency staff. From this review, we were able to develop a recommended rate design.

The enclosed report details the methodology utilized by WRM during the course of our analysis and describes our findings.

It has been a pleasure working with the Agency. Your staff has been very efficient in answering our questions and filling data requests. Please feel free to contact our office with any questions or comments regarding this report at (512) 420-9841.

Sincerely,

Nelisa Heddin

VP Business & Financial Services

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Section 1.0 Understanding Project Goals

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Goals and Objectives

Water Resources Management, LLC (WRM) is pleased to present to the West Travis County Public Utility Agency (Agency) the results of a wholesale cost of service and rate design study for the Agency's Water and Wastewater Utility. The project team had four critical goals in the performance of this task:

- 1) Isolate revenue requirements for the water and wastewater utility;
- 2) Functionalize costs;
- 3) Allocate costs to retail and wholesale customers;
- 4) Design wholesale rates that recover wholesale customer costs of service.



Background on Water Rates

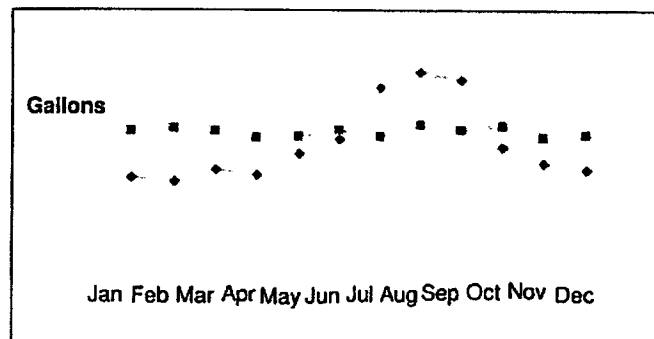
Rate Setting Theory:

The American Water Works Association (AWWA) sets forth a methodology for rate setting based on cost of service principles. The premise of this methodology is to require users to pay the cost incurred by the utility to provide that user with water service.

Water utility infrastructure is constructed to meet times of peak demand. Although on an annual basis, the average usage of water is at a lower level, the system must be constructed to meet times of peak usage, such as irrigation in summer months or early mornings when residents are showering, doing laundry, and washing dishes. Chapter 290 of the Texas Administrative Code outlines strict guidelines that the water utility must follow while providing retail water services. These guidelines outline specific requirements for items such as minimal system capacities, to meet these times of peak usage. Thus, the water utility must maintain the infrastructure to meet these requirements. Infrastructure capacity requirements are determined by the number of connections that the system serves, and the size of each connection as well as the usage patterns of those customers. As a result, water utilities are designed to handle times of peak usage. Therefore, even though the utility may have average usage at a certain level, it must have the capacity to serve customers at a level that is much greater, in order to meet peaking demands.

Different customer classes utilize water in different manners, and, thus, put different strains on the utility. Utilizing a cost of service methodology recommended by the AWWA, a particular utility's customer classes are examined to determine usage patterns for each class. Figure 1 demonstrates different usage patterns for two different types of customers.

Figure 1: Usage Patterns



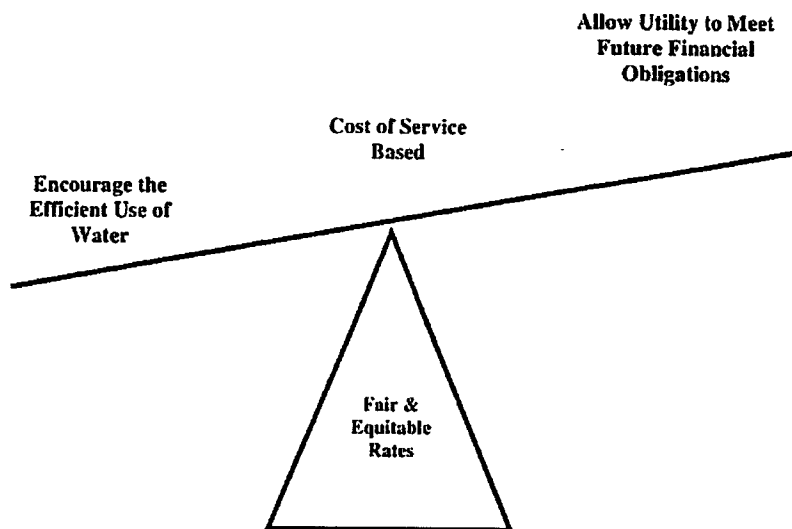
The customers represented by the blue line in Figure 1 show a dramatic peaking pattern in summer months. This peak pattern commonly occurs with customers who, for example, irrigate during the summer. The customers represented by the pink line show very little deviation in their month-to-month usage. An example of a customer using water in this manner may be a commercial customer who uses water in a consistent pattern year round.



According to the AWWA, "a water utility is required to supply water in total amounts and at such rates of use desired by the customer. A utility incurs costs in relationship to the various expenditure requirements caused by meeting those customer demands. Since the needs for total volume of supply and peak rates of use vary among customers, the costs to the utility of providing service also vary among customers or classes of customers."¹ In other words, there are significant cost implications to the ability a utility system must have to meet peaking patterns.

The blue-line customer in Figure 1 has a higher peak to average ratio of water usage. Whereas the pink-line customer has a lower peak to average ratio even though the total volume used is greater for this customer class. In this example, the utility has to maintain a total system capacity to serve the maximum (or peak) usage of all customers, even though the blue-line customer uses a peak amount of water for three months out of the year. There is a significant cost implication to this irregular usage pattern. The rates charged to customers should reflect this cost differential.

Rate Design General Considerations:



During rate analysis, the primary consideration is to determine rates that are fair and equitable among all customers. Rates should recover the cost associated with providing service to each customer from that particular customer. Determining rates that fully achieve this goal would involve a detailed analysis of each individual customer's consumption pattern. Since this is an impractical feat for most utility systems, rates are typically designed to fit average conditions for groups of customers having similar service requirements. Customers are grouped into customer classes that utilize water in a similar pattern (such as residential, commercial, apartments and irrigation). Historical usage patterns are then analyzed for each customer grouping and costs assigned accordingly.

¹ American Water Works Association M1 Manual, Water Rates, Fourth Edition, 1991.



The AWWA emphasizes, "departure from rates based on cost of service is generally a decision made for political, legal, or other reasons. Consideration of rates deviating from cost of service, therefore, is made by politicians, not the rate designer."² In addition, the AWWA states that "when a deviation from cost-related rates is made, the reason for such modification should be explicitly understood so that the responsibility for such deviation is placed on legal and policy-making factors, and the public is not misled into believing that the resulting rates are fully cost-related when they are not."³

It is important to understand that while the goal is to get as close as possible to cost of service based rates; every utility has its own political environment that must be considered when designing and implementing a new rate structure.

Rate Components:

Typically, water services are billed in a structure that consists of a minimum bill and a volumetric component. The minimum bill is intended to recover the basic costs associated with providing service to the customer, regardless of the volume of the water utilized. The bill usually recovers a high percentage of the utility's fixed costs, and is structured to ensure the utility some degree of revenue stability. Minimum bills are a fixed monthly fee. The second component of the rates is a volumetric charge. This charge is based on the amount of water utilized by the customer, and may fluctuate based on actual usage.

² AWWA M1 page 33.

³ AWWA M1 page 32.



Water Utility Background

Water Production

As a result of the transition of operations of the water utility to the Agency in March 2012; FYE 2011 pumpage data was not available, and FYE 2012 data maintained by the Agency was only a partial year of data. As such, the project team has examined FYE 2008, FYE 2009, and FYE 2010 pumpage data. Total production for 2008 through 2010 is listed in the table below.

Table 1: Historical Water Production (Million Gallons)

	2008	2009	2010
Total Production	1,797	2,039	1,724
Average Daily Demand	4.92	5.59	4.72
Peak Day Demand	10.8	9.9	11.2
Peak to Average Ratio	2.19	1.77	2.37

As emphasized in the previous section, there is a direct correlation between a system's production and peaking patterns and the system's costs. The Agency's peak to average ratio, as determined by dividing maximum daily production by the average daily production, was 2.37:1 for 2010.

Water Consumption

As of July 2012, the Agency provides water service to 5,335 retail, potable water customers. The Agency also has contracts to supply water to approximately 17 wholesale customers, 12 of which are currently utilizing water. The Agency meters all active potable water connections. Annual metered water consumption was approximately 1.76 billion gallons in 2011 (Table 2).

Table 2: Total Metered Consumption

	Consumption
2009	1,740,757,079
2010	1,419,778,450
2011	1,757,334,009



Wastewater Utility Background

Wastewater Collection and Treatment

The Agency operates and maintains its wastewater collection and treatment system.

Wastewater Customers and Billing Units

As of August 2012, the Agency had 1,699 wastewater connections. FYE 2011 billed wastewater consumption was approximately 194,739,027 gallons.



Project Work Plan

WRM has met the goals and objectives of this study by utilizing the following work-plan:

- ✦ Determine the Agency's current and future revenue requirements for the five-year study period for the Water and Wastewater Utility;
- ✦ Isolate Retail only costs of service and remove from analysis;
- ✦ Functionalize costs to cost categories (base costs, extra-capacity costs, and customer costs) based on the function related to that particular cost category;
- ✦ Allocate those costs to customer classifications based on the customers' historical usage patterns;
- ✦ Project customer growth and billing units into the five-year study period;
- ✦ Design rates that fully recover the Agency's costs associated with providing service.

Each stage of the project work-plan is further described, and the results of the analysis are presented in Sections 2.0 and 3.0, Methodology and Findings. Section 4.0 presents various supporting schedules.



Section 2.0 Water - Methodology and Findings

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Revenue Requirement

Development of Base Year Retail Revenue Requirement

Water/Wastewater Fund

The Agency has an Operating Fund that consists of three departments: Water, Wastewater, and Shared, to account for the water and wastewater utility operations. Water departmental costs are those costs that are solely associated with providing water utility services to customers. Wastewater departmental costs are generally those costs that are solely associated with providing wastewater services to the Agency's customers. Shared departmental costs are costs that are generally associated with providing both water and wastewater utility services.

FYE 2013 Budget

The Agency began operating the systems in March 2012; prior to that date, the Lower Colorado River Authority (LCRA) operated the systems. As the Agency's operating costs are vastly different than that of the LCRA, the Agency's actual six-months of operating costs was the basis for the development of the FYE 2013 budget. In developing the FYE 2013 budget, FYE 2012 actual expenditures were closely examined; adjustments were made as appropriate to reflect known and measurable changes and anticipated full-year operating costs. The Agency's FYE 2013 budget has been presented as Schedule I.

FYE 2013 Revenue Requirements

Revenue requirements may be simply defined as the revenues that the Agency needs to recover through its rate structure. The Agency's future revenue requirements were determined by first developing a base-year estimate of costs, one that is reflective of the normal operation of the systems, and adjusting that data for known and measurable changes into the future. WRM used the Agency adopted FYE 2013 budget as the starting point for development of the Agency's revenue requirements. The Agency is still in a period of transition of operations; as such, the FYE 2013 budget has certain transitional operating costs that are not associated with "normal" operations of the system. For ratemaking purposes, the revenue requirements should be reflective of normal operating costs. This prevents the utility from over-collecting from customers for many years when the cost is one-time in nature. WRM adjusted the FYE 2013 budgetary expenses to reflect such one-time and transitional costs.

WRM identified that the Agency provides services to customers beyond potable water service and wastewater service. The Agency also provides raw water/effluent water irrigation service. In order to assure that the revenue requirements reflect solely potable water and wastewater costs of service, the costs of providing irrigation water were also removed from the analysis.

Revenue Offsets

In order to isolate the revenues that need to be collected by rates from all customers, it was necessary to capture all revenue offsets and remove the corresponding dollar amount from the total system expenditures to determine the net revenue requirement. Revenue offsets may be defined as items such as late fees and tap fees that offset the Agency's expense.





Base Year Revenue Requirement

The base year total revenue requirement determined by the project team for the water and wastewater utility for FYE 2013 was \$13,935,691. Schedule 2 provides the development of the FYE 2013 Revenue Requirements and further describes the adjustments that were made to the FYE 2013 budget for the development of the Revenue Requirements.

Water/Wastewater Split

The next phase of the analysis is to isolate the revenue that should be recovered by the water utility. For the base year, the water revenue requirement was determined to be \$10,962,457 and the wastewater revenue requirement was determined to be \$2,973,235, Schedule 3.



Cost Functionalization - Water

Background on Cost Functionalization

The base-extra capacity method of functionalization, allocating costs to service functions and distributing costs to customer classes, is commonly used in the water utility industry. The AWWA and the Texas Commission on Environmental Quality (TCEQ) have accepted this methodology. This method recognizes the differences in the cost of providing service due to variations in average rate of use and peak rate of use by a customer class. The method also recognizes the effects of system diversity on costs. Costs are generally divided into three components:

- ✦ Base Costs
- ✦ Extra-Capacity Costs
- ✦ Customer Billing Costs

Base costs fluctuate with the total amount of water taken under average operating conditions. Extra-capacity costs are those costs incurred that are above the average operating conditions and are necessary to support peaking conditions. Customer billing costs are those costs associated with serving customers, such as meter reading and billing.

WRM has relied upon this methodology for the performance of this analysis, as it is a widely accepted means of distributing costs to customer classes based upon the individual customer classes' usage characteristics.

Removal of Retail Only Costs

Prior to the performance of the Base-Extra Capacity analysis, the project team had to first recognize that certain costs are solely associated with providing services to retail customers. Retail only costs were isolated and removed from the analysis. Retail only costs that were identified include:

- **Raw Water Costs** - Most of the Agency's wholesale customers have their own raw water contracts with the LCRA. As such, raw water costs were removed from the costs, which were allocated to wholesale customers. These costs are then added into the costs for the Agency's wholesale customers who do not have their own raw water at a later point in time in the analysis.
- **Repairs and Maintenance Costs** - The Agency has a contract service provider who operates and maintains the Agency's facilities. The Agency is billed a base-fee for general operational services. The Agency is also billed an additional fee for services for repairs and maintenance of facilities which are above and beyond the Agency's general contract services. These services are invoiced separately based on the time, equipment, and materials necessary to perform individual repairs. Repairs and maintenance services include anything from repairing a motor at a pump station to repairing a leak on a distribution line. Given the limited sample of work-orders available to quantify the fees associated with repairs and maintenance to regional facilities (which serve all of the Agency's customers) versus non-regional facilities (such as distribution line maintenance), the entirety of these costs have been removed as a "retail only" cost.⁴

⁴ It must be noted that in future years, when adequate data is available, the Agency may re-evaluate this line item and determine that a portion of the costs should also be recovered from wholesale customers.



- **Debt Service for Non-Regional Facilities** – The Agency has an installment payment liability with the LCRA as well as Agency issued bonds for which annual debt service must be paid. The Agency's assets were closely examined to determine facilities that were regional in nature (that serves both retail and wholesale customers) and those facilities that were non-regional in nature (that service retail only customers). The debt obligation attributable to retail-only customers (such as internal facilities in subdivisions) was removed from the analysis.

Cost Functionalization Analysis

The project team thoroughly analyzed the Agency's cost structure and functionalized the costs into appropriate categories. The result of the cost functionalization analysis is presented below:

Table 3: Cost Functionalization⁵

	2013
Base Costs	\$ 4,383,629
Extra-Capacity Costs	3,608,507
Customer Costs	(437,660)
	\$ 7,554,476

⁵ Cost functionalization presented for system-wide costs only and do not reflect retail only costs, that are also included in retail customer cost allocations.



Cost Allocation to Customer Classes – Water

Customer Cost Allocation Background

The first step in the Customer Cost Allocation analysis is to identify appropriate customer classifications. The establishment of customer classes is important in setting equitable rates for utility service. A customer class should include only those customers who (a) are in similar location in relation to the utility (b) use the same or similar facilities of the utility, (c) receive similar service from the utility, and (d) place similar demands on the utility. The objective of the distribution of costs to customer groups is to avoid cross-subsidization (inequities between customer classes). It is important, with this objective in mind, that differences in service commitment and service requirement be given full consideration in determining customer classes. In being consistent with LCRA's previous philosophy, wholesale customers have been established as an individual customer classification.

Once appropriate customer classifications have been determined, the next step is to analyze usage patterns for each customer class. Usage analysis includes evaluating the average and peak usage for each customer class. Finally, costs are allocated to customer classes based on their relative usage patterns.

Customer Cost Allocation Analysis

The final step in this phase of analysis is to allocate the Base, Extra-Capacity, and Customer Costs to customer classifications, based on their usage patterns. Through the performance of this analysis, WRM determined the revenue requirements for wholesale customers, before raw water, was \$3,340,366 for FYE 2013.



Customer Growth and Billing Units - Water

Customer Growth

Population projections for the Agency can vary depending on the assumptions used in developing the projections. In estimating future growth patterns, projections are typically based on historical information and recent growth trends. Population projections are necessary because the projected water and wastewater volumes are directly tied to the existing number of customers and the projected growth in new customer accounts. It is important to recognize in forward-looking rate making that the system is anticipated to grow. As such, it is appropriate to assume some system growth in the coming year.

In reviewing historical growth for the Agency, the project team made assumptions as to future growth on the system, as outlined on Table 4.

Table 4: Projected Customer Count

FYE 2013	
Total Residential	5,048
Total Commercial	260
Total Irrigation	113
Total Multi-Family	34
Total Construction	12
Total Wholesale, without raw water	8
Total Wholesale, raw water purchase	2
	5,477

Billing Unit Projection

Billing units, otherwise known as water consumption, are projected by analyzing historical usage for each customer classification. Billing units are projected by establishing a "normalized" average usage per connection per month and applying that usage to the projected customer count to establish a projection of consumption for each customer class.

The project team reviewed historical water consumption data for each customer class for the prior three years and compared the average usage per connection for each year. In developing projections of future demands, WRM attempts to "normalize" the data. Ideally, projections should be made for "normal" operating conditions. The projected water consumption for FYE 2013 is presented below:





Table 5: Projected Water Consumption (Thousand Gallons)

2013	
Total Residential	794,887,329
Total Commercial	99,683,570
Total Irrigation	75,147,560
Total Multi-Family	29,795,870
Total Construction	30,172,950
Total Wholesale, without raw water	586,130,000
Total Wholesale, raw water purchase	<u>141,476,000</u>
	1,757,293,279



Water Rate Design

By comparing the Agency's projected revenue recovery at currently effective rates to the revenue requirements for wholesale customers, WRM determined that the Agency is projected to under-recover from wholesale customers by 31%, as outlined on Table 6.

Table 6: Summary of Wholesale Revenue Recovery at Current Rates

	Cost of Service	Projected Revenues at Current Rates	Projected Over/(Under)	Percent Over/(under) Recovery
Total Wholesale	\$ 3,340,366	\$ 2,549,898	\$ (790,468)	31%

Minimum Bill

In order to achieve full cost recovery from wholesale water customers, a 31% increase to both the minimum charge and the volumetric charge for the Agency's wholesale customers is necessary. Table 7 outlines the recommended minimum bill for each wholesale customer.

Table 7: Recommended Minimum Bill

Minimum Bill	Current	FYE 2013
CRYSTAL MOUNTAIN HOA, INC.	\$ 655.00	\$ 858.05
DEER CREEK RANCH WATER CO., LLC	\$ 2,500.00	\$ 3,275.00
DRIPPING SPRINGS WSC	\$ 4,548.00	\$ 5,957.88
EANES ISD	\$ 175.00	\$ 229.25
HAYS COUNTY WCID #1	\$ 7,450.00	\$ 9,759.50
REUNION RANCH WCID	\$ 3,190.00	\$ 4,178.90
SENNA HILLS MUD #1	\$ 3,730.00	\$ 4,886.30
BARTON CREEK WEST WSC	\$ 2,167.00	\$ 2,838.77
HAYS COUNTY WCID #2	\$ 6,515.00	\$ 8,534.65
CITY OF DRIPPING SPRINGS	\$ 7,000.00	\$ 9,170.00
LAZY NINE MUD #1A	\$ 10,200.00	\$ 13,362.00
TRAVIS COUNTY MUD #12	\$ 9,430.00	\$ 12,353.30





Volumetric Rate

Table 8 below outlines the required volumetric rates for the Agency's wholesale water customers to meet full cost recovery.

Table 8: Recommended Volumetric Rate

Volumetric Rate	Current	FYE 2013
Customers With own Raw Water	\$ 2.40	\$ 3.14
Customers Using PUA Raw Water	\$ 2.86	\$ 3.75



Section 3.0 Wastewater - Methodology and Findings

	<u>Page</u>
<i>Customer Growth & Billing Units</i>	<i>17</i>
<i>Rate Design</i>	<i>19</i>

Customer Growth and Billing Units - Wastewater

Customer Growth

Current retail wastewater connections on the system as of August 2012 were 2,717 LUEs. The project team projected an annual average of 2,792 retail wastewater LUEs for FYE 2013. The Agency also has one wholesale wastewater connection.

Billing Unit Projection

Billing unit determination for the wastewater utility was determined by reviewing the historical water usage for the FYE 2011 and FYE 2012 through March 2012. Each year had a similar average usage per connection, so the entire period was considered in formulating an accurate projection of future use. In developing projections of future demands, WRM attempts to "normalize" the data. Ideally, projections should be made for "normal" operating conditions. The projected wastewater usage for FYE 2013 is illustrated on Table 9.

Table 9: Projected Wastewater Usage (Gallons)

Estimated Flows, by Customer Class	FYE 2013
Residential	153,199,376
Commercial	74,059,971
Wholesale	19,178,400
Multi-Family	25,986,750
	272,424,498

Removal of Retail Only Costs

Similar to the analysis for the water utility, the project team had to recognize that certain costs are solely associated with providing services to retail customers. Retail only costs were isolated and removed from the analysis. Retail only *costs that were identified* are:

- **Repairs and Maintenance Costs** – The Agency has a contract service provider who operates and maintains the Agency's facilities. The Agency is billed a base-fee for general operational services. The Agency is also billed an additional fee for services for repairs and maintenance of facilities that are above and beyond the Agency's general contract services. The Agency is billed based on time, equipment, and materials for the actual services provided. Repairs and maintenance services include anything from repairing a motor at a lift station to repairing a leak on a collection line. Given the limited sample of work-orders available to quantify the fees associated with repairs and maintenance to regional facilities (that serve all of the Agency's



customers) versus non-regional facilities (such as small collection line maintenance), the entirety of these costs have been removed as a "retail only" cost.⁶

- **Commercial Pre Treatment Program** – Costs associated with management of the Agency's pre-treatment program for commercial customers was removed, as this cost is associated with the Agency's commercial retail customers and not the Agency's wholesale customer.
- **Debt Service for Non-Regional Facilities** – The Agency has an installment payment liability with the LCRA as well as Agency issued bonds for which annual debt service must be paid. The Agency's assets were closely examined to determine facilities that were regional in nature (that serves both retail and wholesale customers) and those facilities that were non-regional in nature (that service retail only customers). The debt obligation attributable to retail-only customers (such as internal facilities in subdivisions) was removed from the analysis.

Cost Allocation

After retail only costs have been removed from the analysis, system-wide costs are then allocated to each classification of customer based upon the projected flows of that customer class. The results of this analysis are presented on Table 10.

Table 10: Summary of Cost Allocations

Customer Cost Allocation – Total Revenue Requirement	FYE 2013
Residential Customer Cost Allocation	\$ 1,596,625
Commercial Customer Cost Allocation	1,276,092
Wholesale Customer Cost Allocation	<u>100,518</u>
	\$ 2,973,235

⁶ It must be noted that in future years, when adequate data is available, the Agency may re-evaluate this line item and determine that a portion of the costs should also be recovered from wholesale customers.



Wastewater Rate Design

By comparing the Agency's projected revenue recovery at currently effective rates to the revenue requirements for wholesale customers, WRM determined that the Agency is projected to under-recover from wholesale customers by 18%, as outlined on Table 11.

Table 11: Summary of Wholesale Wastewater Revenue Recovery at Current Rates

	Cost of Service	Projected Revenues at Current Rates	Projected Over/(Under)	Percent Over/(Under)
Total Wholesale	\$ 100,518	\$ 82,741	(\$ 17,777)	-18%

Minimum Bill

WRM has not recommended a change to the Agency's wholesale wastewater customer's minimum bill.

Volumetric Rate

Table 12 below outlines the required volumetric rates for the Agency's wholesale wastewater customer to meet full cost recovery.

Table 12: Recommended Wholesale Wastewater Rates

	Current	FYE 2013
Minimum Bill	\$ 2,500	\$ 2,500
Volumetric Rate	\$ 2.75	\$ 3.68



Section 4.0 Schedules

Schedule 1 – FYE 2013 Amended Budget

Schedule 2 – FYE 2013 Revenue Requirement

Schedule 3 – Water / Wastewater Split

*Schedule 4 – Base-Extra Capacity Cost
Functionalization*

West Travis County Public Utility Agency

Schedule 1

FYE 2013 Amended Budget

Amended October 4, 2012

		FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	Notes
Ordinary Income/Expense					
Income					
(1) Water Department - Revenue					
14100 - Retail Revenues - Water					
14101 - Minimum Bill Revenues (W)		1,496,573	1,589,365	3,085,937	Determined by Rate Study
14102 - Volumetric Revenues (W)		2,766,734	2,845,509	5,612,242	Determined by Rate Study
14103 - Application Fee (W)		31,515	31,515	63,030	Annualized FYE2012 for 12 Months Operations
14104 - Tap Fees (W)		291,225	291,225	582,450	Annualized FYE2012 for 12 Months Operations
14105 - Late Fee (W)		97,100	97,100	194,199	Annualized FYE2012 for 12 Months Operations
14106 - Return Check Fee (W)		305	305	609	Annualized FYE2012 for 12 Months Operations
14107 - Inspection Fee (W)		300	300	600	Annualized FYE2012 for 12 Months Operations
14108 - Inquiry Fee		2,385	2,385	4,770	Annualized FYE2012 for 12 Months Operations
Total 14100 - Retail Revenues - Water		4,666,135	4,857,703	9,543,838	
14110 - Wholesale Revenues - (WSW)					
14111 - Minimum Bill Revenues (WSW)		172,582	470,596	877,475	Determined by Rate Study, Implementation on January 1, 2013
14112 - Volumetric Revenues (WSW)		1,068,623	1,060,232	2,251,137	Determined by Rate Study, Implementation on January 1, 2013
Total 14110 - Wholesale Revenues - (WSW)		1,441,205	1,530,828	3,128,612	
14120 - Other Revenues (W)					
14121 - LUE Reservation Fees (W)		16,800	16,800	33,600	Annualized FYE2012 for 12 Months Operations
14122 - Irrigation Customer Sales (W)		491,958	84,760	584,718	Determined by Rate Study, Implementation on January 1, 2013
14123 - Meter Set Fee (W)		54,261	54,261	108,522	Annualized FYE2012 for 12 Months Operations
14124 - Connection Fees		300	300	600	Annualized FYE2012 for 12 Months Operations
14125 - Billing Services (W)		1,225	1,225	6,450	Annualized FYE2012 for 12 Months Operations
14126 - Drainage Fees		(1,545)	1,545	-	Removed from Future Revenues
Total 14120 - Other Revenues (W)		572,999	160,891	713,890	
Total (1) Water Department - Revenue		6,700,338	6,549,422	13,406,339	
(2) Wastewater Department - Rev					
14200 - Retail & Wholesale Revenues (WW)					

West Travis County Public Utility Agency

Schedule 1

FYE 2013 Amended Budget

Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	
14201 - Minimum Bill/Volumetric Rev (WW)	1,128,707	1,928,409	2,858,581	Determined by Rate Study
14203 - Application Fee (WW)	0	0	0	Annualized FYE2012 for 12 f
14204 - Tap Fee (WW)	97,950	97,950	195,900	Annualized FYE2012 for 12 f
14205 - Late Fees (WW)	0	0	0	Annualized FYE2012 for 12 f
14206 - Return Check Fee (WW)	0	0	0	Annualized FYE2012 for 12 f
14207 - Inspection Fee (WW)	0	0	0	Annualized FYE2012 for 12 f
Total 14200 - Retail & Wholesale Revenues (WW)	1,226,657	2,026,359	3,054,481	
14220 - Other Revenues (WW)				
14221 - Grinder Pump Surcharge (WW)	5,625	5,625	11,250	Annualized FYE2012 for 12 f
14222 - Billing Services (WW)	5,363	5,363	10,725	Annualized FYE2012 for 12 f
Total 14220 - Other Revenues (WW)	10,988	10,988	21,975	
Total (2) Wastewater Department - Rev	1,237,644	2,037,347	3,076,456	
(3) Shared Department - Revenue				
14300 - Shared Department				
14301 - Inspection Fees & Plan Review				
14302 - Legal Review Fees				
14303 - Vehicle Lease	0	0	0	Annualized FYE2012 for 12 f
14304 - Interest Earned on Checking	377	377	753	Annualized FYE2012 for 12 f
Total 14300 - Shared Department	377	377	753	
Total (3) Shared Department - Revenue	377	377	753	
Total Income	7,938,359	8,587,145	16,483,548	
Expense				
(1) Water Department - Expense				
16100 - LCRA Raw Water Reservation Fees				
16101 - LCRA - Raw Water Used (W)	413,928	254,936	668,864	Variable cost analysis
16102 - LCRA - Raw Water Reservation(W)	209,230	174,270	383,500	Variable cost analysis
Total 16100 - LCRA Raw Water Reservation Fees	623,158	429,206	1,052,364	
16110 - Contract Operations - Water				
16111 - Base Fee for Services (W)	516,712	364,598	881,310	Base fee for services.

West Travis County Public Utility Agency

Schedule 1

FYE 2013 Amended Budget

Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	Notes
16112 - Maintenance & Repairs (W)	252,000	276,000	528,000	Estimated at \$60,000 per month at 65%, plus \$60,000 preventative maintenance
16113 - Customer Service (W)	181,050	116,739	297,789	
16114 - Engineering/ Const Fees (W)	0	0	0	Included in special projects below
Total 16110 - Contract Operations - Water	949,762	757,337	1,707,099	
16120 - Material & Supplies (W)	0	10,000	10,000	
16130 - Chemicals (W)	95,987	124,161	220,150	Per DGR analysis
16140 - Transportation (W)	0	0	0	Included below
16150 - Outside Services (W)	0	13,900	13,900	Includes Carpro contract, janitorial services for the plant, plus other misc services
16160 - Utilities - Electric (W)	682,389	727,611	1,410,000	Per DGR analysis
16170 - Utilities - Telephone (W)	8,737	6,241	14,978	Annualized FYE2012 for 12 Months Operations
16180 - Environmental Regulatory Fee(W)	0	10,000	10,000	
16190 - Other Expenses (W)	0	250,000	250,000	
Total (1) Water Department - Expense	2,360,034	2,328,457	4,688,491	
(2) Wastewater Department - Exp				
16200 - Contract Operations-Wastewater				
16201 - Base Fee for Services (WW)	110,152	83,306	193,458	Base fee for services.
16202 - Maintenance & Repairs (WW)	168,000	124,000	292,000	Estimated at \$60,000 per month at 35%, plus \$40,000 preventative maintenance
16203 - Customer Services (WW)	65,923	19,810	85,733	
16204 - Engineering/ Const Fees (WW)	0	0	0	Included in special projects below
Total 16200 - Contract Operations-Wastewater	344,075	227,117	571,192	
16210 - Materials & Supplies (WW)	0	10,000	10,000	
16220 - Chemicals (WW)	25,988	41,012	67,000	Per DGR analysis
16230 - Sludge Disposal (WW)	175,000	155,000	330,000	Per DGR analysis
16240 - Utilities - Electric (WW)	128,381	241,619	370,000	Per DGR analysis
16250 - Utilities - Telephone (WW)	3,609	2,578	6,187	Annualized FYE2012 for 12 Months Operations
16260 - Environmental Regulatory Fee(WW)	0	10,000	10,000	

West Travis County Public Utility Agency

Schedule 1

FYE 2013 Amended Budget

Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	
Special Programs		333,418	333,418	Pre Treatment and I&I Progi Maintenance (water and w
16270 • Other Expense (WW)	0	29,000	29,000	Includes Siemens contract p
16280 • Utilities - Gas (WW)	232	166	398	Annualized FYE2012 for 12 f
Total (2) Wastewater Department - Exp	677,286	1,049,909	1,727,195	
(3) Shared Department - Expense				
16300 • Professional Services				
General Operating				
16311 • General Counsel - Operating	382,304	(22,304)	360,000	Per General Counsel Detail
16312 • Engineering - Operating	143,975	(79,975)	64,000	Six Months Estimated Billing
16313 • General Manager - Operating	123,889	11,111	135,000	Six Months estimated billing
16314 • Bookkeeping - Operating	32,098	5,402	37,500	Six Months Estimated Billing
16315 • Financial Manager - Operating	35,279	24,721	60,000	Six Months Estimated Billing
Auditor		45,000		Per consultant estimate
16316 • General Counsel - Legislative	11,665	(11,665)	0	Removed, included in Transi
Total General Operating	729,208	(27,708)	656,500	
Special Contract Services				
16321 • General Counsel - Special Contr	0	0	0	Included in operating and tr
16322 • Rate Study - Special Contract	50,000	0	50,000	Per consultant estimate
16323 • Inspections/Plan Review-Special	0	50,000	50,000	Annualized FYE2012 costs, e
16324 • Other Engineering Analyses-Spec	0	437,000	437,000	PUA funded. Balance to be f
Total Special Contract Services	50,000	487,000	537,000	Per Engineering Detail
Transitional Support Services				
16301 • General Counsel - Transitional	394,853	(187,853)	207,000	Per General Counsel Detail
16302 • Engineering - Transitional				
630201 • Task 22 - SER Activities	58,761	13,239	72,000	Estimated 12 SERs left from

West Travis County Public Utility Agency

Schedule 1

FYE 2013 Amended Budget

Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	Notes
16302 - Engineering - Transitional - Other	255,640	(233,640)	20,000	Estimated 2 months, duplicative billing
Total 16302 - Engineering - Transitional	314,401	(222,401)	92,000	
16303 - General Manager - Transitional	98,629	(44,629)	54,000	Estimated 2 months of billing, duplicative for transitional period.
16304 - Bookkeeping - Transitional	7,442	5,058	12,500	Estimated 2 months of billing, duplicative for transitional period.
16305 - Financial Manager - Transitional Auditor	9,179	5,821	15,000	Estimated 2 months of billing, duplicative for transitional period.
16306 - Misc - Transitional	1,176	5,000	5,000	Per consultant estimate
Total Transitional Support Services	825,680	(439,904)	386,676	
Total 16300 - Professional Services	1,604,888	20,288	1,580,176	
Personnel Expenses				
Salaries		300,399	300,399	Per Salary Work Paper
FICA and Benefits		90,120	90,120	Estimated at 30% of Salaries
Total Personnel Services	0	390,519	390,519	
16331 - Inventory Purchases Not Funded	0	100,000	100,000	Meters
Memberships and Dues	0	17,500	17,500	
Vehicle Supplies and fuel	0		0	
16332 - Leak Detection Program	0	35,000	35,000	
16333 - SCADA Control System Maintenance	0	50,000	50,000	
16334 - Mapping/GIS Program	4,718	(4,718)	0	Included in Other Engineering Services
16335 - Tools & Shop Supplies	0	20,000	20,000	
16336 - Computer Maintenance & Repairs	10,000	3,600	13,600	Photocopier, misc computer repairs
16337 - Furniture	0		0	Included in Office Lease
16338 - Janitor/Contract Labor	0		0	
16339 - Office Data & Supplies	559	20,000	20,559	Computer licenses and software
16341 - Utilities - Office & Outside Fa	1,645	1,175	2,820	Annualized FYE2012 for 12 months.
16342 - Conservation Education & Enforc	0	20,000	20,000	
16343 - Insurance - General	62,766	44,833	107,599	
16344 - Bank Charges	1,051	751	1,802	

West Travis County Public Utility Agency

Schedule 1

FYE 2013 Amended Budget

Amended October 4, 2012

	FYE 2012 Projected	Adjustment	FYE 2013 Proposed Budget	
16345 - Misc. Operating Expense	8,232	14,112	22,344	
16346 - Developer Reimburse Int	15,438	(15,438)	0	Developer Reimbursements
16347 - Lease Expense	19,447	39,398	58,844	through customer surcharge
Total (3) Shared Department - Expense	1,728,744	757,020	2,440,764	Annualized FYE2012 for 12 r
16560 - Miscellaneous Expense	62	99,938	100,000	
17110 - Capital Outlay	382,238	(174,738)	207,500	Per Cash-Capital Outlay Det
Total Expense*	5,148,363	4,060,586	9,163,950	
Reserve Fund and Capital Fund Contribution In-Lieu of Debt Service			\$ 7,040,592	
Net Income			\$ 279,006	
Pro Forma Operating Expenses			\$ 9,110,790	
*FYE2013 Actual Budget Includes the following non-recurring expenses:				
Transitional Operating Costs			\$ 386,676	
Cash-capital outlay			57,500	
			\$ 444,176	

West Travis County Public Utility Agency
FYE2013 Budget Planning

Schedule 2
FY2013 Revenue Requirement

	FYE 2013 Proposed Budget	Adjustment	FYE 2013 Revenue Requirement	Notes
(1) Water Department - Expense				
16100 - LCRA Raw Water Reservation Fees				
16101 - LCRA - Raw Water Used (W)	668,864	(45,455)	623,406	Excludes irrigation raw water
16102 - LCRA - Raw Water Reservation(W)	383,500	(11,246)	372,254	Excludes irrigation raw water
Total 16100 - LCRA Raw Water Reservation Fees	1,052,364	(56,704)	995,660	
16110 - Contract Operations - Water				
16111 - Base Fee for Services (W)	881,310	(5,886)	875,424	Excludes irrigation raw water pump and line maintenance
16112 - Maintenance & Repairs (W)	528,000		528,000	
16113 - Customer Service (W)	297,789		297,789	
16114 - Engineering/ Const Fees (W)	0		0	
Total 16110 - Contract Operations - Water	1,707,099	(5,886)	1,701,213	
16120 - Material & Supplies (W)	10,000		10,000	
16130 - Chemicals (W)	220,150		220,150	
16140 - Transportation (W)	0		0	
16150 - Outside Services (W)	13,900		13,900	
16160 - Utilities - Electric (W)	1,310,000	(24,524)	1,285,476	Excludes Cost of Pumping Raw Water for Irrigation Customers
16170 - Utilities - Telephone (W)	14,978		14,978	
16180 - Environmental Regulatory Fee(W)	10,000		10,000	
16190 - Other Expenses (W)	250,000		250,000	
Total (1) Water Department - Expense	4,688,491	(87,113)	4,601,378	
(2) Wastewater Department - Exp				
16200 - Contract Operations-Wastewater				
16201 - Base Fee for Services (WW)	193,458		193,458	
16202 - Maintenance & Repairs (WW)	292,000	(54,295)	237,705	Excludes effluent line maintenance costs, and effluent pump maintenance costs
16203 - Customer Services (WW)	85,733		85,733	
16204 - Engineering/ Const Fees (WW)	0		0	
Total 16200 - Contract Operations-Wastewater	571,192	(54,295)	516,897	
16210 - Materials & Supplies (WW)	10,000		10,000	
16220 - Chemicals (WW)	67,000		67,000	
16230 - Sludge Disposal (WW)	330,000		330,000	
16240 - Utilities - Electric (WW)	370,060	(67,869)	302,191	Excludes effluent pump electricity for effluent irrigation water
16250 - Utilities - Telephone (WW)	6,187		6,187	
16260 - Environmental Regulatory Fee(WW)	10,000		10,000	
Pre-Treatment Program	333,418		333,418	
16270 - Other Expense (WW)	29,000		29,000	
16280 - Utilities - Gas (WW)	398		398	
Total (2) Wastewater Department - Exp	1,727,195	(122,164)	1,605,031	
(3) Shared Department - Expense				
16300 - Professional Services				
General Operating				
16311 - General Counsel - Operating	360,000	(130,000)	230,000	Adjusted to reflect normal operating year
16312 - Engineering - Operating	64,000	36,000	100,000	Adjusted to reflect normal operating year
16313 - General Manager - Operating	115,000	(135,000)	0	Removed from analysis
16314 - Bookkeeping - Operating	37,500	(37,500)	0	Removed from analysis
16315 - Financial Manager - Operating	60,000	(60,000)	0	Removed from analysis
16316 - General Counsel - Legislative	0	0	0	Removed from analysis
Total General Operating	636,500	(326,500)	310,000	
Special Contract Services				
16321 - General Counsel - Special Contr	0		0	
16322 - Rate Study - Special Contract	50,000		50,000	
16323 - Inspections/Plan Review-Special	50,000		50,000	
16324 - Other Engineering Analyses-Spec	437,000		437,000	
Total Special Contract Services	537,000	0	537,000	
Transitional Support Services				
16301 - General Counsel - Transitional	207,000	(207,000)	0	Removed from Analysis
16302 - Engineering - Transitional	0	0	0	
630201 - Task 22 - SER Activities	72,000	(72,000)	0	Removed from Analysis

West Travis County Public Utility Agency
FY2013 Budget Planning

Schedule 2
FY2013 Revenue Requirement

	FYE 2013 Proposed Budget	Adjustment	FYE 2013 Revenue Requirement	Notes
16302 - Engineering - Transitional - Other	20,000	(20,000)	0	Removed from Analysis
Total 16302 - Engineering - Transitional	92,000	(92,000)	0	
16303 - General Manager - Transitional	54,000	(54,000)	0	Removed from Analysis
16304 - Bookkeeping - Transitional	12,500	(12,500)	0	Removed from Analysis
16305 - Financial Manager - Transitional	15,000	(15,000)	0	Removed from Analysis
Auditor	5,000	(5,000)	0	Removed from Analysis
16306 - Misc - Transitional	1,176	(1,176)	0	Removed from Analysis
Total Transitional Support Services	386,676	(386,676)	0	
Total 16300 - Professional Services	1,580,176	(713,176)	867,000	
Personnel Expenses				
Salaries	300,399	216,211	516,612	Adjusted for full-year operational salaries
Benefits	90,120	(19,250)	70,870	Adjusted for full-year operational salaries
Total: Personnel Services	390,519	216,981	607,502	
16331 - Inventory Purchases Not Funded	100,000		100,000	
Training	17,500		17,500	
Vehicles and Supplies	0		0	
16332 - Leak Detection Program	35,000		35,000	
16333 - SCADA Control System Maintenance	50,000		50,000	
16334 - Mapping/GIS Program	0		0	
16335 - Tools & Shop Supplies	20,000		20,000	
16336 - Computer Maintenance & Repair	13,600		13,600	
16337 - Furniture	0		0	
16338 - Janitor/Contract Labor	0		0	
16339 - Office Data & Supplies	20,559		20,559	
16341 - Utilities - Office & Outside Fa	2,820		2,820	
16342 - Conservation Education & Enforce	20,000		20,000	
16343 - Insurance - General	107,599		107,599	
16344 - Bank Charges	1,802		1,802	
16345 - Misc. Operating Expense	22,344		22,344	
16346 - Developer Reimburse Int	0		0	
16347 - Lease Expense	58,844		58,844	
Total (J) Shared Department - Expense	2,440,764	(496,193)	1,944,570	
16560 - Miscellaneous Expense	100,000		100,000	
17110 - Capital Outlay	207,500		207,500	
Total O&M Expense	9,163,950	(705,470)	8,458,479	
In-Lieu of Debt Service (Operating Funded - Wastewater, Total System)		1,514,715	1,514,715	Excludes Debt service for effluent projects
In-Lieu of Debt Service (Operating Funded - Water, Total System)		3,929,917	3,929,917	
In-Lieu of Debt Service (Operating Funded - Water, Retail Only)		1,595,960	1,595,960	
Total Expenses	9,163,950		15,499,072	
TRUE	9,163,950			
Ordinary Income/Expense				
Revenue Off-Set				
(I) Water Department - Revenue				
14100 - Retail Revenues - Water				
14101 - Minimum Bill Revenues (W)				Removed from Analysis
14102 - Volumetric Revenues (W)				Removed from Analysis
14103 - Application Fee (W)	63,030		63,030	
14104 - Tap Fees (W)	582,450		582,450	
14105 - Late Fee (W)	194,199		194,199	
14106 - Return Check Fee (W)	609		609	
14107 - Inspection Fee (W)	600		600	
14108 - Inquiry Fee	4,770		4,770	
Total 14100 - Retail Revenues - Water	845,658	0	845,658	
14110 - Wholesale Revenues - (WSW)				
14111 - Minimum Bill Revenues (WSW)				Removed from Analysis
14112 - Volumetric Revenues (WSW)				Removed from Analysis
Total 14110 - Wholesale Revenues - (WSW)	0	0	0	
14120 - Other Revenues (W)				
14121 - LUE Reservation Fees (W)	33,600	(33,600)	0	Removed from Analysis

West Travis County Public Utility Agency
FY2013 Budget Planning

Schedule 2
FY2013 Revenue Requirement

	FYE 2013 Proposed Budget	Adjustment	FYE 2013 Revenue Requirement	Notes
14122 - Irrigation Customer Sales (W)				Removed from Analysis
14123 - Meter Set Fee (W)	108,522		108,522	
14124 - Connection Fees	600		600	
14125 - Billing Services (W)	6,430		6,430	
14126 - Drainage Fees	0		0	
Total 14120 - Other Revenues (W)	149,172	(33,600)	115,572	
Total (1) Water Department - Revenue	994,870	(33,600)	961,270	
(2) Wastewater Department - Rev				
14200 - Retail & Wholesale Revenues (WW)				
14201 - Minimum Bill/Volumetric Rev (WW)				Removed from Analysis
14203 - Application Fee (WW)	0		0	
14204 - Tap Fee (WW)	195,900		195,900	
14205 - Late Fees (WW)	0		0	
14206 - Return Check Fee (WW)	0		0	
14207 - Inspection Fee (WW)	0		0	
Total 14200 - Retail & Wholesale Revenues (WW)	195,900	0	195,900	
14220 - Other Revenues (WW)				
14221 - Grinder Pump Surcharge (WW)	11,250		11,250	
14222 - Billing Services (WW)	10,725		10,725	
Total 14220 - Other Revenues (WW)	21,975	0	21,975	
Total (2) Wastewater Department - Rev	217,875	0	217,875	
(3) Shared Department - Revenue				
14300 - Shared Department				
14301 - Inspection Fees & Plan Review	0		0	
14302 - Legal Review Fees	0		0	
14303 - Vehicle Lease	0		0	
14304 - Interest Earned on Checking	753		753	
Total 14300 - Shared Department	753	0	753	
Total (3) Shared Department - Revenue	753	0	753	
Total Revenue Off-Sets	1,213,458	(33,600)	1,179,858	
Total Revenue Requirement			14,319,214	

West Tarrant County Public Utility Agency
 FY2013 Budget Planning

Schedule J
 Water/Wastewater Split

	FYE 2013 Revenue Requirement	% Water	% Wastewater	Wastewater Revenue Requirement	Wastewater Revenue Requirement	Note
(f) Water Department - Expense						
16100 - LCRA Raw Water Reservation Fee						
16101 - LCRA - Raw Water Used (W)	621,606	100%		621,606	-	
16102 - LCRA - Raw Water Reservation (W)	172,254	100%		172,254	-	
Total 16100 - LCRA Raw Water Reservation Fee	793,860			793,860		
16110 - Contract Operations - Water						
16111 - Base Fee for Services (W)	875,424	100%		875,424	-	
16112 - Maintenance & Repair (W)	529,880	100%		529,880	-	
16113 - Customer Service (W)	297,769	100%		297,769	-	
16114 - Engineering/ Consult Fees (W)	-	100%		-	-	
Total 16110 - Contract Operations - Water	1,703,213			1,703,213		
16120 - Material & Supplies (W)	10,880	100%		10,880	-	
16130 - Chemicals (W)	22,150	100%		22,150	-	
16140 - Transportation (W)	-	100%		-	-	
16150 - Outside Services (W)	13,980	100%		13,980	-	
16160 - Utilities - Electric (W)	1,355,476	100%		1,355,476	-	
16170 - Utilities - Telephone (W)	14,976	100%		14,976	-	
16180 - Environmental Regulatory Fee (W)	29,000	100%		29,000	-	
16190 - Other Expenses (W)	250,000	100%		250,000	-	
Total (f) Water Department - Expense	4,601,378			4,601,378		
(g) Wastewater Department - Exp						
16200 - Contract Operations-Wastewater						
16201 - Base Fee for Services (WW)	193,456		100%	-	193,456	
16202 - Maintenance & Repair (WW)	237,705		100%	-	237,705	
16203 - Customer Services (WW)	85,733		100%	-	85,733	
16204 - Engineering/ Consult Fees (WW)	-		100%	-	-	
Total 16200 - Contract Operations-Wastewater	516,894				516,894	
16210 - Materials & Supplies (WW)	10,000		100%	-	10,000	
16220 - Chemicals (WW)	67,000		100%	-	67,000	
16230 - Sludge Disposal (WW)	30,000		100%	-	30,000	
16240 - Utilities - Electric (WW)	912,131		100%	-	912,131	
16250 - Utilities - Telephone (WW)	6,187		100%	-	6,187	
16260 - Environmental Regulatory Fee (WW)	10,000		100%	-	10,000	
Special Programs	331,416		98%	329,837	233,416	
16270 - Other Expenses (WW)	29,000		100%	-	29,000	
16280 - Utilities - Gas (WW)	908		100%	-	908	
Total (g) Wastewater Department - Exp	1,905,331			2,095,000	1,905,331	
(3) Shared Department - Expense						
16300 - Professional Services						
General Operating						
16311 - General Counsel - Operating	257,000	98%	10%	257,000	257,000	Per consultant estimate of time
16312 - Engineering - Operating	1,000,000	98%	10%	990,000	1,000,000	Per consultant estimate of time
16313 - General Manager - Operating	-	98%	10%	-	-	Per consultant estimate of time
16314 - Bookkeeping - Operating	-	98%	10%	-	-	Per consultant estimate of time
16315 - Financial Manager - Operating	-	98%	10%	-	-	Per consultant estimate of time
16316 - General Counsel - Legislative	-	98%	10%	-	-	Per consultant estimate of time
Total General Operating	1,257,000			1,257,000	1,257,000	
Special Contract Services						
16321 - General Counsel - Special Contr	-	98%	10%	-	-	Per consultant estimate of time
16322 - Rate Study - Special Contract	50,000	98%	10%	49,000	50,000	Per consultant estimate of time
16323 - Inspections/Plan Review-Special	50,000	98%	10%	49,000	50,000	Per consultant estimate of time
16324 - Other Engineering Analysis-Spec	657,000	98%	10%	647,000	657,000	Based on scheduled projects
Total Special Contract Services	757,000			756,000	757,000	
Transitional Support Services						
16301 - General Counsel - Transitional	-	71%	29%	-	-	Composite
16302 - Engineering - Transitional	-	71%	29%	-	-	Composite
16303 - Task 22 - SEER Activities	-	71%	29%	-	-	Composite
16302 - Engineering - Transitional - Other	-	71%	29%	-	-	Composite
Total 16302 - Engineering - Transitional	-			-	-	
16301 - General Manager - Transitional	-	71%	29%	-	-	Composite
16304 - Bookkeeping - Transitional	-	71%	29%	-	-	Composite
16305 - Financial Manager -Transitional	-	71%	29%	-	-	Composite
16306 - Misc - Transitional	-	71%	29%	-	-	Composite
Total Transitional Support Services	-			-	-	
Total 16300 - Professional Services	2,014,000			2,013,000	2,014,000	
Personnel Expenses						
Salaries	5,500,000	92%	10%	5,050,000	5,500,000	Based on composite of salaries
Benefits	7,000,000	92%	10%	6,440,000	7,000,000	Based on composite of salaries
Total - Personnel Services	12,500,000			11,490,000	12,500,000	
16331 - Inventory Purchases Not Funded	10,000	100%	-	-	-	Notes
Training	17,500	92%	10%	16,100	17,500	Based on composite of salaries
16332 - Leak Detection Program	-	92%	10%	-	-	Based on composite of salaries
16333 - SCADA Control System Maintenance	35,000	100%	-	35,000	-	
16334 - Mapping/GIS Program	50,000	100%	-	50,000	-	
16335 - Trade & Shop Supplies	20,000	92%	10%	18,400	20,000	Based on composite of salaries
16336 - Computer Maintenance & Repair	13,000	92%	10%	11,960	13,000	Based on composite of salaries
16337 - Furniture	-	92%	10%	-	-	Based on composite of salaries
16338 - Janitor/Contract Labor	-	92%	10%	-	-	Based on composite of salaries
16339 - Office Data & Supplies	2,500	92%	10%	2,300	2,500	Based on composite of salaries
16341 - Utilities - Office & Outside Fa	2,500	92%	10%	2,300	2,500	Based on composite of salaries

West Travis County Public Utility Agency
FY2013 Budget Planning

Schedule 3
Water/Wastewater Split

	FY2013 Revenue Requirement	% Water	% Wastewater	Wastewater Revenue Requirement	Wastewater Revenue Requirement	Notes
1632 - Conservation Education & Enforce	20,000	100%		20,000	-	
1633 - Insurance - General	107,500	75%	25%	80,625	27,300	Original Cost Allocation
1634 - Bank Charges	1,202	71%	29%	853	358	Company
1635 - Misc. Operating Expense	22,344	71%	29%	15,877	6,467	Company
1636 - Developer Reimburse Int	-	100%		-	-	
1637 - Lease Expense	5,624	42%	58%	4,799	1,066	Based on composite of values
Total (3) Shared Department - Expense	1,946,570			1,703,794	240,786	
1650 - Miscellaneous Expense	1,111,000	71%	29%	788,799	322,201	Company
1710 - Capital Outlay	3,072,000	66%	34%	1,803,960	1,268,040	Based on composite of actual projects
Total O&M Expense	5,458,470			4,617,420	1,268,040	
In-Lieu of Debt Service (Operating Funded - Wastewater, Total System)	1,514,715		100%	-	1,514,715	Based on original cost of assets purchased
In-Lieu of Debt Service (Operating Funded - Water, Total System)	3,922,917	100%		3,922,917	-	Based on original cost of assets purchased
In-Lieu of Debt Service (Operating Funded - Water, Retail Only)	1,395,900	100%		1,395,900	-	Based on original cost of assets purchased
Total Expenses	15,499,072			12,143,303	3,355,768	
Ordinary Income/Expense	TRUE			TRUE		
Revenue Off-Set						
(1) Water Department - Revenue						
14100 - Retail Revenues - Water						
14101 - Minimum Bill Revenues (W)	-	100%		-	-	
14102 - Volumetric Revenues (W)	-	100%		-	-	
14103 - Application Fee (W)	6,139,401	76%	24%	4,655,533	1,534,767	Expense Composite
14104 - Tap Fees (W)	562,430	100%		562,430	-	
14105 - Late Fees (W)	141,393	76%	24%	107,152	42,047	Expense Composite
14106 - Return Check Fee (W)	600	76%	24%	456	144	Expense Composite
14107 - Inspection Fee (W)	100	76%	24%	76	24	Expense Composite
14108 - Inquiry Fee	4,750	76%	24%	3,605	1,145	Expense Composite
Total 14100 - Retail Revenues - Water	6,844,974			5,395,721	1,449,253	
14110 - Wholesale Revenues - (W/W)						
14111 - Minimum Bill Revenues (W/W)	-	100%		-	-	
14112 - Volumetric Revenues (W/W)	-	100%		-	-	
Total 14110 - Wholesale Revenues - (W/W)	-			-	-	
14120 - Other Revenues (W)						
14121 - LUE Revenues (W)	-	100%		-	-	
14122 - Imposition Customer Sales (W)	-	100%		-	-	
14123 - Meter Set Fee (W)	105,222	76%	24%	80,025	25,197	Expense Composite
14124 - Connection Fees	600	76%	24%	456	144	Expense Composite
14125 - Billing Services (W)	6,430	100%		6,430	-	
14126 - Drainage Fees	-	100%		-	-	
Total 14120 - Other Revenues (W)	112,652			97,946	14,706	
Total (1) Water Department - Revenue	6,957,626			5,493,667	1,463,959	
(2) Wastewater Department - Rev						
14200 - Retail & Wholesale Revenues (W/W)						
14201 - Minimum Bill/Volumetric Rev (W/W)	-	100%		-	-	
14203 - Application Fee (W/W)	-	100%		-	-	
14204 - Tap Fee (W/W)	193,300	100%		193,300	-	
14205 - Late Fees (W/W)	-	100%		-	-	
14206 - Return Check Fee (W/W)	-	100%		-	-	
14207 - Inspection Fee (W/W)	-	100%		-	-	
Total 14200 - Retail & Wholesale Revenues (W/W)	193,300			193,300	-	
14220 - Other Revenues (W/W)						
14221 - Grinder Pump Surcharge (W/W)	11,250	100%		11,250	-	
14222 - Billing Services (W/W)	10,725	100%		10,725	-	
Total 14220 - Other Revenues (W/W)	21,975			21,975	-	
Total (2) Wastewater Department - Rev	215,275			215,275	-	
(3) Shared Department - Revenue						
14300 - Shared Department						
14301 - Inspection Fees & Plan Review	-	100%		-	-	
14302 - Legal Review Fees	-	100%		-	-	
14303 - Vehicle Lease	-	100%		-	-	
14304 - Interest Earned on Checking	713	76%	24%	540	163	Expense Composite
Total 14300 - Shared Department	713			540	163	
Total (3) Shared Department - Revenue	713			540	163	
Total Revenue Off-Set	1,179,656			681,215	260,644	
Total Revenue Requirement	14,319,214			11,262,098	3,057,116	
	TRUE			TRUE		
Composite, Less Commodities (raw water, chemicals, electricity, shodges)				14,319,214		
Water	2,000,092					
Wastewater	805,900					
	2,805,991	71%	29%			
Original Cost Allocation						
Water	128,603,059					
Wastewater	43,297,218					
	171,900,277	75%	25%			
Customer Grant						
Water	5,479	74%	26%			

West Travis County Public Utility Agency
FY2013 Budget Planning

Schedule J
Water/Wastewater Split

		FY2013 Revenue Requirement	% Water	% Wastewater	Wastewater Revenue Requirement	Wastewater Revenue Requirement	Notes
Wastewater		1,968					
		7,447					
Composite of Expenses	Water	12,143,303	78%	22%			
	Wastewater	3,355,768					
		15,499,072					

West Twp County Public Utility Agency
FY2013 Budget Planning

Schedule 4
Base-Extra Capacity Cost Functionalization

	FY13 2013 Revenue Requirements	% Base	% Extra	% Customer Costs	Base Costs	Extra Capacity Costs	Customer Costs	Notes
(1) Water Department - Expenses								
16200 - LCRA Raw Water Reservation Fees								
16201 - LCRA - Raw Water Load (W)	523,600							Raw Water Reserved from system and a third costs effective cost of water
16202 - LCRA - Raw Water Reservations(W)	172,254							Raw Water Reserved from system and a third costs effective cost of water
Total 16200 - LCRA Raw Water Reservations Fees	695,854							
16100 - Customer Operations - Water								
16111 - Base Fee for Services (W)	875,424	42%	58%		593,140	546,244		System Base Extra Capacity
16112 - Maintenance & Repair (W)	529,000							Retain code expense
16113 - Customer Services (W)	297,799			100%			297,799	
16114 - Engineering/ Consult Fees (W)		42%	58%					
Total 16100 - Contract Operations - Water	1,702,223				593,140	546,244	297,799	
16200 - Materials & Supplies (W)	10,000	42%	58%		4,200	5,700		System Base Extra Capacity
16130 - Chemicals (W)	220,150	50%	50%		110,075	110,075		System Base Extra Capacity
16140 - Transportation (W)		42%	58%					System Base Extra Capacity
16150 - Outside Services (W)	13,500	42%	58%		5,670	7,830		System Base Extra Capacity
16160 - Utilities - Electric (W)	1,345,675	50%	50%		672,837	672,837		System Base Extra Capacity
16170 - Utilities - Telephone (W)	14,774	42%	58%		6,205	8,569		System Base Extra Capacity
16180 - Environmental Regulatory Fees(W)	10,000	42%	58%		4,200	5,700		System Base Extra Capacity
16190 - Other Expenses (W)	200,000	50%	50%	100%	100,000	100,000	100,000	Advanced 15% of cost to customer, based on estimate of time on customer assets
Total (1) Water Department - Expenses	3,407,178				2,306,525	1,664,702	136,488	
(2) Wastewater Department - Exp								
16200 - Customer Operations Wastewater								
16201 - Base Fee for Services (WW)								
16202 - Maintenance & Repair (WW)								
16203 - Customer Services (WW)								
16204 - Engineering/ Consult Fees (WW)								
Total 16200 - Contract Operations Wastewater								
16210 - Materials & Supplies (WW)								
16220 - Chemicals (WW)								
16230 - Sludge Disposal (WW)								
16240 - Utilities - Electric (WW)								
16250 - Utilities - Telephone (WW)								
16260 - Environmental Regulatory Fees(WW)								
Special Programs	5,000,000							Excludes, Rental City Cost
16270 - Other Expenses (WW)								
16280 - Utilities - Gas (WW)								
Total (2) Wastewater Department - Exp	5,000,000							
(3) Shared Department - Expenses								
16300 - Professional Services								
General Operating								
16311 - General Counsel - Operating	107,000	40%	60%	50%	42,800	41,520		Compensation, Retained Legal Counsel - from System & State
16312 - Engineering - Operating	100,000	40%	60%	50%	40,000	56,920		Compensation
16313 - General Manager - Operating		40%	60%	50%				Compensation
16314 - Bookkeeping - Operating		40%	60%	50%				Compensation
16315 - Financial Manager - Operating		40%	60%	50%				Compensation
16316 - General Counsel - Legislative		40%	60%	50%				Compensation
Total General Operating	197,000				82,800	98,440		
Special Contract Services								
16321 - General Counsel - Special Contr		40%	60%	50%				Compensation
16322 - Rate Study - Special Contract	45,000	40%	60%	50%	18,000	17,400		Compensation
16323 - Inspection/Plan Review-Special	45,000	40%	60%	50%	18,000	17,400		Compensation
16324 - Other Engineering Analysis-Spec	427,000	42%	58%		179,340	247,660		System Base Extra Capacity
Total Special Contract Services	517,000				205,340	282,560		
Transitional Support Services								
16301 - General Counsel - Transitional		40%	60%	50%				Compensation
16302 - Engineering - Transitional		40%	60%	50%				Compensation
16303 - Task 22 - SEB Activities		40%	60%	50%				Compensation
16304 - Engineering - Transitional - Other		40%	60%	50%				Compensation
Total 16300 - Engineering - Transitional		40%	60%	50%				Compensation
16305 - General Manager - Transitional		40%	60%	50%				Compensation
16306 - Bookkeeping - Transitional		40%	60%	50%				Compensation
16307 - Financial Manager - Transitional		40%	60%	50%				Compensation
16308 - Misc - Transitional		40%	60%	50%				Compensation
Total Transitional Support Services								
Total 16300 - Professional Services	714,000				298,140	381,400		
Personnel Expenses								
Salaries	417,542	37%	63%	50%	157,392	153,943	41,248	Based on composite of salaries
Benefits	27,706	37%	63%	50%	10,252	26,113	1,418	Based on composite of salaries
Total - Personnel Services	445,248				167,644	180,057	42,666	
16317 - Inventory Purchases Not Funded	100,000			100%			100,000	Asset Replacement Program
Training	14,279			100%			14,279	
Vehicles				100%				
16318 - Leak Detection Program	10,000	42%	58%		4,200	20,200		System Base Extra Capacity
16319 - SCADA Control System Maintenance	40,000	42%	58%		16,800	20,000		System Base Extra Capacity
16320 - Mapping/GIS Program		42%	58%					System Base Extra Capacity
16321 - Tools & Shop Supplies	16,307	37%	63%	50%	6,032	5,731	1,535	Based on composite of salaries
16322 - Computer Maintenance & Repair	11,000	37%	63%	50%	4,075	3,608	1,048	Based on composite of salaries
16323 - Furniture		37%	63%	50%				Based on composite of salaries
16324 - Janitor/Contract Labor		37%	63%	50%				Based on composite of salaries
16325 - Office Data & Supplies	16,342	37%	63%	50%	6,032	5,693	1,535	Based on composite of salaries
16326 - Utilities - Office & Outside Fa	2,279	37%	63%	50%	840	808	218	Based on composite of salaries
16327 - Conservation Education & Enfor	20,000	40%	60%	50%	8,000	12,000		Compensation
16328 - Insurance - General	40,000	42%	58%		16,800	46,500		System Base Extra Capacity
16329 - Bank Charges	200	40%	60%	50%	80	400		Compensation
16330 - Misc. Operating Expenses	13,727	40%	60%	50%	5,491	6,236		Compensation
16331 - Developer Software Lic				100%				Customer Cost Only
16332 - Lease Expenses	17,500	37%	63%	50%	6,475	16,000	4,515	Based on composite of salaries